

Mutual obligations of the Parties

in the area of occupational safety and health, fire protection, environmental protection, security and entry permits, including related provisions

Annex to the Trade Contract made between the Contractor and the Ordering Party (hereinafter Contract) (version 2020/03)

Introductory Provisions

For the purposes of this document, the Contracting Parties are specified as the "Contractor" and the "Ordering Party". The Ordering Party is defined as GO Steel Frýdek Místek a.s.

The mutual relations, commitments, obligations and requirements for the provision of services (work) are agreed by the Contracting Parties in the Contract.

If employees of two and more employers perform tasks in one workplace, the employers are obliged to inform each other in writing of the risks and to cooperate with respect to health and safety at the workplace.

The Contractor is obliged to transfer the Ordering Party's requirements arising from the Contract to its employees and to the Contracts made with subcontractors or to the contracts of the subcontractors made with other subcontractors. For the purposes of this document, the term "Contractor's employees" is also understood as the employees of the Contractor's subcontractors.

For the purposes of this document, the Premises consist of buildings and areas owned by GO Steel Frýdek Místek a.s. (or by the Ordering Party) and the companies having their registered offices and immovables here; all of them are fenced in with watch-houses (the main Premises) or the buildings are located separately and properly designated.

When performing work, the Contractor is obliged to respect all aspects and obligations arising from the introduced IMS certified under EN ISO 9001, EN ISO 14001, EN ISO 50001 and ISO 45001 which it will be made acquainted with by the responsible employees of the Ordering Party stipulated in the Contract for Work; further, the Contractor is obliged to adhere to the related internal regulations of the Ordering Party.

The contractual penalties stipulated in this document shall not affect the right of the Ordering Party to damages arising from a breach of the obligations set out in this document by the parties specified herein.

(Note: The above-stipulated obligations of the Ordering Party, including any necessary cooperation with the Contractor, are to be organized by the department of the Ordering Party requesting the service.)

1 Occupational Safety and Health (OSH)

A) Risk Analysis

- 1 The Contractor is obliged to cooperate in preparation of a risk analysis with its subcontractors.
- 2 The Contractor is obliged to update such risk analysis if working conditions in the workplace have changed and to reflect these changes in the document decisive for Occupational Safety and Health management for the given project (e.g. OSH Plan).
- 3 The Contractor is obliged to include all assessed risks in such risk analysis including those arising from the management of chemicals and compounds (information provided in the safety sheets for the respective chemical or compound).
- 4 The Contractor is obliged to perform a Last Minute Risk Assessment (LMRA) every day prior to commencing work. A form for elaboration of the assessment is available at: <https://www.gosteel.cz/en/>.
The Contractor will hand over the set of completed forms once a week to a person designated by the Ordering Party to be responsible for taking over the work.
- 5 A Contractor, who keeps performing the same repeated work described in operating safety regulations (the incorporated risk analysis) and has been demonstrably acquainted with these regulations, is not obliged to perform the Last Minute Risk Assessment (LMRA) on a daily basis but always when changing work activities, changing the workplace, changing employees in the workplace, but at least once a month.

B) Management of Chemicals, REACH

1 The Contractor is obliged to create conditions for occupational safety and health when preparing the Contractor's documentation, an integral part of which is a **technological or operating procedure**. The Contractor is also obliged to report the import of chemical substances and mixtures (ChSaM) prior to commencing the work. All chemical substances and mixtures must have the necessary documents to ensure safety, including information about the stipulated quantities. These documents must be shared with the Ordering Party prior to introducing the substances to the premises and the Ordering Party (specified in the Contract for OSH) must verify this import.

If the working conditions at the workplace are changed, the Contractor is obliged to amend such process and inform the affected employees and the Ordering Party's employees about the amendments.

2 If the Contractor (or its subcontractor) upon execution of the Contract uses substances or mixtures specified as hazardous chemicals or mixtures in the (Material) Safety Data Sheet (SDS or MSDS) and if they are classified according to Regulation (EC) no. 1272/2008 as acute toxic (category 1, 2) and acute toxic (category 3), toxic for specific target organs after single exposure or after repeated exposure (category 1), caustic (category 1A, 1B, 1C), or with assigned classifications: as carcinogenic (category 1A or 1B), germ cell mutagenic (category 1A or 1B) and toxic for reproduction (category 1A or 1B), under paragraph 44 a), article 7 of Act no. 258/2000 Coll. it is obliged to prepare the Safety Rules in writing for those substances and these Rules are to be discussed with the Regional Hygiene Office. The Contractor is obliged to present these Rules to the Ordering Party prior to commencing the work. Subsequently, the Ordering Party is obliged to ensure that its employees are prevented from making contact with the above-specified substances/mixtures or to organize training related to the Safety Rules. Upon request, the Contractor is obliged to present all documentation related to the management of hazardous chemicals and biocides to the authorized person from GO Steel Frýdek Místek a.s and to enable an inspection at the workplace.

3 The supplies of materials, products, equipment and technology with the use of PCBs or asbestos are prohibited. The supplies of trichlorethene and tetrachlorethene are permitted in the necessary quantity only as required by the Contract for the defined purpose of use. The supplies of consumer goods and materials must not be contaminated by any prohibited substance – biocide agent DMF = Dimethylfumarate (Commission Regulation (EC) no. 412/2012). Thus, the Contractor confirms that the required supply is not contaminated by DMF. If such obligation is breached, the Contractor is liable in full for any damage caused, including any sanctions imposed by the competent inspection authorities.

4 The Contractor undertakes to duly conform to the national, European and international regulations related to the environmental protection, particularly in relation to EC Directive no. 1907/2006 of the European Parliament and the Council on the Registration, Evaluation, Authorisation and Restriction of Chemicals – REACH, and further, that in the area of the environmental protection of water and waste management it has been awarded the respective certificates by the authorities. Under these terms and conditions and in accordance with the related provisions of REACH and under Act no. 350/2011 Coll. and under related executive decrees, the Contractor hereby undertakes to supply to the users pre-registered or registered substances only, with the exception of when registration under REACH is not required. Under those terms and conditions and in accordance with the related provisions of REACH, the Contractor hereby undertakes to inform the users of the content of a substance which is on the candidate list of substances to be included in Annex XIV of REACH. Chemical substances and mixtures must be packaged and marked in Czech language in accordance with Act no. 350/2011 Coll., Regulation of the European Parliament and the Council (EC) no. 1272/2008 on classification, labeling and packaging of substances and mixtures, and an updated Safety Data Sheet including exposure scenarios in Czech language must be supplied to them in accordance with the effective legislation (Commission Regulation (EC) no. 453/2010 or Regulation (EC) no. 2015/830).

5 Supplies of biocide substances and agents must be in compliance with Act no. 120/2002 Coll., as amended, on the terms and conditions of introducing biocides and active substances to the market. Supplies not meeting or breaching these rules are prohibited. Prior to signing the Contract, the Contractor shall present the confirmation issued by the Czech Ministry of Health on working with biocides.

6 Breach of any of the aforementioned obligations related to chemical management and REACH is deemed a substantial breach of the Contract, and establishes the Ordering Party's right to withdraw from the Contract and to request compensation for damage, or to impose a contractual penalty of 10% of the value of the supply.

7 The Contractor is obliged to cooperate with the OSH coordinator appointed by the Ordering Party on the building site during preparation of the construction and realization of the work. The Contractor is obliged to report work with possible exposure to asbestos to a person authorized by GO Steel Frýdek Místek a.s. In the event of construction works that could expose the Contractor's or the Ordering Party's workers to asbestos, the Contractor is governed by Act no. 309/2006 Coll. (Section 7, article 3 – securing the **controlled area**, Section 8, article 2,3), Act no. 258/2000 Coll. (Sections 39 - 41), as amended. In the event of the construction work with the presence of asbestos, the Contractor appoints a supervisor with authorization for such construction under a special legal regulation (Act no. 183/2006 Coll., Section 128). For demolition works with the presence of asbestos, waste removal shall be arranged by the Contractor under Act no. 185/2001 Coll. (Sections 25 and 35), as amended.

