



Terms and Conditions for Securing Occupational Health and Safety (OHS), Environmental Protection (EP), Fire Safety (FS), and Physical Security (PS) ("Terms and Conditions") Issued in accordance with Section 1751 of Act No. 89/2012 Coll., the Civil Code

The purpose of the Terms and Conditions is to define the rights and duties of all contracting parties (Customer and Supplier) in the framework of securing occupational health and safety ("OHS"), fire safety ("FS"), environmental protection ("EP"), and physical security ("PS") during the performance of Contracts on the Customer's permanent and temporary worksites in accordance with law of the Czech Republic.

"Customer" means:

NET4GAS, s.r.o.

Na Hřebenech II 1718/8

140 21 Prague 4 – Nusle, Czech Republic

A company registered under Section C, File 108316 in the Commercial Register maintained by the Prague Municipal Court, Identification No. 27260364, VAT No. CZ27260364

"Supplier" means every entity with which a Contract has been entered into, where, as a result of the performance of such a Contract, rights and duties arise for the contracting parties with regard to OHS, FS, EP, and PS. These Terms and Conditions also apply to the Supplier's subcontractors. The Supplier undertakes to ensure that while supply is provided to the benefit of the Customer, the Supplier's Employees, subcontractors, and their employees comply with these Terms and Conditions and fulfil the duties set out herein to the same extent to which the duties apply to the Supplier.

"Supplier's Employee" means every person assigned by the Supplier to perform the Contract.

"Worksite" means a worksite established in structures or facilities owned by the Customer, worksites in structures or facilities occupied by the Customer based on lease agreements or other contractual arrangements, worksites established in the security and safety corridors of gas facilities where the Customer conducts operations on a permanent or temporary basis, and worksites other than the foregoing where the Customer's employees conduct operations in connection with the performance of the Contract between the Customer and the Supplier.

"Contract" means a contract between the Customer and the Supplier (including contracts having the form of an order accepted and confirmed in accordance with the Customer's terms of service or internal regulations), where the subject matter includes, without limitation, the supply of goods, the completion of work (such as construction work), or the provision of a service, and whereunder the contracting parties agree that these Terms and Conditions are to apply to such a Contract where applicable.

1. Occupational Health and Safety

1.1. Rights and Duties of the Supplier

- 1.1.1. The Supplier undertakes to cooperate with the Customer in securing occupational health and safety for the Supplier's Employees working on Worksites within the meaning of Section 101 of Act No. 262/2006 Coll., the Labor Code, as in effect.
- 1.1.2. The Supplier undertakes to fulfill all the requirements laid down in Sections 102 to 107 of Act No. 262/2006 Coll., the Labor Code, as in effect.
- 1.1.3. Before beginning work constituting the subject matter of the Contract, the Supplier must perform tasks including, without limitation, the following:
 - a) to report in advance the scope of work and to negotiate with the Customer the terms and conditions for the performance of such work;
 - b) to hand over to the Customer information in writing on risks relating to the performance of such work and on protective measures taken to prevent such risks;
 - c) to enter into a written agreement with other Suppliers on the Worksite, based on which an assigned Supplier will coordinate the implementation of measures aimed at securing occupational health and safety; the agreement will define procedures for securing occupational health and safety;
 - d) to present to the Customer documents certifying the existence of in-effect permits to conduct operations requiring professional competence or specialized professional competence;
 - e) to request from the Customer information in writing on risks and on protection from such risks on the Worksite;
 - f) to submit to the Customer for approval a written description of technological processes for the performance of work;
 - g) to inform its employees of risks on the Worksite of which the Supplier is informed by the Customer in writing and on protection from such risks;
 - h) to inform the Customer in writing whether the subject matter of the Contract will be performed by multiple subcontractors to allow the Customer to determine the method for coordinating occupational safety on the Worksite in accordance with the Labor Code, or to secure the presence of an OHS coordinator on the Worksite if the work to be performed meets the conditions for the appointment thereof; and
 - i) to secure training for its employees regarding the Customer's mandatory OHS procedures.
- 1.1.4. Immediately before beginning the performance of work, the Supplier must:
 - a) accept the Worksite from the Customer by means of a written certificate and keep the acceptance certificate on the Worksite throughout the performance work;
 - b) designate the Worksite and its accessories in the prescribed manner, including pedestrian walkways and roads providing access to the Worksite;



- c) request from the Customer a written Work Performance Consent for the following types of work and activities: work in the safety zone of gas facilities, work in areas where the hazard of explosion exists, work involving increased fire hazard, work on high-voltage (HV) electrical equipment, work in enclosed spaces, and work at height and above open deep space; and
- d) assign work only to employees who have been demonstrably trained with regard to general OHS-related requirements, the Customer's mandatory OHS-related procedures, risks on the Worksite and protection from such risks, who hold a valid certificate to perform work requiring professional competence or specialized professional competence as per the relevant legal requirements, and who are medically fit to perform the relevant work.

