

**ANNEX V TO THE COMMERCIAL CONTRACT
DESIGN AND EXECUTION OF WORKS OF THE CONSTRUCTION OF
THE ZEMUN-BORCA BRIDGE WITH THE ACCOMPANYNG ROADS**
Dated on April 15, 2010

Concluded in Belgrade, _____ 2015,
Between the Contracting Parties:

EMPLOYER: REPUBLIC OF SERBIA
MINISTRY OF CONSTRUCTION, TRANSPORT AND
INFRASTRUCTURE
(The Legal Successor of the Ministry of Transport)
represented by Prof. PhD Zorana Mihajlovic, Deputy Prime Minister
and
Minister of Construction, Transport and Infrastructure
(hereinafter referred to as: **EMPLOYER**)

BENEFICIARY: CITY OF BELGRADE
Belgrade, 2 Dragoslava Jovanovića Street
represented by Sinisa Mali, Mayor
(hereinafter referred to as: **BENEFICIARY**)

РЕПУБЛИКА СРБИЈА
ГРАДСКА УПРАВА БЕОГРАД
Бр. 344-1220/10
06.10. 2015 год.
БЕОГРАД

CONTRACTOR: CHINA ROAD AND BRIDGE CORPORATION (CRBC)
Beijing, PR China, C88 AndingmenwaiDajie
represented by Zhang Xiaoyuan, Managing Director
(hereinafter referred to as: **CONTRACTOR**)

PREAMBLE

The Contracting Parties hereby agree that:

- The Republic of Serbia as the Employer, the City of Belgrade as the Beneficiary and China Road & Bridge Corporation (CRBC) as the Contractor entered into the Commercial Contract / Design and Execution of Works of the Construction of the Zemun-Borca Bridge with the Accompanying Roads (hereinafter referred to as: the Commercial Contract) on April 15, 2010.
- The Amendment Agreement to the Commercial Contract / Design and Execution of Works of the Construction of the Zemun-Borca Bridge with the Accompanying Roads was concluded on April 21, 2011.
- Annex I to the Commercial Contract was concluded on June 14, 2011.
- Annex II to the Commercial Contract was concluded on May 14, 2012.
- Amendment to Commercial Contract / Design and Execution of Works of the Construction of the Zemun-Borca Bridge with the Accompanying Roads was concluded on December 26, 2012.
- Annex III to the Commercial Contract was concluded on January 06, 2014.
- Annex IV to the Commercial Contract was concluded on September 02, 2014.

- During execution of works it was recognized that there was a need for the Extension of Time for Completion of the part of Stage 2 works, for changing the scope of Lot 8 works and for works due to changed circumstances and subsequent works additional to Article 3 of the Commercial Contract, Article 2 of the Annex II to the Commercial Contract, and also in Article 2 of the Annex IV to the Commercial Contract (hereinafter referred to as "Additional Works").
- These Additional Works are described in the final Offer submitted by the Contractor in letter reference no. CRBC(RS)/ZB/LB-201509/99 dated on 23rd September 2015 to which the Engineer responded with written recommendation of acceptance and was subsequently accepted by the Working Group formed by the Government of the Republic of Serbia for coordination of the activities necessary for Project implementation and fulfilment of Employer's and Beneficiary's rights and obligations set forth in the Commercial Contract.

Article 1 Subject of the Annex V to the Commercial Contract –Additional Works and Extension of Time for Completion

- 1.1 This Annex V to the Commercial Contract defines the Extension of Time for Completion of the contracted Works defined in Article 7, item 4.3 of the Commercial Contract and in Article 2 of the Annex III to the Commercial Contract.
- 1.2 This Annex V to the Commercial Contract defines the change in the scope of Lot 8 works as defined in Terms of Reference (TOR) of the Commercial Contract, in Annex II of the Commercial Contract, and also in Annex IV of the Commercial Contract.
- 1.3 This Annex V to the Commercial Contract defines the execution of Additional Works additional to the scope of the Terms of Reference (TOR) of the Commercial Contract, to Annex II to the Commercial Contract, and also to Annex IV to the Commercial Contract, as described in the accepted Offer No. CRBC(RS)/ZB/LB/201509/99 submitted by the Contractor, and approved by Employer and Beneficiary, in accordance with Article 5 of the Commercial Contract. These Additional Works are stipulated in Article 5 of this Annex V.