8 Prior to each entry into the premises, the Contractor is obliged to prepare a list of all transferred chemicals and mixtures, including specification of their quantities and hazardous properties. Such list shall be presented to the representative of the Security Services at the entrance gates to the premises for confirmation and, subsequently, such list shall be handed over to a person designated by the Ordering Party to be responsible for taking over the work and guarantee the delivery of this list to the authorized person in the Environmental Protection department (EK) of the Ordering Party.

C) Management of Radioactive Substances

1 The Contractor of the work – importer is obliged to notify this fact to a person responsible for taking over the work prior to the delivery and to submit copies of the documents relating to the Radioactive Substances.

D) Recording of Important Information for OSH

1 The Contractor keeps records of the construction work and installation work (a journal), entering and filing all important information for OSH, including a breach of Safety Rules by employees, accidents and near-misses, hazardous situations and hazardous conduct announced by the Contractor's employees. The journal must be accessible to the Ordering Party's employees. For definitions of particular types of injuries and occupational accidents, see: <https://www.gosteel.cz/en/>.

E) Obligations of the Contractor prior to the Commencement of Work

1 Prior to the commencement of works, the Contractor is obliged to:

a) Ensure the safety measures specified in the project, the Contract, the protocol of taking over the workplace, the construction records, the installation records, or in any other records,

b) Provide the Ordering Party with information in writing about risks arising from its work activities and jeopardizing the life and health of the Ordering Party's employees,

c) The Contractor or persons carrying out any activity/work, which will require any specific technical equipment (cranes, mobile cranes, excavators, road rollers, working platforms, etc.) is/are obliged to complete the application form "Entry of tangible assets of an outside company notification" with information about these devices, including the registration numbers (serial numbers etc.) and including current revisions, checks or technical inspections (the last date of the technical inspection, revision, etc. is sufficient, including copies of these documents). This form with attachments must be submitted to the Ordering Party before introducing the devices into the premises and the Ordering Party must verify this entry. The same procedure applies for any additional entry of the equipment. The form "Entry of tangible assets of an outside company notification" is available at <https://www.gosteel.cz/en/>.

d) The Contractor is obliged to follow the rules for disconnecting and securing the devices, primarily not to manipulate the control elements of power supplies and to follow the instructions of the person responsible for the device or workplace.

2 The Contractor is obliged to acquaint its employees and its subcontractors demonstrably with the requirements set out in the annexes to the Contract relating to OSH, the requirements for work safety specified in the Contract documentation and the technological or operating procedures to the extent related to them.

3 Prior to commencement of the work, the Contractor is obliged to inform the Ordering Party in writing of the surname of the person (persons) responsible for the working group (the working group manager). The Contractor is also obliged to do the same for each change.

4 The Contractor is responsible for ensuring that its employees and the employees of the respective subcontractors are healthy and skilled to perform the respective work. Valid certificates demonstrating **health and qualifications of employees** must be filed with the Contractor.

Upon the Ordering Party's request and under the generally binding legal regulations and terms, the Contractor also provides the Ordering Party – prior to execution of the Contract and upon request of the Ordering Party or any authority and even during the work performance – with a valid certificate of skills and competence to perform the works, including the authorization to manufacture specified technical equipment. In particularly specified events and in the cases stipulated in the Contract, works may only be performed under the supervision of employees from specialized departments of the Ordering Party.

5 The Contractor undertakes to respect the Employment Act and legal regulations relating to employment, particularly in relation to **illegal work, employment of foreigners, including fulfillment of reporting duties** in respect thereof. The Contractors are directly liable for damage caused or fines imposed since they are obliged to explicitly meet these obligations.

6 In terms of the identified risks, the Contractor is obliged to provide its employees with the respective **Personal Protective Equipment (PPE)**, including respiratory devices and personal or collective safety equipment for working at heights and over free depth; the Contractor arranges for the use of the PPE and implements the



mandatory inspections according to the instructions for use. The Contractor is obliged to ensure that its employees have been acquainted with the user manuals for the individual PPE.

7 The Contractor's employees, including the employees of its respective subcontractors, are required to use the specified Personal Protective Equipment, including workwear with reflective stripes or reflective vests.

Where safety helmets are required, it is also required to use the chin straps for the safety helmets in order to ensure a higher level of safety and protection against falls. Helmet-integrated safety glasses are forbidden.

8 The Contractor is obliged to ensure the identification of its employees who are entitled to bind and suspend loads with safety labels affixed to their safety helmets.

9 Site facilities owned by the Contractor or used by the Contractor must be marked with the business name and address of the company disposing of them, including the first name and surname of the person responsible for their safe operation.

10 Protection of the workplace/construction site is in the project documentation contractually agreed by the Ordering Party. The very protection of the workplace/construction site during construction, installation and maintenance work is the Contractor's obligation (fencing, installation of safety signs relating to bans, warnings, commands and information, specification of the frequency of inspection walks, the site supervision, restrictions relating to handling machinery and technology by unauthorized persons, specification of passages through the site, site lighting, etc.). The Contractor is obliged to mark site entries with safety panels specifying the risks/hazards and perform measures for the elimination of a health risk by means of safety symbols (symbols with wording). The Contractor is not obliged to mark entries when dealing with line construction provided that the site location is duly closed and marked with the panel "No Admittance". Any other persons are entitled to enter the site when the Contractor is present only.

11 The Contractor allows the Ordering Party to carry out **safety audits** when deemed by the Ordering Party as necessary for OSH verification at the workplace. If such auditing reveals non-conformities and if those non-conformities are recorded, the Contractor is obliged to perform the tasks set out for removal of those non-conformities. Upon the Ordering Party's request, the Contractor is obliged to elaborate the Action Plan for removal of the detected non-conformities.

12 Prior to commencement of the work by the employees of the Contractor's companies, the Ordering Party organizes **OSH training** according to the syllabus of ZBB 24.

13 If the Contractor performs work on the site of the Ordering Party, using technology, tools, protective equipment and other means of the Ordering Party, the Ordering Party and the Contractor shall include and confirm these facts by their signatures in the printed form: Working and Construction Site Handover Report – a form is available at <https://www.gosteel.cz/en/>. The Contractor is obliged to use the provided technologies, tools, protective equipment and other means in accordance with the applicable Safety Rules.

F) OSH during the Performance of Work

1 When performing work, the Contractor is obliged to comply with Act no. 309/2006 Coll. regulating other requirements for OSH in employment activities and relating to OSH when activities are made or services are provided outside of employment (Act on Further Requirements on Occupational Health and Safety), Government Decree no. 591/2006 Coll. on the Specific Minimum Requirements for Occupational Safety and Health on Construction Sites, Government Decree no. 362/2005 Coll. on the Detailed Requirements Regarding Safety and Protection of Health at Workplaces with a Risk of Falling from a Height or into a Depth and other generally binding legal regulations.

2 Within preparation and implementation of the work, the Ordering Party informs the Contractor of the requirements and the respective documents for the work to be performed:

- Excavation Permit,
- Lock-out Command,
- Inter-company Roads Lock-out Permit,
- "B" Command (for electronic devices) still in effect at the Ordering Party,
- "P" Command, "V" Command and "S" Command for work with increased risk (welding, burning) or in zones with the risk of explosion and specified and marked confined spaces,
- Blasting,
- Work at heights (requirements for scaffolding),
- Disconnection and protection of machinery and technical equipment,
- Locations and methods of power usage under the Contract,
- Permit for establishing the temporary electrical equipment, etc.

Requirements for ensuring the above-specified activities must be stipulated in the Contract. If they occur during implementation of the work, they shall be recorded in the construction records and the installation records prior to their commencement.

When work is performed by the Contractor's employees in zones with the explosion hazard, personal protective equipment must be used, including mobile devices under Government Decree no. 406/2004 Coll.