1.1.5. In performing work on the Worksite, the Supplier must:

- a) ensure the permanent presence of a thereby assigned person who is responsible for managing and coordinating the performance of work, securing OHS, and communicating with the Customer;
- b) request the Customer's written consent to any modification of safety, public-health, and fire-fighting equipment and the designation thereof;
- c) register, record, report, and describe all work accidents of its employees and invite the Customer to take part in the due investigation thereof;
- d) keep records of and report hours worked by the Supplier's Employees on the Worksite; and
- e) send, on a monthly basis, before the 10th business day after the end of a calendar month, any and all records pertaining to work accidents that occur during the performance of work for the Customer as well as recorded hours worked to the following e-mail address: urazy@net4gas.cz

1.1.6. In performing work on the Worksite, the Supplier must ensure that its employees:

- a) comply with legal public-health and OHS-related requirements and the Customer's OHS-related procedures, and act so as to avoid any personal injury and damage to property;
- b) keep the Worksite clean and tidy;
- c) refrain from bringing to or consuming on the Worksite alcoholic beverages or other narcotic and psychotropic substances, or enter the Worksite under the influence thereof; at the Customer's request, they must submit to a detection test relating to the foregoing in the presence of the Supplier's supervisory employee;
- d) undergo a check at the Customer's request of items brought to and from the Worksite;
- e) present a valid identification document at the Customer's request; and
- f) present a valid document certifying professional competence or special professional competence at the Customer's request, if they perform work for which such competence is required.

1.2. Rights and Duties of the Customer

1.2.1. The Customer's duties include:

- a) providing the Supplier with information in writing on risks present on Worksites and on prescribed measures of protection from such risks (proce-

dures for securing OHS required by the Customer);

- b) informing its employees of risks relating to the performance of work of which the Customer is informed and on measures of protection against such risks;
- c) informing the Supplier of measures for the handling of emergencies;
- d) delivering the Worksite to the Supplier in a proper and due manner.

1.2.2. The Customer's rights include:

- a) inspecting work performed by the Supplier with regard to compliance with the aforesaid occupational health and safety requirements and, in the event of a breach of any requirement liable to endanger safety or health, ordering a suspension or the termination of work or ejecting the originator of the foregoing from the Worksite; and
- b) conducting an audit of the Supplier in order to assess conformity to legal requirements and to the Customer's OHS- and FS-related commitments.

2. Environmental Protection

2.1. Rights and Duties of the Provider

2.1.1. The Supplier undertakes to carry out all contractually agreed activities in a manner preventing any adverse effects on the environment. On Worksites, the Supplier must observe the Customer's internal instructions and regulations pertaining to environmental protection and laws of general application in effect in the Czech Republic. The Supplier is liable for any environmental damage resulting from its actions, which is incurred by the Supplier itself, the Customer, or third parties, including the cost of remedying such damage.

2.1.2. If the Supplier handles hazardous chemical substances or chemical mixtures on the Customer's Worksite, the Customer must:

- a) present the Customer, prior to the beginning of work, with a list of any and all hazardous chemical substances and chemical mixtures, which the Supplier uses as a part of its supply, including safety data sheets;
- b) store hazardous chemical substances and chemical mixtures in accordance with instructions stated in safety data sheets and ensure that the same are handled solely by employees provably informed of such instructions;
- c) handle hazardous chemical substances and chemical mixtures so as to avoid any leakage thereof into the surrounding environment, including, without limitation, soil or underground and surface water;
- d) treat used packaging for hazardous substances in the same manner as hazardous waste.

2.1.3. The Supplier is a producer of waste generated as part of the performance of work constituting the subject matter of the Contract. As such, the Supplier is subject to following duties:

- a) submitting at the Customer's request, prior to beginning the provision of supply or services constituting the subject matter of the Contract, an overview of all waste the Supplier is produce as the originator of waste, specifying the following infor-



mation: name, type, catalogue number, estimated quantity, collection, transportation, and disposal method, and in-effect permits for disposing of the relevant waste;

- b) managing produced waste in a proper manner, in particular, collecting waste sorted by type at dedicated points and keeping records of the quantity of waste;
- c) establishing its own collection site or collection facilities with technical parameters preventing the contamination of water and soil by waste, and, where applicable, the leakage of waste or its constituents into the environment, and ensuring the proper designation thereof.