Article 2 Extension of Time for Completion for the Contracted Works

Due to delays with regard to the Updated Land Acquisition/Construction Permit and Completion Plan provided by the Employer attached as Appendix 1 of Annex III to the Commercial Contract, time required for the execution of Additional Works, and also delay resulting from new design and construction of intersection-crossroad of North Tangent road with Zage Malivuk Street on LOT8 grounds instructed by the Employer, in order to make effective convergence between opening of traffic on roads and the surrounding area long-term development and to avoid problems with the relocation of high voltage cable, and in consideration of the Employer's requirement of completion of the remaining works defined in Article 7, Item 4.3 of the Commercial Contract and in Article 2 of the Annex III to the Commercial Contract, in 2 Parts with different deadline, through amicable discussion, both parties agreed the new completion dates as follows:

Stage 2, Part 1: Deadline for substantial completion of the part of the North Tangent Road from Kovilovo interchange to and including Railway bridge (from km 9+200 to km 19+384)

remains the same as defined for Stage 2 in Article 2 of the Annex III to the Commercial Contract, until September 27, 2015.

Stage 2, Part2: Deadline for the completion of the remaining works on the North Tangent Road Project, including Lot 8 is extended until 27th December 2015, provided that the Working Group of the Government of Serbia's consent to changes of Civil Works and Drainage detailed design for intersection of North Tangent road with Zage Malivuk Street is received before 1st October 2015 and weather conditions allow for execution of the critical path works including for the execution of the works which may become critical. If the weather conditions prevent the Contractor to complete above-mentioned works on time, provisions of Article 48 to Commercial Contract are not going to be applicable for the time period of bad weather conditions. These bad weather conditions are defined within Serbian Road Construction Specifications, published by Roads of Serbia in October 2012.

As the Contractor has submitted Notices of Claim for Extension of Time until April 17, 2016 and these Claims are still not resolved, Parties agree that their agreement of this deadline does not prejudice the resolution of these Claims and therefore the Contractor reserves his right to claim related costs.

Article 3 Entitlement to Additional Compensation

Contracting Parties agree that signing of this Annex V shall not waive the Contractor's entitlements, which already arose during the execution of the Contract or may arise from the date of signing this Annex V in accordance with provisions from the Commercial Contract and this Annex.

The Contracting Parties agree that the Contractor is entitled to compensation of all costs arising out due to extension of Time for Completion, as defined in Article 2 of this Annex V.

Final amount of compensation will be determined later in accordance with the provisions of the Commercial Contract in a manner and procedure specified therein.

Article 4 Change of Scope of Lot 8 works

Contracting Parties agree that the intersection-crossroad of North Tangent road with Zage Malivuk Street with traffic lights is to be designed and executed, instead of the Terms of References and Main Design specified Underpass on km 19+820,96 and instead of the Annex IV of the Commercial Contract defined access road to "Politika".

These works are instructed by the Employer as the better solution to the existing designed one, and it is the Employer obligation to obtain amended Building Permit. Contractor confirms that these changes of scope shall not incur additional costs for the Employer above those already provided for in this Annex, except the costs mentioned in Article 3.

Article 5 Scope of Additional Works

The scope of the Works defined in this Article comprises all of the Additional Works described in the accepted Offers.

Parties mutually agree that the Works described in the above stated Article 1 of this Annex V are additional to the original requirements of the Commercial Contract and are thus considered to fall under the definition of "Changed Circumstances" and "Subsequent Works" pursuant to provisions of Article 5 from the Commercial Contract.

The Additional Works include design and construction of the works as follows:

- 5.1 Protection of main drain within junction of Cara Dusana Street and Northern Tangent Road.
- 5.2 Installation of additional gullies within junction in Cara Dusana Street.
- 5.3 Adjustment of levels for existing manhole covers
- 5.4 Shaft in Cara Dusana Street in vicinity of junction with Northern Tangent
- 5.5 Banatska Street and fitting to Cara Dusana (Access to the residential and business facilities and fitting up to Cara Dusana Junction (left and right). Stairs on the entrance to the garage and on sidewalks, Traffic signalization and equipment, Telecom installation, Lighting of the road, Power supply of traffic light devices)
- 5.6 Noise protection wall in Banatska Str.-Zemun
- 5.7 Banatska 83 Unexecuted works (Traffic signalization and equipment, Telecom installation, Road lighting, Power supply of traffic light devices)
- 5.8 Connection of bicycle paths on left and right side of the carriageway on Lot 2
- 5.9 Reconstruction of Installation at Lot 8 including EDB, Telecommunications and BVK (Design for Reconstruction of Installation at Lot 8 including EDB, Telecommunications and BVK, Reconstruction of Electric Power Network, Relocation of Optical Cable Telenor located km 20+140, Reconstruction of water supply network in Politika)
- 5.10 Modified access to "Politika"
- 5.11 Design of new intersection-crossroad of North Tangent road with Zage Malivuk Street
- 5.12 Ovea Road Intersection (Design for Water Supply pipe 50mm dia at Ovea Road, Water Supply pipe 50mm dia at Ovea Road, Traffic signalization at Ovea Road)