Prior to commencement, the Ordering Party will acquaint the Contractor's employees with such zones within the syllabus of ZBB 24 or these will be included in "V" Command (see above).

3 The Contractor is obliged to agree with the Ordering Party on the installation, construction and other work interfering with the traveling track of cranes (e.g. work on crane tracks, pipeline distribution networks, walls and roofs of production buildings, etc.) or work to be performed in the handling area of cranes (e.g. scaffolding construction, etc.). Such agreement must be recorded in the construction records, the installation records or the records on handing over the workplace/construction site.

4 If the Contractor performs the work on specified technical equipment (STE – see Article 11 – "Arranging the legislative conditions for installation and maintenance work on specified technical equipment (STE) at the Ordering Party's premises") and on steel structures, construction of scaffolding, etc., the Contractor must have a certificate for this work issued by the national technical supervision body.

5 Prior to performance of the work on the specified electrical equipment of the Ordering Party or near such equipment that requires a "B" Command (under ČSN 34 3100 – at the Ordering Party's premises, this is continuously in effect), the Contractor is obliged to present to the Ordering Party a photocopy of the certificate stating that employees who will control and perform such work are qualified.

6 At the Ordering Party, there is a single phase sequence for the outlet distribution networks. Therefore the Contractor's employees are obliged to verify the proper condition and due operation of their electrical appliances, and, if they are not functioning properly, the appliances must be switched over. Any unauthorized interference with the electrical wiring is strictly prohibited!

7 Machinery, electro-mechanical, pneumatic, hydraulic equipment or any other tools may be lent (provably) to an authorized person of the Contractor only, who will also be provided with the respective user manuals. The Contractor's employees must not use the above mentioned appliances/equipment in a negligent manner.

8 The Ordering Party has the right to verify whether the employees performing special work or using or servicing the Ordering Party's equipment are duly skilled and in good health.

9 The Contractor's working group manager is obliged to immediately cease any work if the work jeopardizes the Ordering Party's or any other contractor's activities. The Contractor must immediately inform the Ordering Party of any discontinued work, including justifications. Accordingly, the Contractor must cease work if it jeopardizes the employees of the Ordering Party or the employees of any other contractor, and the Contractor must agree with the Ordering Party on other procedures, which must be recorded in the construction records, the installation records.

10 The Contractor is obliged to inform the Ordering Party of recommencing the work, which must be recorded in the construction records or the installation records.

11 Adherence to legislative terms and conditions when performing installation and maintenance work on the **specified technical equipment (STE)** at the Ordering Party:

11.1 Gas Equipment (GE)

a) The Contractor must have a certificate issued by TIČR Prague with the respective scope relating to the equipment to be repaired or installed;

b) Installation records must be kept for the repairs;

c) For the work performed, the technological procedure for the maintenance work must be prepared in writing;

d) When performing the work, the employees possessing the certificate with the respective scope included must be physically present (when somebody shows the certificate for repairing the heating gas pipeline, he/she cannot repair any furnace or technical gas pipeline). For performance of work requiring more additional activities, one person with the certificate is sufficient, provided that such person is recorded in the installation records and will be physically present at the workplace during the whole time; therefore specification of the person's responsibility in more than one workplace at the same time is not permitted.

e) Welders must demonstrate that they possess the respective qualifications for the diameter and type of welded material in accordance with ČSN EN 287;

f) After finishing the work, the equipment must be tested for pressure or function - this is prepared by the Contractor - for such testing the Contractor arranges for an engineering inspector for the respective area and prepares the documents - Certificate of Inspection "3.1" according to ČSN EN 10204 and EC Declaration of Conformity for the supplied serial parts; for gas conduits up to 0.5 bar the Testing Report "2.2" is sufficient; the Contractor must prepare other documents for handing over to the Ordering Party: the records for pressure and functional tests, the welding records, the installation records, the technical documentation for the actual types (As-built);

g) Employees entering an area with a risk of gas - yellow zones marked with the safety panel "No Admittance Without Gas Detector! Area With Increased Risk Of Gas!" must be equipped with a gas detector for that particular type of gas.

In order to evidence the employees' acquaintance with those instructions, the Contractor is obliged to keep a completed Data Capture Form signed by the respective employees, and upon request to present this form to a person authorized by the Ordering Party, who is responsible for acceptance of the work – see Article 2 "Obligations of the Contractor prior to the Commencement of Work".

The Ordering Party verifies the correctness of the necessary data and documents with the Corporate Engineering Inspector for GE.

11.2 Pressure Equipment (PE)

a) When repairing first and second category boilers, the installation records must be kept; this is not necessary for pressure vessels;

b) For the work performed, the technological procedure for the maintenance work must be prepared in writing;

c) For welding on the pressure unit, the welding technological instructions must be prepared;

d) Welding of joints must be made only by a welder having the respective test according to ČSN EN ISO 9606-1;

e) After finishing the work, construction and pressure tests must be carried out, prepared by the Contractor, who arranges for an engineering inspector possessing a valid certificate with the respective scope; in the cases stipulated in point g), after the successful testing, the Contractor must arrange for an inspector from TIČR Prague to be present during the testing;

f) For construction testing, the Contractor must prepare the welding records, the technological instructions for welding, the installation records for steam boilers, the technical documentation, the nondestructive testing reports, inspection certificate "3.1" according to ČSN EN 10204 and EC Declaration of Conformity for the supplied pressure serial parts, and the as-built technical documentation;

g) To inform in writing within 15 days in advance the inspection body - TIČR Prague - of the date of the boiler testing with overpressure exceeding 1.6 MPa and category A pressure vessels with the maximum working overpressure exceeding 2.5 MPa;

h) The Contractor performing the repair, reconstruction or installation of pressure equipment must possess the authorization with the respective scope of pressure equipment issued by TIČR Prague;

i) When installing a new pressure vessel, the supplying or assembling organization is obliged to perform the initial inspection in accordance with ČSN 69 0010.

The Ordering Party verifies the correctness of the necessary data and documents with the Corporate Engineering Inspector for PE.

11.3 Hoisting Equipment (HE)

a) When repairing the specified technical hoisting equipment, the installation records must be kept and the working procedure must be documented;

b) When performing work, persons possessing the respective certificate must be present – the hoisting equipment service person;

e) Welders must demonstrate that they possess the respective qualifications for the diameter and type of the welded material in accordance with ČSN EN ISO 9606-1;

c) The technological procedure for the work performed must be prepared in writing;

e) After finishing the work, the Contractor organizes testing according to the character and scope of the repair (functional testing, inspection testing). For testing, the repair contractor arranges an engineering inspector for the respective area;

f) For testing, the Contractor prepares documents in accordance with ČSN EN 10204 related to bearing/supporting elements and/or a geometrical survey, the welding records, the installation records and the technical documentation;

g) The Contractor ensures repairs of lifts (elevators) performed by skilled persons possessing lift service repair certificates.

The Ordering Party verifies the correctness of the necessary data and documents with the Corporate Engineering Inspector for HE.

11.4 Electrical Equipment (EE)

a) When performing the work, skilled technicians must be present possessing respective certificates related to electrical wiring - certificates within the extent of Section 5 to Section 8 of Decree no. 50/1978 Coll. (electro-professions) and Section 4 (without electro-technical skills, i.e. a technician using electrical tools and servicing the electrical equipment);

b) After completing the work, the electrical equipment (EE) must be tested and measured according to the character and scope of the repair (function testing) and/or the electrical revision inspection must be performed (when the protection has changed, when the equipment has been replaced, when new equipment has been installed, etc.); after the work has been performed, the Contractor arranges for an engineering inspector possessing the relevant certificate; as soon as the new equipment has been installed, the Contractor provides to the operator during the acceptance procedure a preliminary inspection report and the as-built documentation, including the service and maintenance manuals;

c) Further, the Contractor prepares the documents for the revision inspection according to ČSN EN 10204, the statement in accordance with Act no. 22/1997 Coll. (for the product), testing records, measurement protocols, installation records;

d) The Contractor notifies the commencement of the installation of the Class 1 equipment in accordance with Decree no. 73/2010 Coll. to the state supervision authority (TIČR Prague). In addition, the Contractor asks for the statement of TIČR Prague prior to putting the Class 1 equipment into operation (e.g. installed in the potentially explosive atmospheres, in particularly dangerous areas with respect to injuries from electrical current, equipment in buildings intended for more than 200 persons, equipment in areas for medical purposes and in healthcare facilities, etc.);

e) The Contractor must have the following documents – a Trade license for installation, repair, inspection and testing of electrical equipment including an electronics certificate for supply activities, and lists of persons with respective electrical equipment qualification.