2.1.4. In the event of an emergency as per Section 40 of Act No. 254/2001 Coll., the person who ascertains the emergency must immediately take action to prevent the emergency from escalating and must immediately report the emergency to the Customer.

2.2. Rights and Duties of the Customer

2.2.1. The Customer must provide documents describing mandatory procedures for securing environmental protection.

2.2.2. The Customer must inform the Supplier of measures for the handling of emergencies.

2.2.3. The Customer has the right to inspect the Supplier's work with regard to compliance with the aforementioned environmental protection requirements. In the event of a serious breach of any requirement liable to result in environmental damage, the Customer may suspend or terminate work or eject the perpetrator from the Worksite and the Customer's premises.

2.2.4. The Customer has the right to carry out an audit of the Supplier in order to assess conformity to legal requirements and the Customer's environmental protection requirements.

3. Fire Safety

3.1. Rights and Duties of the Provider

3.1.1. Unless otherwise agreed, the Supplier is responsible for securing fire safety on Worksites to the extent work performed by the Supplier.

3.1.2. The Supplier must act so as to refrain from causing fire and from endangering life, health, and property. For this purpose, the Supplier must comply with the fire-safety regulations in effect on the Customer's Worksite and provide instructions to that effect to its employees who work on Worksite.

3.1.3. Before beginning work constituting the subject matter of the Contract, the Supplier must perform tasks including, without limitation, the following:

- a) to report in advance the scope of work and to negotiate with the Customer the FS-related conditions for the performance of such work;
- b) to submit to the Customer for approval a written description of technological processes for the performance of work;

- c) to secure training for its employees regarding the Customer's mandatory FS procedures;
- d) to accept the Worksite from the Customer by means of a written certificate and keep the acceptance certificate on the Worksite throughout the performance work;
- e) to assign work solely to employees who have been demonstrably trained with regard to general FS requirements, the Consumer's mandatory FS procedures, fire risks existing on the Customer's Worksites, and fire-prevention, reporting, and extinguishing procedures.

3.1.4. While executing activities related to the subject matter of the Contract on the Customer's Worksites, the Supplier must:

- a) secure unobstructed access to emergency exits and routes, electric power distribution equipment, gas, water, and heating shutoff valves, and fire-safety and fire-fighting equipment and systems, wherever work is performed near the foregoing;
- b) ensure that the Supplier's employees strictly comply with all instructions stated on safety signs and observe emergency alarms;
- c) ensure that the Supplier's employees only perform work involving increased fire hazard after receiving a written Work Performance Consent;
- d) procure fire-safety equipment;
- e) ensure that the Supplier's employees conform to procedures detailed in a written Work Performance Consent in performing work involving increased fire hazard;
- f) activate a fire alarm after detecting a fire;
- g) provide commensurate assistance in fighting a fire.

3.2. Rights and Duties of the Customer

3.2.1. The Customer is responsible for securing fire safety on its Worksites, with the exception of Worksites handed over to the Supplier.

3.2.2. The Customer must provide the Supplier with information on procedures for securing FS.

3.2.3. Furthermore, prior to the beginning of work and after every substantial change of FS-related matters, the Customer must provide the Supplier with information necessary for providing the Supplier's employees with relevant training or instructions.

3.2.4. The Customer has the right to inspect the Supplier's work with regard to compliance with the aforementioned fire-safety requirements.

3.2.5. In the event of a serious breach of any requirement liable to result in a fire or to endanger life, health, or property, the Customer has the right to suspend or terminate work and/or to eject the perpetrator from the Worksite. The Customer has the right to carry out an audit of the Supplier in order to assess conformity to legal requirements and the Customer's fire-safety requirements.



4. Physical Security

4.1. Rights and Duties of the Provider

- 4.1.1. Independent entry to the Customer's Worksite is allowed only to persons who meet the requirements for independent entry. These requirements include, without limitation, the completion of training relating to OHS, FS, EP, and PS procedures, the existence of an employment agreement, contract, or another similar arrangement with the Customer or the Supplier, solely if work is performed for the Customer.
- 4.1.2. If the Supplier applies for independent entry, the Supplier must apply in writing to the Customer for an identification card ("IDC") for natural persons who are to be provided with the right for independent entry. Such persons must wear the IDC in a visible manner throughout the time during which they have the right for independent entry.
- 4.1.3. If an IDC is obtained for a natural person, the Supplier must protect the IDC from destruction, loss, and misuse.
- 4.1.4. The Supplier must ensure that a natural person for whom an IDC is obtained only uses the same for the purpose of providing supply to the Customer.
- 4.1.5. An IDC is non-transferable.
- 4.1.6. All other persons may enter the Worksite only if accompanied by the Customer.