Article 6 Time for Completion of Additional Works

Time for Completion of Works is as follows:

- The works defined in article 5, Clause 5.1, 5.2, 5.3, 5.4 and 5.5 are completed.
- For the Works defined in Article 5, Clause 5.6, 5.7, 5.8, 5.9, 5.10 and 5.11 completion date for Stage 2, Part 2 works.
- For the Works defined in Article 5, Clause 5.12 completion date for Stage 2, Part 1 works.

Article 7 Method of Payment

7.1 Payment of the executed Additional Works defined under Article 5 of this Annex V shall be made in accordance with the adjusted Milestone Payment Schedule defined in Annex IV to Commercial Contract, attached herein as Appendix 1 to Annex V. The payment of the executed Additional Works shall be made from the funds provided by the Employer and Beneficiary and described through provisions of Article 5 from the Commercial Contract.

7.2 Existing Milestone Payment Schedule which is the integral part of Annex III to the Commercial Contract shall be adjusted as per proposed completion times defined in Dynamic Plan for Works and as per the change of scope of Lot 8 works defined in Article 4 of this Annex V, attached herein as Appendix II to Annex V. Contractor is entitled to receive retention money from Appendix II by submitting the adequate Bank Guarantee in return. This payment shall be performed in accordance with the budget possibilities of Republic of Serbia for 2016.

Article 8 Value of the Works

The value of the Additional Works defined in Article 5 of this Annex V is the value accepted in the Contractor's Offer for Additional Works and amounts US\$ 705,508.01 (in words: seven hundred five thousand five hundred eight dollars and 01/100), which in addition to the design and construction costs also includes the profit of the Contractor as well as expenses of organizing the construction site, preparatory works, accompanying material and equipment, insurance and all other related, direct or indirect expenses of the Contractor.

Article 9 Performance Guarantee for Additional Works

For the purpose of execution of these Additional Works defined in this Annex V, the Employer and Beneficiary do not require the Contractor to submit an additional Performance Guarantee and contracting parties mutually agree that existing Performance Guarantee No.BKD2014L.G00215 covers these works as well.

Article 10 Issuing of the Taking-Over Certificate

The Engineer is obliged to issue the Taking-Over Certificate separately, for each Part, in accordance with deadline of completion of works stipulated in this Annex V, Article 2. Employer confirms that formal obtaining of the amended Building Permit for Lot 8 works, will not affect in any way taking over of the works.

Article 11 Performance Guarantee for the Project

Upon successful completion of Stage I Defects Notification Period, which is to be confirmed by the Engineer, the Contractor is entitled to reduce the value of the Performance Guarantee for the Project by amendment or replacement to the value of 10% of the Stage II works. The validity of this reduced Performance Security must be until 24th January 2018.

Article 12 Execution and Financing of Additional Works

During execution of the Additional Works, unless otherwise expressly stated in this Annex V, the Articles defined in the Commercial Contract shall be applicable.

Article 13 Final Provisions

13.1 Annex V Coming into Force

Annex V to the Commercial Contract shall come into force on the day of its signature by the contracting parties, thus becoming the integral part of the signed Commercial Contract and is in application starting from 28th September 2015.


13.2 Copies

This Annex V to the Commercial Contract is made in Serbian and English language in 9 (nine) identical copies in both languages, 3 (three) of which are for the Employer, 3 (three) of which are for the Beneficiary, and 3 (three) of which are for the Contractor. In case of some ambiguities in interpretation of this document the English version shall prevail.


Appendix I –Updated Annex IV Milestone Payment Schedule for Additional Works

Appendix II –Updated Annex III Milestone Payment Schedules

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REPUBLIC OF SERBIA
MINISTRY OF CONSTRUCTION, TRANSPORT AND INFRASTRUCTURE



(Prof. PhD Zorana Mihajlović, Deputy Prime Minister and Minister of Construction,
Transport and Infrastructure)


CITY OF BELGRADE

(Sinisa Mali, Mayor)

CHINA ROAD AND BRIDGE CORPORATION



(Zhang Xiaoyuan, Managing Director)