The Ordering Party verifies the correctness of the necessary data and documents with the Corporate Engineering Inspector for EE.

11.5 Welding including STE, inspection of steel structures and welded structures:

a) For welding work on steel structures and STE under preparation to be fully performed by the Contractor, welding procedures must be approved, including the scope of inspections and the inspection plan and the assessment criteria, by a competent welding technician who organizes the welding supervision of the Ordering Party;

b) The Contractor presents required documents relating to the performed welding work on STE or steel structures to be checked by a responsible person under the Contract.

12 All equipment and facilities in contact with oxygen must be completely free of grease.

It is prohibited to use oxygen for work not related to its technological application

13 Work performed at heights and over free depths and Personal Protective Equipment against falling

The Employer/the Contractor ensures that its employees and/or its subcontractors have been acquainted demonstrably with the Methodological Instructions for Occupational Safety, Manual no. 1 – Work at Heights and over Free Depths prior to commencement of the work.

In order to evidence the employees' acquaintance with those instructions, the Contractor is obliged to keep a completed Data Capture Form signed by the respective employees, and upon request to present this form to a person authorized by the Ordering Party, who is responsible for acceptance of the work – see Article 2 "Obligations of the Contractor prior to the Commencement of Work".

The Employer/the Contractor ensures that the selected PPEs are in compliance with the character of the performed work, the expected risks and the weather conditions, that they ensure safe movement and are regularly checked and tested according to the requirements of the accompanying documentation.

The PPEs are used either separately or in combination with system components and parts and according to the manufacturer's instruction manuals as stipulated below:

a) The employee cannot enter an area where there is a danger of falling (1.5 m from a free edge),

b) The employee is secured in a working position, i.e. prevented from falling from the height, or

c) The fall is safely made and the employee can be immediately and safely set free and/or transferred to a safe place; a fall must be arrested at a sufficient height above a barrier (terrain, floor, structure, etc.) in order to prevent injury to the employee.

If moving out of reach of a guard-locking system is required or if such system is interrupted, the employee must be secured by means of a safety rope or a double rope, whereas at least one of the ropes must be constantly gripped.



If work is performed on a roof, the employee must be protected (secured) against falling from a height, including falling through, by a specially installed horizontal rope system, unless another method of protection is specified.

Proper personal protective equipment against a fall and/or a work positioning system, including anchorage points, must be specified in the technological procedure. As for work that does not require preparation of any technological procedure, a proper method of protection against falling and/or work positioning, including anchorage points, must be specified by the authorized officer of the employer/the Contractor.

The anchorage point of the personal protective equipment against a fall must be resistant enough in the direction of the fall.

In the event of performing work in a protective work-platform cage, employees must be secured by the personal protective equipment against falls from heights.

Employees must be constantly protected against falls from heights, i.e. during transport as well (using a double-core fall arrester).

When working at heights, the employees must wear safety helmets with a chinstrap, i.e. from 1.5 m, unless otherwise specified. The employees of the Contractor intended to work at heights or over depths must be in good health and professionally trained for this type of work.

13.1 Step Ladders

A step ladder may be used for work at heights only when the use of any other more safe means is deemed ineffective with regard to risk assessment and/or when local conditions relating to the work at heights do not enable the use of such means. Only short-term, physically non-demanding work may be performed on a step ladder when using hand tools. When using dangerous devices or tools (e.g. portable chain saws, hand pneumatic tools, welding sets, etc.) the work must not be performed on step ladders.

When climbing up or stepping down a step ladder and when working on it, a person must face the step ladder and must always have grip points and the possibility of being safely supported; only one step of a ladder may be used at a time.

Step ladders must be placed in a stable position for the entire period of use.

Portable step ladders must be situated on a stable, solid, and sufficiently large, fixed base, so that the steps are horizontal. The step ladder must be secured against moving and swinging, for example by binding. The step ladder must be prevented from slipping by securing the sides on the upper or lower ends by using anti-slip elements or other measures with a similar effect.

Collapsible and extension step ladders must be used so that the particular parts are properly secured against movement.

Mobile step ladders must be secured against movement prior to commencing the work and during the work.

When working on a step ladder, standing with soles at heights of 1.8 meters and higher, a person must be protected against falls by the personal protective equipment, with the exception of short-term work of a smaller scope, i.e. simple and short-term works on a step ladder where the person has three grip points for the entire period. When working on a step ladder with soles at a height of 5 meters and higher, personal protective equipment against falls must always be used. For work performed at a height of up to 1.8 meters, a light step ladder with a working platform and a grip may be used.

When moving and working on a step ladder, employees must wear a safety helmet with a chinstrap.

Periodical inspections of step ladders must be made once every 12 months at minimum, if not otherwise stipulated in the manufacturer's manual.

The employees must always make visual inspections of the ladders before each commencement of work. Damaged ladders must not be used and must be clearly marked.

14 Construction, Installation and Maintenance Work is work performed on erected or operated edifices, buildings, structures, machines, technical equipment or their parts, that puts or maintains them in a state of use (repairs, maintenance, adjustments, removal of defects, remedying accidents, etc.).

G) Construction and Use of Scaffolding

1 The Contractor constructs scaffolding upon the Ordering Party's request as specified in the "Records of Scaffolding Construction" (the Ordering Party's form).

2 All scaffolding must be technically documented.

3 Prior to installing the scaffolding, the Contractor is obliged to discuss with the Ordering Party the placement of the scaffolding in the required premises.

4 The completed scaffolding must be handed over by the Contractor to the Ordering Party in the form of "Records of the Handover and Takeover of the Scaffolding" (the form to be provided by the Ordering Party).

5 Upon agreement with the Ordering Party, the Contractor designates every scaffolding with a registration number that must be the same for the respective scaffolding in all related documents.

6 When handing over the scaffolding, the Contractor installs a plate specifying the following data:

- a) Load-bearing capacity of working floors in kg per one square meter,
- b) Permitted number of co-loaded floors,
- c) Name and address of the Ordering Party that has ordered the scaffolding,
- d) The use of the scaffolding,
- e) The period of use for the scaffolding.

7 The Contractor of the scaffolding warrants to the Ordering Party the safe construction of the scaffolding as described in the technical documentation and applicable regulations, the carrying out of professional inspections every 14 days and the removal of detected faults and defects, which are to be recorded in the "Records of Professional Scaffolding Inspections" (the form to be provided by the Ordering Party).

If the Contractor is not able to remove the defects immediately during such professional inspection, it informs the Ordering Party of the scaffolding without undue delay of the necessity to interrupt work on the scaffolding until the defects are removed. The information about defects is to be recorded in the "Records of Detected Defects on the Scaffolding and the Removal of Defects" (the form to be provided by the Ordering Party).

8 After the removal of the defects, the Contractor verifies that the Ordering Party has been informed of the removal of the defects.

9 Handing over the scaffolding to another Contractor is organized by the original Ordering Party. The scaffolding is handed over in the form of "Records of the Handover and Takeover of the Scaffolding" (the form to be provided by the Ordering Party).

10 After finishing the use of the scaffolding, the Ordering Party requests that the scaffolding be dismantled. The Contractor will dismantle the scaffolding without undue delay.