5. Contractual Penalties

5.1. General Provisions

- 5.1.1. For a failure to comply with or for a violation of the Supplier's duties laid down in these Terms and Conditions, the Supplier must pay the Customer a contractual penalty for every individual violation.
- 5.1.2. If a second violation of the same duty is committed, the Supplier must pay the Customer for every individual violation a contractual penalty equal to a double of the original amount of the contractual penalty.
- 5.1.3. The Supplier must pay a contractual penalty to the Customer's account within 30 days after the date of delivery of a notice to that effect. If the Supplier fails to comply with this duty by the relevant due date, the Supplier must pay the Customer, over and above the contractual penalty, late payment interest on the unpaid contractual penalty at the rate of 16% p.a. as per an agreement of the contracting parties.
- 5.1.4. The duty to pay a contractual penalty does not prejudice the right to claim compensation for damage insofar as damage exceeds the contractual penalty.
- 5.1.5. The Customer has the right to set off any financial claim to the Supplier against the Supplier's receivables from the Client.

5.2. OHS and FS

- 5.2.1. The Supplier's failure to comply with in-effect regulations and the Customer's procedures, which results in a fatal work accident, is subject to a contractual penalty in the amount of CZK 500,000 for every individual violation.
- 5.2.2. The Supplier's failure to comply with in-effect regulations and the Customer's procedures, which results in a work accident resulting in incapacity for work lasting longer than one shift, is subject to a contractual penalty in the amount of CZK 100,000 for every individual violation.
- 5.2.3. The Supplier's failure to inform the Customer that construction work constituting the subject matter of the Contract will be performed on the Worksite by multiple subcontractors as a result of which the Customer, being the contracting entity, does not appoint an occupational safety coordinator (coordinators) for the Worksite as per the applicable legal regulations is subject to a contractual penalty in the amount of CZK 100,000 for every individual violation.
- 5.2.4. The Supplier's conduct of work and activities for which a Work Performance Consent is required without a valid Work Performance Consent or the Supplier failure to comply with requirements laid down in a Work Performance Consent is subject to a contractual penalty in the amount of CZK 50,000 for every individual violation.
- 5.2.5. The Supplier's violation of the prohibition to smoke and to bring and consume alcohol or other narcotic and psychotropic substances on the Customer's Worksite is subject to a contractual penalty in the amount of CZK 50,000 for every individual violation.
- 5.2.6. The Supplier's violation of the prohibition to be present on the Worksite under the influence of alcohol or other narcotic and psychotropic substances is subject to a contractual penalty in the amount of CZK 50,000 for every individual violation.
- 5.2.7. The performance of work by the Supplier for which professional competence is required by employees not possessing the required professional competence is subject to a contractual penalty in the amount of CZK 50,000 for every individual violation.
- 5.2.8. The Supplier's failure to use protective equipment during the performance of work in accordance with the Customer's OHS requirements or technological processes is subject to a contractual penalty in the amount of CZK 20,000 for every individual violation.
- 5.2.9. The Supplier's failure to use protective equipment in accordance with the Customer's OHS requirements or technological processes while entering the Worksite to carry out management and inspection tasks is subject to a contractual penalty in the amount of CZK 10,000 for every individual violation.
- 5.2.10. The Supplier's failure to comply with the duty to ensure that its employees wear a designation of the Supplier's business name is subject to a contractual penalty in the amount of CZK 5,000 for every individual violation.
- 5.2.11. The Supplier's failure to submit work accident reports and reports of hours worked in accordance with Section 1.1.5.e is subject to a contractual penalty in the amount of CZK 1,000 for every individual violation.
- 5.2.12. An especially gross breach of the Supplier's duties, including, without limitation:



- a) a failure to secure excavations (missing warning tapes, missing railings, violation of sloping requirements, bottom treatment, protection from water, emergency escape paths, placement of excessive load on edges of excavations, missing sheeting in excavations, or failure to comply with quality requirements for excavation sheeting);
- b) the use of unfit equipment (ladders, scaffolding etc.);
- c) the handling of heavy materials (binding, transport, binding materials, qualifications of operators) in a manner endangering the safety of operators or other persons; and/or
- d) a failure to comply with the prescribed procedures for storing materials (risk of slide or collapse of stored materials, etc.);

is subject to a contractual penalty payable by the Supplier to the Customer of CZK 50,000 for every individual violation.

5.2.13. A gross breach of the Supplier's duties, including, without limitation:

- a) a failure to secure an opening that is to be secured due to safety reasons (potential fall of materials, tools, or persons);
- b) the transport of persons by unfit means (on parts of machines, cranes etc.);
- c) a failure to secure pressure bottles;
- d) a failure to comply with the requirements for designating and fencing a Worksite;
- e) the absence of a first-aid kit; and/or
- f) the use of unfit electrical equipment (damaged cables, damaged hand tools, invalid inspection certificates, etc.);

is subject to a contractual penalty payable by the Supplier to the Customer of CZK 30,000 for every individual violation.

5.3. EP

5.3.1. The Supplier must pay the Customer a contractual penalty for the violations of laws of general application by the Supplier:

- a) disposal of the Supplier's waste contrary to Act No. 185/2001 Coll., on Waste Management is subject to a contractual penalty in the amount of CZK 20,000 for every individual violation;
- b) the Supplier's failure to comply with Section 39, Paragraph (4) of Act No. 254/2001 Coll., the Water Act, (leakage of contaminants into soil or water) is subject to a contractual penalty in the amount of CZK 100,000 for every individual violation;
- c) the Supplier's failure to fulfill the general duties laid down in Sections 4 to 13 of Act No. 114/1992 Coll. on Nature and Landscape Protection (general nature conservation) is subject to a contractual penalty in the amount of CZK 50,000 for every individual violation;
- d) a failure to comply with the Customer's internal environmental protection rules of which the Supplier has been demonstrably informed (operating rules for waste management and for the handling of chemical substances and mixtures, operating rules for water management) is subject to a contractual penalty in the amount of CZK 50,000 for every individual violation;
- e) the Supplier's failure to observe and comply with duties to which the Supplier is subject as per the

Customer's emergency plans of which the Supplier has been demonstrably informed is subject to a contractual penalty in the amount of CZK 30,000 for every individual violation; and

- f) the use of machinery causing damage to the environment is subject to a contractual penalty in the amount of CZK 10,000 for every individual violation.

5.4. Physical Security

5.4.1. The Supplier's violation of the duty to use a personal identification card (IDC) when entering the Customer's premises is subject to a contractual penalty in the amount of CZK 20,000 for every individual violation.

5.4.2. The misuse of an IDC or another access means (key, etc.) is subject to a contractual penalty of CZK 40,000 for every individual violation.

5.4.3. The Supplier's violation of the rules pertaining to independent entry to the Customer's premises is subject to a contractual penalty of CZK 20,000 for every individual violation.

5.4.4. The Supplier acknowledges that the Customer has the right to revoke the Supplier's right of independent entry to the Customer's premises in the event the Supplier commits a violation of the rules for independent entry to the Customer's premises, where such revocation will not be deemed to constitute an obstacle caused by the Customer.

These Terms and Conditions enter into force on 1 October 2016.

The Terms and Conditions of 30 April 2014 expire on the day of the entry into force of these Terms and Conditions.



Annex No. 1:

Minimum Requirements for Work Equipment and Personal Protective Equipment on NET4GAS, s.r.o. Worksites

Office buildings

No work equipment and personal protective equipment is required

Process facilities (one-time accompanied entry):

- Hardhat
- Long trousers, a T-shirt with short sleeves as a minimum



- Sturdy shoes

Process facilities (independent performance of work):

- Hardhat
- Reflective vest or high-visibility Class 1 work clothes
- Long trousers, a T-shirt with short sleeves as a minimum
- Class S1 safety footwear as per EN ISO 20 345

Process facilities (independent performance of work) + areas where the risk of explosion exists:

- Antistatic hardhat
- Long trousers, shirt with long sleeves (both made of non-flammable and antistatic fabrics)
- Class S1 safety footwear as per EN ISO 20 345

Construction site – inspection and administration tasks:

- Hardhat
- Reflective vest or high-visibility Class 1 work clothes
- Long trousers, a T-shirt with short sleeves as a minimum



- Sturdy shoes

Construction site – construction and installation work:

- Hardhat
- Reflective vest or high-visibility Class 1 work clothes
- Long trousers, a T-shirt with short sleeves as a minimum
- Class S3 safety footwear as per EN ISO 20 345 as a minimum