11 The "Records of Scaffolding Construction" and the "Records of the Handover and Takeover of the Scaffolding" are drawn up in two originals. The "Records of Detected Defects on the Scaffolding and the Removal of Defects" are drawn up in one original and kept at the Contractor of the scaffolding. The "Records of Professional Scaffolding Inspections" are drawn up in one original and kept at the Contractor of the scaffolding. These documents are filed for a period of 12 months from dismantling of the scaffolding.

12 Inspections of temporary structures must be made prior to each use, i.e. even after postponement of work due to unfavorable weather conditions.

H) Occupational Accidents

1 The Contractor keeps records of the occupational accidents, including small injuries, in the accident ledger. Small injuries are understood as accidents requiring no medical treatment by a physician.

2 The Contractor is obliged to report each accident without undue delay to the Ordering Party's corporate dispatching.

3 The Contractor is obliged to inform the Ordering Party of each near-miss, dangerous situation and hazardous conduct without undue delay.

4 The Contractor determines the causes of the accident, draws up an Accident Report and sets up measures against reoccurrence of the accident in cooperation with a representative of the Ordering Party. One copy of the Accident Report is forwarded to the authorized Safety and Health officer. The Contractor is obliged to cooperate with the Ordering Party in completing the Accident Record in relation to reported near-misses, hazardous situations, dangerous conduct, small injuries, medical treatment and substitute work.

5 If an accident leading to absence occurs, the Contractor is obliged to verify that the employees are trained without undue delay according to the syllabi recorded by the Ordering Party in the construction records, installation records.

I) Smoking Ban

Smoking is prohibited in the entire premises. This ban also applies to products imitating the function of tobacco products or devices used for inhaling nicotine fumes, including tobacco product accessories, such as electronic cigarettes, under Act no. 65/2017 Coll. on the protection of health against the harmful effects of addictive substances, as amended.

2 Fire Protection (FP)



1 Prior to commencement of the work, the Ordering Party shall organize FP training for the Contractor's senior managers. Contractor's senior managers shall verify that their employees have been trained, provided that these persons perform work with a higher risk of fire (under Section 4, article 2 of Act no. 133/1985 Coll.). FP training shall be organized under FP syllabus (OSH 0400 syllabus).

Further, the Ordering Party is obliged to provide the Contractor's senior managers with the documents listed below:

- Fire Alarm Guidelines
- Fire Procedures at the Workplace
- Fire Evacuation Plan
- Fire extinguisher types and placement
- Placement of first aid kits
- Training syllabi
- Information on the categorization of work at the workplace and at adjacent workplaces, in particular work with hazardous chemicals and agents and exceeding other limits
- At least 10 days prior to commencement of the work, risks arising from work to be performed at the workplace and at adjacent workplaces.

2 When performing the work and storing the material, the Contractor is obliged to adhere to Act no. 133/1985 Coll., the Fire Protection Act, as amended, Decree of the Ministry of the Interior no. 246/2001 Coll. on establishing the conditions for fire safety and national fire supervision (the Fire Prevention Decree), as amended, Decree no. 23/2008 Coll. on the technical conditions for fire protection of buildings, as amended, and Decree of the Ministry of the Interior no. 87/2000 Coll., under which fire safety conditions are specified during welding and bitumen heating in melting pots, and related technical regulations on fire protection and internal regulations for fire protection. The Contractor must not endanger with its work performance the buildings and facilities of the Ordering Party, including the premises.

3 When performing work with increased risk in accordance with Decree of the Ministry of the Interior no. 87/2000 Coll. requiring special fire safety measures, the Contractor is obliged to perform the work exclusively on the basis of a written command given by the Ordering Party. The determination of special fire safety measures is based on the background relating to the fire safety of technical equipment and technological process, which are not a part of the welding technology and occur on the welding workplace, as well as in the adjacent areas.

When performing work at heights and over free depths requiring special fire safety measures, the Contractor must ensure all fire protective measures at a level of 2.5m above the floor and higher, especially removal of combustible substances and substances contributing to fire and combustible dust, covering or sealing combustible substances with non-combustible materials or materials with very limited contribution to fire (combustibility grade A or B within classification according to ČSN EN 13501-1) isolating the combustible substances from the ignition source so that ignition cannot occur; materials for transparent welding curtains, strips and screens for arc welding processes must comply with requirements of standard values in a manner and within a distance that safely protects bystanders against harmful welding light and hot particles according to specifications of a manufacturer or importer; the covering must be performed in a way to prevent combustible substances to soak into the covering material; great care must be taken to control the beam path of direct and scattered radiation of laser of 3b and 4 Class, the incident surface must be adjusted and the path must be covered; the workplace must be equipped with fire extinguishing devices according to the workplace character and used welding technology; the Contractor also ensures measurements of concentration of flammable gases, vapours of flammable liquids and combustible dusts in a mixture with air or any other oxidizing agent and maintaining the concentration below the hazardous level, the cooling of the structure, the ventilation of the workplace to remove hazardous concentration of flammable gases, vapours and combustible dusts, the technical equipment protecting against hot spatter to be arranged in such a manner to reliably prevent the harmful effect of sparks, metal parts and slag.

Further, when storing pressure vessels for gas transport on the Company's premises, the Contractor is obliged to respect ČSN 07 8304 and to ensure marking of all buildings and areas (storage areas, service rooms, etc.) in which pressure vessels are stored in accordance with ČSN 01 8014 and ČSN ISO 3864-1. If a fire occurs, or if an explosion occurs, or if pressure vessels are heated, any manipulation with them is strictly prohibited. The employees must immediately leave the endangered area to a safe distance and the Fire Rescue Brigade is immediately called through the dispatching – phone number 150, mobile phone number 558 48 2223. The Contractor undertakes to adhere to the "Operating Instructions" and "Information on the Safe Operation of Acetylene Ties" specified by their manufacturer.

4 Employees of Safety department and fire prevention professionals are entitled to enter the Contractor's workplace and check whether provisions of Act no. 133/1985 Coll., as amended, and provisions of related ČSN are kept.

5 The Contractor is obliged to mark its buildings, construction site facilities with the name of the Company and the name of its responsible representative, and as a part of the construction, the buildings must be equipped with extinguishers and fire protection documentation (Fire Alarm Guidelines, FP Rules, FP tables, etc.) unless stipulated otherwise for the respective case.

6 Warehouse facilities for pressure vessels and flammable liquids (durable or transient, operated during a temporary period of time, e.g. during construction or repairing) must be designed, implemented and operated in accordance with the Building Act, ČSN 07 8304, ČSN 65 0201 and other legally binding Czech technical standards and legal regulations. Construction site facilities must be in compliance with the requirements of Decree no. 23/2008 Coll. on the Technical Conditions for Fire Protection with respect to Construction.

7 The Contractor is obliged to report each occurring fire to the fire alarm receiving station at the dispatching – phone number 150, mobile phone 558 48 2222.

3 Environmental Protection

If the below stipulated provisions of this article 3 are not adhered to, the Contractor shall pay a contractual penalty amounting of CZK 50,000 to the Ordering Party for each detected case.

A Training, Environmental Accidents

1 When performing work, all of the Contractor's employees (or its subcontractors') must comply with the respective legal regulations and the Company's internal regulations relating to environmental protection.

2 The Contractor is obliged to ensure training of its employees (and the employees of its subcontractors), organized by trained employees of the Ordering Party, on procedures and respective steps relating to occurrence and removal of consequences of environmental accidents occurring at the Ordering Party and at the premises.

3 If an environmental accident is suspected or detected, each employee of the Contractor (or its subcontractor) is obliged to inform its superior of such fact without undue delay.

4 The authorized officer of the Contractor (or its subcontractor), who detects the environmental accident or who has been provided with the information on an environmental accident or a long-lasting failure of an environment protection device, must immediately inform GOSFM dispatching – 558 482 223. Accordingly, the safety and health protection of persons in danger is arranged.

B Waste Management

1 When performing work, the Contractor is obliged to comply with Act no. 185/2001 Coll. on waste and on changes to certain acts, as amended, and to comply with relevant provisions of the internal regulations of the Ordering Party; the Contractor's acquaintance with these provisions during the initial training sessions must be verified.

2 The Contractor shall document its business activities relating to waste management with the documents listed below:

a) Trade License with valid and accurate data for the scope of business "Business Activities relating to Waste Management", i.e. for O category waste only; O = other waste, or

b) Trade Certificate with valid and accurate data for the scope of business: "Business Activities relating to Hazardous Waste Management", i.e. for N category waste; N = hazardous waste. c) Consent of the Real Estate Office for the Moravia-Silesia Region in accordance with Section 14, article 1 or a declaration in accordance with Section 14, article 2 of Act no. 185/2001 Coll. on waste, including Annex 22 of Decree no. 383/2001 Coll. on the specifics of waste management.

3 The Contractor is obliged to submit to the Ordering Party a confirmation of disposal of all waste produced during the work.

4 If the Contractor arranges the **hazardous waste transport**, it is obliged to proceed in accordance with Act no. 64/1987 Coll. (ADR) as amended.

5 Waste Collection

5.1 The waste produced on the premises of the Ordering Party (on plots of land, in the facilities and in the buildings) by the Contractor's work and activities, e.g. demolition work, excavation work, dismantling, reconstruction work and similar activities, will remain the property of the Contractor (except steel and cast-iron scrap, non-ferrous metal waste, including cables and usable construction material), who is the generator of all the waste produced by its work and activities under Section 4, letter w) of the Waste Management Act, thus, the obligations of waste generators under Section 16 of the same act apply to it as well.

5.2 At its own expense, the Contractor is obliged to collect all waste produced by its work and activities. Waste produced by material supplies, e.g. construction material, paints and diluters, insulation material, electro-material etc., and also waste of an overhead character produced by contractual work performed by the Contractor, e.g. cleaning agents, greases and lubricants, packaging, communal waste, etc. remain the property of the Contractor. The Contractor is obliged to arrange their disposal at its own expense.

5.3 When collecting waste on the Ordering Party's premises, the Contractor is obliged to adhere to the provisions of Section 5 of Decree of the Czech Ministry of the Environment no. 383/2001 Coll. on the specifics of waste management.

5.4 Steel and cast-iron scrap, non-ferrous metal scrap and usable construction material produced by the implementation of capital projects, reconstruction work, modernization work, etc., remain the property of the Ordering Party. At its own expense and under the Ordering Party's instructions, the Contractor ensures the separation of usable construction material, steel and cast-iron scrap and non-ferrous metal scrap. In addition, at its own expense, the Contractor provides containers for such waste separation and material and waste transportation, including loading, weighing and transport under the contractually specified terms and conditions to the places specified by the authorized employee of the Ordering Party.

5.5 External companies (contractors) acting on the Ordering Party's premises as waste generators are obliged to collect communal waste in their collecting places/containers under the Waste Management Act, as amended, and they are the owners of such communal waste until it is transferred by an authorized external company, with which a contract has been made for those purposes.

5.6 The Ordering Party is not entitled to take over communal waste from any other waste generators. The Contractor is not entitled to use any means of waste collection (bins and containers) of the Ordering Party intended for communal waste disposal for its own needs. Communal waste must not be removed from the GOSFM premises without a weighing ticket.

6 The Contractor, as the generator of all waste containing **asbestos**, is obliged to prevent the release of asbestos fibers or asbestos dust into the air when loading such waste and to prevent the spilling of liquids containing asbestos fibers. When services are provided and new machinery and technology is installed, no materials, products, machinery and technology containing **asbestos or PCBs** may be used. **Trichlorethene or tetrachlorethene** may be used on the Ordering Party's premises in the necessary quantity only and for the specified purpose of use, while observing the principles relating to safety and environmental protection.

C Packaging

1 The Contractor specifies in the accompanying documents, in the Contract and in the invoice, whether **returnable packaging** is an integral part of delivery. If hazardous items are supplied, the Contractor is liable for using the certified packaging and the prescribed designation of this returnable packaging in compliance with the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR), and/or in compliance with Annex I of the Regulation concerning the International Carriage of Dangerous Goods by Rail (RID). The price of such returnable packaging is invoiced to the Ordering Party. The Contractor undertakes to buy back the packaging from the Ordering Party for the invoiced price or a price reduced by normal wear and tear as agreed in the Contract, provided that the Ordering Party sends them back no later than 18 months after the date of delivery of the merchandise. Return transportation costs for packaging returned by the Ordering Party are paid by the Ordering Party, unless stipulated otherwise in the contract.

2 When goods/material is supplied directly from abroad, the Contractor is obliged to submit to the Ordering Party a statement on meeting the **Terms and Conditions for Introducing Packaging on the Market** under Act no. 477/2001Coll., the Packaging Act.

If goods/material is supplied directly from abroad, the Contractor is obliged to specify the used packaging in the accompanying documents (categories: PET, PVC, PE, PP, PS, other plastics, paper and cardboard, Fe, Al, wood, composite material), including their quantities in kilograms. Noncompliance is deemed a breach of the contract.

4 Work Performance

1 If the Contractor performs contractual work when the Ordering Party's technology and machinery is operated, the Contractor is obliged to create conditions so that the Ordering Party's operation is neither restricted nor jeopardized. The workflow must be agreed in due time with the responsible employee of the Ordering Party as stipulated in the Contract.

2 Performance of work by any third party (a subcontractor), even a part of the work, is subject to the consent of the Ordering Party's responsible employee. The Contractor's liability for work performance is not affected thereby.

3 When work is performed on the Ordering Party's premises, the Contractor is obliged each day to inform the Ordering Party's responsible employee of the numbers of employees, including the numbers of employees of its subcontractors.

4 The Contractor is obliged to maintain order and cleanliness in the workplaces and distribution networks and to dispose of waste and remove dirtiness produced by its work. If the Ordering Party is disturbed by disorder of which the Contractor was notified in the construction and installation records and the Contractor has not remedied this within 1 day, the Contractor pays a contractual penalty of CZK 2000 per day until the disorder is remedied.

5 Excavation work can be launched only after the Excavation Work Permit has been taken over. The place of the excavation work is indicated by a plate "Excavation work performed by...". The Contractor is obliged to comply with

the Ordering Party's document "Obligations of the Companies Performing Excavation Work on the Ordering Party's Plots of Land and Areas", provided that the work is performed.

6 Inspection of covered work or other workflow arrangements:

The Contractor is obliged to invite the Ordering Party to inspect the work that will subsequently be covered or made inaccessible. Such invitation to inspect covered work must be entered in the construction and installation records at least 3 days in advance and the authorized technical supervision of the Ordering Party must be notified in advance by phone. The inspection of covered work or inaccessible work shall be recorded, including the conclusion that the covered work is performed in compliance with the Contract for Work, under a designed project and under a binding, applicable and effective ČSN. These records shall be submitted during the acceptance procedure.

If the Contractor does not invite the Ordering Party to inspect the covered work, it is obliged to organize such inspection at its own expense.

7 Temporary electrical equipment may only be set up with the written consent of the Ordering Party and such consent is requested by the Contractor from the Ordering Party prior to commencement of the work. For invoicing purposes, the Contractor undertakes to conclude a power supply contract with the Ordering Party.

8 The Contractor is obliged to comply with the types and series of electrical devices and appliances selected by the Ordering Party and approved for preferential use by the Company. With coating/painting, heat-insulating, excavation work, scaffolding construction and carpentry work for the handed-over facilities/buildings of the Ordering Party, the Contractor is liable for damage caused by performing the work on these facilities/buildings for the entire time of the work.

9 When applying more layers of paint, the layers must be distinguished by colors (or shades) and this must be made by the technology and paints specified in a project or a separate annex to the Contract.

10 For the respective work, the Contractor (or its subcontractor) is obliged to document and present related Certificates/Permits/Authorization of skills, issued by the national technical supervision authorities.

5 Entering the Premises and Moving in the Premises

1 For its employees who are employed in the Premises, the Contractor is obliged to prepare entry permits and permits for vehicles. Accordingly, the Contractor must prepare entry permits for the employees and permits for the vehicles of its subcontractors' companies.

2 The application for an entry permit/vehicle permit shall always be submitted by the Contractor (for its subcontractor companies as well). Applications must be submitted to the OSH department or to the main reception sufficiently in advance, at least 1 week prior to the requested entry, and the request for entry during the whole following calendar year must be submitted by the end of November of the current year (provided that the contractual relations have already been established).

3 Due to securing the safety in the Premises, which with regard to the specific environment involves enhanced safety requirements, the Contractor and its employees must strictly comply with the provisions of Act no. 361/2000 Coll., the Road Traffic Act, as amended, including keeping the speed limits, respect to traffic signs and parking in designated areas in the Premises. The Premises are monitored in order to check all of the above mentioned facts.

4 An employee communicating by mobile phone has significantly reduced his/her ability to concentrate, and hence must comply with the following rules:

- a) Never walk and use a mobile phone at the same time (do not write SMS messages)
- b) Never use a mobile phone when working with equipment or vehicles
- c) Never use a mobile phone while walking up and down stairs
- d) Never use a mobile phone while driving a vehicle
- e) Never use a mobile phone if you are in a location with a high risk to your health

5 In winter season, always from December 1 to March 1, there is a ban on bicycles or other one-track vehicles in the Premises in order to protect the safe movement of people. If winter weather conditions persist beyond this period, the ban may be prolonged.

6 Compliance with Obligations and Contractual Penalties for Breach of the Obligations

1 The Contractor is obliged to allow the competent employees of the Ordering Party, and/or the authorized persons of the Ordering Party, to enter the Premises (or the workplaces of its subcontractors) in order to inspect occupational safety, fire protection, environmental protection, the protection of property, etc. The Contractor is obliged to take the actions listed in the records of those inspections.

4

2 The competent employees of the Ordering Party in the Premises are entitled to notify any Contractor's employee (or its subcontractor's employee) when safety regulations are breached, to request on site the immediate remedy of the breach and to record this in the construction and installation records.

The Contractor's employees included in the working groups of the Ordering Party must also follow the instructions of the authorized employees of the Ordering Party.

3 The Ordering Party may impose a permanent ban on entry into the Premises upon breach of any provision in this document. In the event of more serious and repeated breach of the applicable provisions, it will be recommended that no other Contract will be concluded with the Contractor.

4 The entry permit will be withdrawn particularly when:

- a) An occupational safety and health regulation breach is detected, or a breach of fire protection regulations and environmental protection regulations;
- b) The consumption of alcohol or use of any addictive substance is revealed when entering the Premises, residing in the Premises or leaving the Premises;
- c) A test for determining the level of alcohol or addictive substances is refused or when the test results are not signed by the person in the records;
- d) Stealing of property has been found out.

5 If the following has been revealed:

- a) Breach of the Ordering Party's applicable regulations on the Premises relating to occupational safety and health, fire protection, environmental protection and security, and particularly when detecting the influence of alcohol or other addictive substances on employees of the Contractor and its subcontractors when entering the Premises, residing in the Premises or leaving the Premises,
- b) Repeated breach of the obligations stipulated in Article 8 by employees of the Contractor and its subcontractors,
- c) Failure to designate the Contractor's employees, its vehicles and its own and other leased property of the Contractor and/or its subcontractors,
- d) Employment of foreigners by the Contractor and by its subcontractors without the required permits,
- e) Failure to register the subcontractors,
- f) Theft or damage of the Ordering Party's property or the property of entities having their registered office in the Premises – either an actual occurrence or an attempt,
- g) Failure to secure the buildings of the Contractor (dressing rooms, vehicles, mounting boxes, portable housing units, etc.) against the illegal entry of non-authorized persons,
- h) Any breach of other obligations set out in Article 8, the Contractor shall pay a contractual penalty to the Ordering Party for each offence, amounting as specified in Article 8. Each particular breach by the Contractor's employee/subcontractor's employee is deemed to be one breach and a separate penalty will be imposed for each breach.

6 If the Contractor does not return the entry permit after termination of its validity or if the reason for issuing such permit is no longer valid, the Contractor is obliged to pay a contractual penalty of CZK 200 for each unreturned permit.

7 Repeated breach of the obligations related to occupational safety and health, fire protection and environment protection by the Contractor is deemed a substantial breach of the Contract, and the Ordering Party is entitled to withdraw from the Contract.

8 Any other sanctions will be imposed on the Contractor when the safety regulations, fire and environmental protection regulations are breached in the extent of the generally binding regulations and in the scope of the provisions as stipulated in the respective business contract. The specified sanctions are not included in compensation for damage.

7 Ordering Party's Codes and Control Systems, Anti-corruption Provisions

1 The Contractor undertakes to strictly adhere to **all** legislation concerning the protection of economic competition in the countries where it does business and to treat all business partners in a fair, open, and honest manner.

2 The Ordering Party has an Integrated Management System QMS, EMS, HSMS and EnMS which is ensured by the internal regulation Integrated Management System Policy and Goals.

3 The Contractor undertakes to fully comply with all effective anti-corruption laws.

4 The Contractor has reviewed the following Policies of GO Steel Frýdek Místek a.s. - The Code of Business Conduct of GO Steel Frýdek Místek a.s. (hereinafter the "Code"), Anti-corruption Directive, Human Rights Policy ("Policies"), as set out on GO Steel Frýdek Místek a.s. website <https://www.gosteel.cz/en/politika-jednani/>.

5 In the performance of the Contract the Contractor will comply with the Policies of the Ordering Party and ensure that its directors, officers, employees and any persons acting for it or on behalf of it, its affiliates and officers, employees, contractors, subcontractors and agents of affiliates, referred to as "Related Parties", comply with the principles contained in these policies and to any and all applicable laws, including those concerning corruption, bribery, money-laundering and economic sanctions.

6 In the event that Contractor is aware of any violation or alleged violation of Ordering Party's Code of Business Conduct, the Contractor shall immediately report the violation or alleged violation to the Ordering Party.

7 The Contractor warrants that it or its Related Parties has not and will not give, offer or approve any gift or commission, promise or other advantage to or for the use or benefit to any Ordering Party's employee, in connection with this Contract or any other contract with the Ordering Party.

8 The Contractor's or Contractor's Related Parties failure to comply with this clause 7 or the Contractor's or Contractor's Related Parties substantial breach of the Policies will constitute a material breach of the Contract conditions entitling the Ordering Party to terminate this Contract by a written notice. The Ordering Party may terminate or suspend or withhold a payment under the Contract if, in its reasonable opinion, the Contractor or Contractor's Related Parties has breached or intends to breach this clause or Policies of the Ordering Party. Finally, the Contract being terminated, the Ordering Party may require the return of payments made compared to return of the corresponding performance provided by the Contractor by the date of termination. The Contractor shall indemnify, defend and hold harmless the Ordering Party, its directors, officers and employees from and against all liabilities losses, damages, costs and expenses (including reasonable attorney's fees) arising out of the Contractor's or Contractor's Related Parties breach under this clause.

8 Amount and Assessment of Contractual Penalties

1 The Contractor is obliged to ensure that any private individual or legal entity performing activities for the Contractor as an employee or in another legal relationship and located in the Premises (or otherwise active in relation to the supplies of the Contractor for the Ordering Party) (hereinafter the "Person") refrains from performing any activity under the influence of alcohol, drugs or other addictive substances for the entire period of residence in the Premises. In the event of detecting an alcohol level above 0.2‰, drugs or other addictive substances, including refusing to undergo tests for detecting the level of alcohol, drugs or other addictive substances in a Person's organism, the Contractor is obliged to pay a contractual penalty according to the table in Article 8 point 1.

2 The Contractor is obliged to ensure for all Persons the due use of the personal protective equipment or safety equipment in accordance with Article 1, letter E), points 6 and 7, for the entire period of performing activities as a protection for those parts of the body being put at risk by the activities. In the event of a gross breach of this obligation (e.g. deficiency in using safety measures when working at heights, safety helmets, safety glasses, hearing protection – ear plugs or ear covers), the Contractor is obliged to pay a contractual penalty according to the table in Article 8 point 2. In the event of a breach that is not a gross breach of this obligation (e.g. deficiencies in the use of protective clothing – long sleeves, work shirt), the Contractor is obliged to pay a contractual penalty according to the table in Article 8 point 3.

3 The Contractor is obliged to ensure that all Persons using motorized vehicles in the Premises obey the speed limit as well as the other traffic rules, even if it is not a public road. If the speed limit has been exceeded, if the information signs and instructions related to the internal transport on the Premises have not been followed or if another traffic law has been violated in the Premises, i.e. not solely as a violation set out in Act no. 250/2016 Coll. on violations (hereinafter "traffic violation"), the Contractor is obliged to pay a contractual penalty according to the table in Article 8 point 4. In the event of a gross violation of the speed limit (by 40 km/hr or more) or another especially dangerous traffic violation, the Contractor is obliged to pay a contractual penalty according to the table in Article 8 point 5.

4 The Contractor is obliged to ensure that the Persons will always respect the instructions of the Ordering Party's security guards in the Premises. In the event of non-consent to an instruction, the Contractor or the Person is entitled to inform the Ordering Party of this non-consent in writing, however, not until complying with the instruction. In the event of a breach of this obligation, the Contractor is obliged to pay a contractual penalty according to the table in Article 8 point 13.

5 The Contractor is obliged to ensure that the Persons do not take/transport property out of the Premises without the authorization of the Ordering Party. If property is taken/transported out of the Premises without the relevant documents, the Contractor is obliged to pay a contractual penalty according to the table in Article 8 point 7. In the event of an attempt to remove/steal property from the Premises, the Contractor is obliged to pay a contractual penalty according to the table in Article 8 point 8.

6 The Contractor is obliged to ensure that the Persons, the equipment on the construction site in the Premises, as well as the traffic devices belonging to the Contractor or to the Persons, are duly marked with the name of the company. In the event of a breach of this obligation, the Contractor is obliged to pay a contractual penalty according to the table in Article 8 point 9.

7 The Contractor is obliged to ensure that the Persons regularly undergo the specified OSH training, so that they receive the needed qualifications in order to be the holders of the licenses, certificates and other similar documents relating to the training of the Persons in accordance with Article 1, letter F. In the event of a breach of this obligation, the Contractor is obliged to pay a contractual penalty according to the table in Article 8 point 10.

8 The Contractor is always obliged without undue delay to notify the Ordering Party of the identification data of its subcontractors, information on employing foreigners, and uphold the reporting duties also in similar cases in accordance with Article 6 point 5. In the event of breaching this obligation or in the event of employing a foreigner without relevant permits, the Contractor is obliged to pay a contractual penalty according to the table in Article 8 point 11.

9 The Contractor is obliged to ensure that the Persons respect the smoking ban outside the designated areas in the Premises (smoking is prohibited in the entire Premises) in accordance with Article 1, letter H. In the event of a breach of this obligation, the Contractor is obliged to pay a contractual penalty according to the table in Article 8 point 12.

10 The Contractor is obliged to ensure that the Persons do not damage the property of the Ordering Party or persons having their registered offices or property in the Premises. In the event of damage to the property of the Ordering Party or persons having their registered offices or property in the Premises or an attempt to cause damage, the Contractor is obliged to pay a contractual penalty according to the table in Article 8 point 13.

11 The Contractor is obliged to ensure the security of the buildings used by the Contractor (dressing rooms, vehicles, mounting boxes, portable housing units, etc.) against unauthorized entry. In the event of a breach of this obligation, the Contractor is obliged to pay a contractual penalty according to the table in Article 8 point 14.

12 The Contractor is obliged to ensure compliance with occupational safety and health regulations. In the event of a breach of this obligation, the Contractor is obliged to pay a contractual penalty according to the table in Article 8 point 15.

13 The Contractor is obliged to ensure compliance with occupational safety and keep used machines, equipment and tools in a perfect condition. In the event of a breach of this obligation, the Contractor is obliged to pay a contractual penalty according to the table in Article 8 point 16.

Events of Breach	Penalty imposed for first offence (CZK)	Penalty imposed for repeated offence (CZK)	Surrender of entry permit
1. Alcohol over 0.2 ‰ (or any other addictive substance and/or test refusal)	10,000	30,000	YES
2. Gross misuse of PPE and/or safety devices: protective equipment for heights, etc.	10,000	20,000	YES
3. Misuse of PPE or safety devices /long sleeves, work shirt, vision protection (safety glasses), hearing protection (ear plugs or ear covers), etc./	2,000	4,000	
4. Violation of speed limit (other traffic violation)	1,000	2,000	YES Decided by Safety
5. Significant exceeding of speed limit (by 20 km/hr or more), especially hazardous traffic violation	2,000	4,000	YES
6. Conflict with a security guard	2,000	4,000	
7. Unauthorized removal/transport of property (missing documents)	2,000	4,000	
8. Unauthorized removal/transport of property (attempted theft)	25,000	50,000	YES
9. Missing identification of external employees or construction site equipment and vehicles of an external contractor	1,000	2,000	
10. Missing mandatory OSH training, failure to comply with demanded qualifications, to submit mandatory licenses, certificates, etc.	10,000	20,000	
11. Failure to announce subcontractors or hired foreigners, hiring foreigners without the required permits	10,000	20,000	
12. Smoking outside the designated areas (smoking is prohibited in the entire Premises)	5,000	10,000	

Events of Breach	Penalty imposed for first offence (CZK)	Penalty imposed for repeated offence (CZK)	Surrender of entry permit
13. Damage to the property of the Ordering Party or of entities having their registered office or property in the Premises, either an actual occurrence or an attempted damage	5,000	10,000	
14. Failure to secure the buildings of the Contractor (dressing rooms, vehicles, mounting boxes, portable housing units, etc.) against the illegal entry of unauthorized persons	1,000	2,000	
15. Breach of regulations for occupational safety and health and fire protection in the workplace	5,000	10,000	YES in case of repeated violation
16. Safety deficiencies and defects of used machines, equipment and tools	5,000	10,000	
17. Failure to eliminate clutter in the workplace within 1 calendar day after the written notification (entry in the construction-assembly diary, email, other written entry)	2,000	4,000	

In case of contract obligations violation by the Contractor, the Ordering Party shall be entitled to compensation for damage exceeding the contractual penalties agreed in this Contract. The Contracting Parties have agreed to exclude the application of provisions of Sections 1799, 1800 and 2050 of Act no. 89/2012 Coll., the Civil Code. The Contractor hereby declares that it has been acquainted with this document, understands all of its provisions, and does not consider any of them as unexpected or otherwise deviating from normal business practices. The Contracting Parties also expressly consent to the obligations set out in the introductory provisions, Article 1 B) point 6, Article 3, Article 4 point 4 and Article 8, the breach of which is subject to a contractual penalty. The Contractor hereby confirms that it is aware of the amounts of all agreed contractual penalties and considers them to be appropriate.

Frýdek-Místek, Date:



2020 -03- 12

Stalprodukt
GO Steel Frýdek-Místek a.s.
ul. Míru 3777, 738 01 Frýdek-Místek
DIČ CZ04795784 1

GO Steel Frýdek Místek a.s.
Name: Ing. Ivo Chmelík
Position: Statutory director

Company name of the Contractor:
Place:
Date:

Name:
Position: