

update date: August 25, 2023

**Cement Hranice, akciová společnost**, is a holder of the Integrated Management System certificate according to ČSN EN ISO 9001, ČSN EN ISO 14001, ČSN ISO 45001 and ČSN EN ISO 50001. The appointed management representative for ISM is Pavel Baroš. Integrated policy can also be found on the company's website: [www.cement.cz](http://www.cement.cz) ->About Company ->Documents to Download.

Annex No.:  
to Contract No.:  
to Order No.:

## COMPANY'S CONDITIONS

for building, erection and other works and services,  
in performing obligations of contracts for work

### I. Introductory Provisions

#### 1. Explanation of Terms:

**Customer's technical representative (supervisor)** – a person usually appointed in a contract for work ensuring inspection and coordination of the Contractor's activity, usually a worker in the sphere of maintenance, operation, investments.

**Control body** - a function of the control body can among others be performed by: the Customer's technical representative, executives (power engineer, quality control worker, ecologist, waste manager), professionally qualified persons for OHS (Occupational Health and Safety) and FP (Fire Protection) (i.e., OHS coordinator, FP technician, etc.), a Labour Inspectorate representative, a Building Office representative, etc.

**CC** - the Company's Conditions for building, erection and other works and services in performing obligations of contracts for work.

**Contract for Work** - contractual relation between the Customer and the Contractor under which the Contractor is obliged to execute the Work properly and in time for the Customer, and the Customer is obliged to pay for the Work executed. A mandate contract or an order is also considered to be the Contract for Work.

**Customer** - an entity given in the Contract ordering execution of the Work, i.e., Cement Hranice, joint-stock company, at the Contractor.

**Contractor** - an entity given in the Contract executing the ordered Work for the Customer at its own expense and risk.

**Subcontractor (also "third party")** a Contractor's contractual partner executing works on the Work on behalf of the Contractor in accordance with the Contract for Work and these CC. Hereinafter referred to as Contractor as well.

#### 2. Emergency Situation

**Any emergency situation resulting in risk or damage to personal health, environment or property must be immediately reported, by a person who caused or saw it, to:**

1.	<b>EMERGENCY line in the central control room of the rotary kiln:</b> <b>581 829 666 (or - 681)</b>
1b.	In case it is temporarily unavailable, contact a guard of the premises: <b>Guard: 581 829 411</b> The guard shall provide the repeated contact and handover of report to the central control room.

2.	<b>A shift leader of the central control room or a worker authorised by the shift leader immediately:</b>
3.	- <u>arranges and takes measures</u> for removal of causes or consequences of the emergency situation
4.	- <u>according to a situation character</u> , informs the Fire Rescue Service or the Integrated Rescue System:
	<b>Tel. <u>150</u> or <u>112</u></b>

In addition to breakdowns and emergency situations, **it is also necessary to report these situations/accidents**: near accidents, occupational injuries, road accidents and siding accidents within the Customer's premises, damage to mechanical technologies, incl. public lighting, damage to safety devices - e.g. covers, barriers, rails, light barriers, etc., damage to FFFS (Fixed Fire Fighting Systems), FDAS (Fire Detection and Alarm System), hydrants and PFE (Portable Fire Extinguisher), firing during executing works with open fire, etc.

**In case that the emergency situation, breakdown or accident caused by the fault of the Contractor is proved, the Contractor shall pay the penalty according to below Article II, Clause 1 to the Customer, and the Customer is entitled to claim for payment of all the damages incurred including costs for removal.**

3. The Company's Conditions are an integral part of Contracts for Work concluded between the Customer, Cement Hranice, joint-stock company, and the Contractor. Unless otherwise stated in these Company's Conditions, the provisions of § 2586 and the subsequent Civil Code are applied.
4. While the Work is being executed, these Company's Conditions are binding upon the Contractor, the Customer, their representatives and employees, if the actual performance arises for the Customer from contractual relations concluded with them.
5. **In order to ensure the safety of the employees of Cement Hranice, akciová společnost and also to ensure the safety of persons (workers) who may move around the company premises with the consent of the company management, the conditions specified in the documents apply:**

- **DP1-00041** - Entrance and entrance to the organization Cement Hranice, akciová společnost,
- **DP1-00159** - Basic OHS and FP requirements for drivers of contract hauliers/carriers and customers

**Documents can be downloaded or viewed at:** <https://www.cement.cz/bezpecnost-a-ochrana-zdravi-pri-praci>

## **II. Breach of Obligations**

1. In case of the first breach of obligations arising from these Company's Conditions - except for OHS and FP fields, which are dealt with separately in Article IV. Occupational Health and Safety, Clause 6, and Article V. Fire Protection, Clause 3 - the Contractor shall pay the penalty amounting to 2,000 CZK to the Customer per each breach.  
Upon repeated breach of this obligation the Contractor shall pay to the Customer the penalty amounting to 5,000 CZK per each further breach. The method of settlement of a penalty is governed by the principles included in the payment conditions agreed on in the Contract for Work concluded. Repeated breaches of obligations can then be considered as a substantial breach of the duty.
2. If a breach of the principles for occupational health and safety, fire protection and environment by the Contractor is found out, the Contractor is obliged to immediately

remedy the matter as directed by the control body, including observing a ban on works or ordering a violator out of the Customer's area.

3. An obligation breach record shall be made by the Customer's technical representative on the basis of his own finding or a request of the control body in the erection/building journal or in another provable way.

### III. Execution of Work

1. The Work shall be executed in the Customer's production area in Hranice in accordance with his integrated policy. The Contractor shall acquaint himself in advance with the condition of the building site installations / workplace and the Work execution procedure. The Contractor shall execute erection or removal of the equipment according to the documentation approved by the Customer.
2. A special stress shall be placed on issues concerning occupational health and safety and fire protection which must be specified and observed in connection with the Customer's activity after the site/workplace takeover. A workplace handover record shall be made at least in the form of an entry into the building / erection journal.
3. If employees of two and more employers are performing tasks in the workplace, the employers are obliged to inform one another in writing about risks and mutually cooperate to ensure occupational health and safety and fire protection. **Unless otherwise specified, obligations of an authorised employer for coordination of measures for occupational health and safety and procedures for their application shall be performed by the Contractor** – see Act No. 262/2006 Sb., s. 101, the Labour Code.
4. The Customer expects that the Contractor's employees (or other co-operating persons) who will perform work for Cement Hranice, akciová společnost are medically fit within the meaning of the labour law (provisions of sections 101 and 103 of the Labour Code) and documentation of their medical fitness in accordance with Act No. 373/2011 Sb., on specific health services (provisions of sections 53 to 60), can be provided as evidence, if necessary, and that the contractor sees this mutual information on the medical fitness of its employees to carry out work at Cement Hranice, akciová společnost as a prevention of occupational health and safety
5. Before commencing works, a representative of the Contractor is obliged to provably hand over, to a technical representative (supervisor) of the Customer, a notice in writing of risks resulting from his activity in the Customer's workplaces or the common workplaces and the measures taken for their minimisation according to the Labour Code, s. 101. Furthermore, he shall in particular observe provisions of Act No. 309/2006 Sb., modifying additional requirements for occupational health and safety in employment relations and for safety and protection of health during an activity or rendering of services outside employment relations (Act on provision of additional requirements for occupational health and safety), as amended.
6. The Contractor is liable for damages on the Work and is the owner of the Work until the Work is handed over to the Customer, unless agreed otherwise with the Customer.
7. The Contractor is obliged to maintain order in the workplaces and at his own expenses to continuously transport and dispose of removed material and wastes, unless agreed otherwise with the Customer.
8. In the course of the Work execution, the Contractor shall keep the building/erection journal with daily records on progress of works on the Work in accordance with Act No. 183/2006 Sb., s. 157, the Building Act, and the Decree No. 499/2006 Sb., on documentation of buildings, or its Annex No. 9.
9. The building/erection journal shall in particular include:  
entry date, number of workers, description and range of works executed, changes as compared with the project documentation, additional works executed, description of individual deliveries, outdoor temperature in °C, etc.
10. The Contractor shall submit the building/erection journal to the Customer at least once a week for approval (signature), unless agreed otherwise. The Customer shall immediately

express his opinion of entries in the building/erection journal. Any changes during the Work execution as compared with the documentation shall be mutually in advance agreed by the Customer and the Contractor. The Customer shall always receive one copy of a sheet of the building/erection journal.

11. The Contractor is obliged to perform the construction in accordance with the issued building permit and the applicable project documentation and according to Act No. 183/2006 Sb., Building Act.
12. The Contractor is obliged to perform the construction in accordance with Act No. 183/2006 Sb., s. 160, Building Act.
13. Having finished the works, the Contractor is obliged to properly clean the building site installations / workplace and restore all the areas used for execution of works to the original state, at his own expense and risk.
14. After having executed removal works on the existing structures, the Contractor is obliged to complete the remaining structures so as to be safe again after works have been finished.
15. A finished Work handover and takeover protocol shall be made. The Customer will take over the Work in case that there are no defects, faults and arrears, which themselves or in connection with other defects, faults and arrears have such an impact that the Work executed does not correspond to the outcome determined in the Contract for Work and is not able to serve for its purpose.
16. Putting into operation shall be carried out according to the government decree No. 378/2001 Sb., s. 4, determining detailed requirements for safe operation and use of machines, technical equipment, devices and tools.

#### **IV. Occupational Health and Safety (OHS)**

##### **1. SELECTION FROM OHS REGULATIONS RELATING TO CONTRACTOR IN CUSTOMER'S PREMISES**

**A.** In executing works, the Contractor is in particular obliged to observe:

- a)** Government Regulation No. 250/2021 Sb., on occupational safety in connection with the operation of designated technical equipment and on amendments to related laws,
- b)** Act No. 309/2006 Sb., regulating further requirements for occupational safety and health in employment and for ensuring safety and health in activities or services outside employment (Act on Ensuring Further Conditions of Occupational Safety and Health),
- c)** Government Regulation No. 591/2006 Sb., on more detailed minimum requirements for health and safety at work on construction sites,
- d)** Government Regulation No 362/2005 Sb., on more detailed requirements for health and safety at work in workplaces where there is a risk of falling from a height or to a depth,
- e)** Government Regulation No 101/2005 Sb., on more detailed requirements for the workplace and the working environment, as amended,
- f)** Government Regulation No 375/2017 Sb., on the appearance, location and design of safety signs and markings and the implementation of sign,
- g)** Decree No 48/1982 Sb., laying down the basic requirements for ensuring the safety of work and technical equipment,
- h)** Government Decree No 168/2002 Sb., laying down the organisation of work and working procedures which the employer is obliged to ensure when operating transport vehicles
- i)** Act No. 361/2000 Sb., on road traffic and on amendments to certain acts
- j)** Act No 21/2003 Sb., laying down technical requirements for personal protective equipment
- k)** Government Regulation No 390/2021 Sb., on more detailed conditions for the provision of personal protective equipment, washing, cleaning and disinfecting equipment



- l) and other legal and other regulations to ensure health and safety at work, including relevant ČSN such as ČSN ISO 12480-1 - Cranes - Safe Use, etc.
- m) at workplaces supervised by the State Mining Administration, the regulations for ensuring the safe conduct of mining activities and the operational documentation issued by the client.

## 2. SAFETY REGULATIONS

### A. GENERAL

- a) In executing works, the Contractor is obliged to observe regulations concerning occupational health and safety. The Contractor is responsible for injuries and damage incurred due to violation or negligence of these safety regulations according to respective provisions of the Labour Code and the Government Decree through which the Labour Code and some other Acts are enforced, or according to special regulations and decrees.
- b) Employees as well as representatives of the Contractor are obliged to follow instructions of the Customer's control bodies as well as site officers (foreman, site manager). If violation of regulations concerning OHS and FP by the fault of the Contractor's employees or representatives is found out, the Contractor is obliged to remedy the matter as directed by the Customer's control bodies or representative, including observing ban on work for persons who have violated the given safety principles and have been withdrawn from Work execution place.
- c) The Contractor is obliged to cooperate with the control bodies and follow their instructions according to Act No. 183/2006 Sb., s. 133, Building Act.
- d) The Contractor is obliged to cooperate with the control bodies and follow their instructions according to Act No. 251/2005 Sb., s. 7, on labour inspection.

### B. OBLIGATIONS PRIOR TO CONNECTION TO THE CUSTOMER'S DISTRIBUTION NETWORK

Before connecting technical electrical equipment to the customer's distribution network, the Contractor is obliged to provide the customer's responsible representative with documents on valid electrical inspections of electrical equipment, which he will then, with his consent, connect to the Customer's distribution network. Without documentation of these revisions, connection to the Customer's network is forbidden and the Contractor is liable for damages and, if applicable, for the consequences and accidents of the breach of this obligation.

### C. CONSTRUCTION LOGBOOK AND OTHER OSH DOCUMENTATION AT THE SITE HANDED OVER /TAKEN OVER.

**The following must be available at each workplace:**

- a) the certified construction and technical documentation according to which the work will be carried out, if it is available for that part and if it was handed over to the Contractor by the Client at the time of signing the contract or at the time of the written handover of the site.
- b) construction diary, in which the data on the construction will be listed within the scope of Act No. 183/2006 Sb., Building Act, as amended by Section 157, or from 1. January 2024 Section 166 of Act No. 283/2021 Sb., Building Act,
  - ✓ the contents of the construction diary will be in accordance with Decree No. 499/2006 Sb., on documentation of buildings, Annex No. 16, until a new implementing regulation is issued pursuant to Section 166(4) of Act No. 283/2021 Sb.,
- c) OSH file, where all documents used to ensure OSH on the construction site and for possible inspection by the OSH coordinator at the construction site or the OSH professionally qualified person at the construction site inspection or the Regional



Labour Inspection in the event of an inspection by the Regional Labour Inspection at the construction site will be stored. The OHS file will contain, as a minimum, e.g.:

- ✓ OHS plan - if prepared for the contract,
  - Notification for Regional Labour Inspection about the commencement of construction works + (posted at the entrance to the construction site)
  - Introducing workers to the OHS plan, including workers of subcontractors,
- ✓ Handover/takeover of the workplace,
  - List of subcontractors,
  - Introducing workers and subcontractor's workers to the conditions of handover of the workplace,
- ✓ Information on network demarcation,
- ✓ Risks - the prevention of risks from the interaction of activities carried out on or in close proximity to a construction site and the management of risks arising from these practices, including the measures taken to eliminate them, and cooperation in ensuring occupational health and safety for all employees on the site:
  - Own, generated risks and measures to eliminate them at the workplace during the performance of contractually agreed work,
  - Exchanging risks and measures to eliminate them when they coincide with other work on site and when they coincide with other contractors,
  - Information about informing another contractor that work will be carried out that could affect the safety of work at lower workplaces e.g.:
    - an agreement to suspend work and set other conditions for the resumption of work at the workplace below,
    - Information on carrying heavy loads over workplaces, etc.,
  - Information that contractors have informed each other in writing of the hazards and the measures taken to protect against their effects as they relate to the performance of the work and the workplace, and to cooperate in ensuring occupational health and safety for all employees at the workplace.
- ✓ Introducing workers to the risks of other parties,
- ✓ Revision of PPE - harnesses, ropes, etc.,
- ✓ Revision of el. tools, appliances, cells, switchboards...
- ✓ Random checks for alcohol and drugs
- ✓ Copies of documents proving professional qualifications, such as:
  - Last training of supplier's / subcontractor's employees in the field of OSH, FP and possibly first aid,
  - Medical capacity
  - Binders' licences,
  - Welders' licences,
  - Driving forklift trucks,
  - Other certificates authorising the worker to carry out work activities,
  - Etc.

## D. PRESENCE OF OSH PROFESSIONALLY QUALIFIED PERSON ON SITE

The presence of the contractor's OSH professionally qualified person is required to limit the risks arising at the workplaces handed over by the Client to the Contractor, upon request by the Client. The Contractor shall be liable for damages arising from a breach of this cooperation.

## E. BASIC SAFETY REGULATIONS FOR WORK EXECUTION WITHIN CUSTOMER'S PREMISES



## Cement Hranice

- a) The Contractor's executive who will act in the Customer's area and premises shall complete an initial training in the sphere of occupational health and safety and fire protection (and subsequently provably instruct their employees) carried out by the Customer through his executive of a corresponding workplace or an employee ensuring inspection of the Contractor's activity.
- b) Works can be commenced after having been previously agreed on with a Customer's respective technical representative who is usually a worker in the sphere of investments, maintenance or operation. The discussion subject must include determination of work range, working area as well as access roads and obligation to inform one another in writing about risks they may endanger each other.
- c) Upon the Customer's request, the Contractor's executive is obliged to submit documents concerning the prescribed training of the Contractor's employees. If damage to personal health incurs due to a harmful working place the responsibility for which is not assigned to any of the parties in question, it is the Contractor's responsibility.
- d) The Contractor's employees are obliged to observe measures taken for reduction of risk at work and use specified protective working means. The Contractor is obliged to provide his employees with protective working means as well as to require and check their use.
- e) In executing the Work, the Contractor is obliged to only use the electrical and other equipment being in accordance with Act No. 22/1997 Sb., on technical requirements for products, and having the prescribed revisions and other necessary documents for operation of machines, tools and PPE (personal protective equipment), according to the regulations and standards in force. Upon the request of the control bodies of the Customer and persons entrusted by the Customer to manage the construction (works on the Work), the Contractor is obliged to submit these valid documents.
- f) The Contractor is obliged to appoint a work team leader for each work team, i.e., even in case of a two-member team, and assign him with responsibility for occupational health and safety of the entire team. Before commencing works, the work team leader must be properly acquainted with his rights and duties.
- g) Before commencing works on the determined plant, the directly appointed representatives (managers) of the Contractor are obliged to complete a special briefing at a given plant manager, a representative authorised by him or an employee ensuring inspection of the Contractor's activity. A certificate of this training shall be kept at the employee ensuring inspection of the Contractor. The aim is to ensure mutual safety of employees of the Contractor and the Customer. Participants of this briefing shall at the same time be acquainted with follow-ups to determined workplaces and working areas, in particular with all the dangerous places where an increased risk of injury exists. The Contractor is obliged to make sure that the specified principles shall be transferred to Contractor's employees in the course of the briefing through training, work orders and instructions.
- h) Employees of the Contractor are responsible for order and cleanness of the site/workplace. They are in particular obliged to regularly transport rubble or debris of material occurring during execution of works to places agreed on. Furthermore, the Contractor is obliged to properly secure dangerous places, excavations of any kind, working areas, roads and pavements, crossings, dumps, etc. All the safety measures must be taken in accordance with valid regulations, Czech standards (ČSN), and the Customer's instructions.
- i) Places for storage of materials necessary for execution of erection works and deliveries shall be provided in accordance with the Government Decree No. 101/2006 Sb., on detailed requirements for workplaces and working environment, Annex No. 1, par. 10
- j) The Contractor is obliged to agree, with the railway operation manager within the Customer's area in Hranice through a record in writing, on necessary safety measures to be taken in cases when works to be executed interfere with passing

clearance of the railway siding. This above all includes works resulting in restriction of or interference with a passable area for switchmen within a distance of 3,000 mm from a track axis, a space up to 6 m above a track head, stability of track superstructure, or any other risk. Interference with the track superstructure or excavations near the track shall also be agreed with a technical supervisor of this railway operation manager.

- k) If works interfere with internal roads, the Contractor is obliged to agree, with a road administrator authorised according to the Customer's traffic regulations, in advance and in writing, on a progress of works and safety measures and to secure the road in accordance with the regulations.
- l) In accordance with Act No. 361/2000 Sb., s. 35, on road traffic and amendments to some Acts, the Contractor is obliged to immediately ensure removal of obstacles resulting from his activity on internal roads and keep them clean and passable, and furthermore in accordance with the Government Decree No. 101/2006 Sb., on detailed requirements for workplaces and working environment, Annex No. 1, par. 5
- m) The building site installations and independent areas of the workplaces must be secured in accordance with the government decree No. 591/2006 Sb., on detailed minimum requirements for safety and protection of health at work on building sites or according to the Customer's additional instructions.
- n) The Contractor shall ensure the electrical installations used by him to be in accordance with the Government Decree No. 101/2006 Sb., on detailed requirements for workplaces and working environment, Annex No. 1, par. 2
- o) Before commencing works, the Contractor is obliged to present himself on a daily basis at the plant manager or his appointed representative, a manager of the centre, the plant, equipment or any other authorised employee of the Customer and announce information on the range of works and the place where he will perform the activity in question. In doing so, the Contractor raises his requirements for occupational health and safety for his employees as well as the Customer's employees. The agreement on above matter shall be documented by the involved persons through an entry into the erection/building journal. The given duty does not apply, if the building site installations / workplace are handed over to the Contractor and are not subject to another activity of the Customer in the course of the Work execution.
- p) Employees of the Contractor can only stay on those workplaces and plants or areas which were handed over to them and where they were instructed in work safety and the possibilities of arising an injury (informed about risks). To access these workplaces, sanitary facilities, canteen or dining room, etc., they can only use communications determined for them by the Customer's technical supervisor.
- q) The Contractor's drivers of transport means ensuring transport within the Customer's area are obliged to observe internal road signalling and traffic rules on the Customer's roads in addition to the generally binding legal regulations.
- r) If the Contractor uses the Customer's property (cranes, lifts, etc.) during building or erection activities, an agreement in writing shall be concluded in advance, the content of which shall determine rights and duties as well as conditions of safe use of the equipment in question.
- s) If activities of the Contractor are performed within the areas being subject to the Supreme Mining Authority's supervision (crushing plants, quarries, etc.), the Contractor is obliged to observe the Notice No. 26/1989 Sb., on occupational health and safety and safety during mining works executed in the mining manner on surface, and the Notice No. 51/1989 Sb., on occupational health and safety and safety of operation during mineral treatment and beneficiation and other regulations to ensure the safe conduct of mining activities, including operational documentation issued by the Customer.

### **3. BASIC RISKS DUE TO CUSTOMER'S OPERATION**



Risk source	Danger	Measure
working areas	head injury	protective helmet
	fall of persons, objects	maintenance of communication passability, protection of area below place of work at height, safety signs, suitable working shoes
machinery	catching winding up, squeezing up	buttoned clothes without loose parts, observance of safe distance, protection of drives - 1-00104
technical equipment	injury	only authorised, qualified and competent operators
road traffic means of transport	accident	road signs, general traffic rules apply maximum speed suitable working clothes with warning elements
road traffic pedestrians	accident	increased attention during movement on road, road signs, pavements, crossings, suitable working clothes with warning elements
railway siding	accident	do not enter track observe signalling suitable working clothes with warning elements
dust	damage to respiratory organs, eyes, skin	respirator, goggles, gloves, working clothes
noise	impaired hearing, inaudibility of instructions	PPE, suitable method of communication
electrical energy	electrical accident	not-permitted, unauthorised intervention in electrical equipment and attendance by unqualified person
welding	fire, explosion	consideration of welding environment protection of welding place protection of place after welding

#### 4. IDENTIFICATION OF CONTRACTOR'S PERSONNEL, PPE AND OCCUPATIONAL INJURIES WITHIN CUSTOMER'S PREMISES

- a) All the Contractor's personnel working within the Customer's premises shall be identifiable in visible places as follows:
  - a. **CLOTHING** - e.g., blouse, shirt, T-shirt - logo relating to the employer,
  - b. **HELMET** - name and surname
- b) Movement of the Contractor's personnel around the Company's premises shall be possible provided that the minimum requirements set out in **DP1-00041 Article 10 Entry and Exit of Service Vehicles, Article 11 Types of Visits and Article 14.3 Visiting Obligations** are complied with. Downloadable at <https://www.cement.cz/bezpecnost-a-ochrana-zdravi-pri-praci>.
- c) In terms of the use of PPE on company premises, the minimum requirements for the use of PPE as set out in **DP1-00041 Article 16 PPE**. Downloadable at <https://www.cement.cz/bezpecnost-a-ochrana-zdravi-pri-praci>.
- d) The contractor shall proceed in accordance with Government Regulation No. 201/2010 Sb., on the method of recording, reporting and sending the accident record for each accident. The Contractor shall further be obliged to immediately report each

occurrence (accident) to the Employer's technical supervisor and the Employer's OHS technician, to whom the Contractor shall provide a copy of the accident record and/or accident report.

- e) In the event that an employee of the Contractor who does not have a direct supervisor at the Client suffers an accident, the responsible employee of the Technical Supervisor shall inform the Contractor, who shall proceed in accordance with paragraph b) of this Article.

**f) MINIMUM PPE**

With regard to possible health risks and in accordance with document No. KHSOC/62727/2020/PR/HP - Decision on work categorization and documented procedure DP1-00180 Provision of personal protective equipment in Cement Hranice, akciová společnost, paragraph 13. 1. employees who may move in or be close to a hazardous environment during their work must be equipped according to Annex 2. It is their duty to use the PPE for the purpose for which it is intended by the manufacturer and when the risk it protects against is present.



**5. ALCOHOLIC DRINKS IN WORKPLACES WITHIN CUSTOMER'S PREMISES**

- a) The Contractor takes into account the **strict ban on consumption and bringing of alcoholic drinks and other drugs and the ban on entry under their influence to the Customer's premises** in Hranice.
- b) Violation of the ban on consumption and bringing of alcoholic drinks and other drugs and the ban on entry under their influence to the Customer's premises by anyone on the Contractor's part is always considered to be serious or gross violation of conditions stipulated in the Contract.
- c) The Contractor hereby undertakes to undergo investigation whether the ban on consumption and bringing of alcoholic drinks and other drugs and on entry under their influence to the Customer's premises was violated using a breath test or other test.
- d) The Customer's representatives or control bodies are authorised to require the breath test.

If a person tested does not agree with the breath or other test result and denies consumption of a banned substance, he is obliged to undergo the medical examination.

- e) Refusal of the test or medical examination by anyone on the Contractor's part is considered as proved consumption of a banned substance and as gross violation of the stipulated conditions.

**6. PENALTIES FOR BREACH OF CONTRACTOR'S OBLIGATIONS IN THE OHS SPHERE WITHIN CUSTOMER'S PREMISES**

**A. If the Contractor breaches his obligations in the OHS sphere, e.g.:**

- a) unsecured work at heights  
the Government Decree No. 362/2005 Sb.,
- b) uncovered opening in the horizontal structure  
the Government Decree No. 362/2005 Sb., and No. 591/2006 Sb.,
- c) unsecured excavation  
the Government Decree No. 591/2006 Sb.,
- d) unsecured workplace under the place of work at heights  
the Government Decree No. 362/2005 Sb.,
- e) unsecured space where demolition works take place  
the Government Decree No. 591/2006 Sb.,
- f) dedicated lifting equipment without revision in operation,
- g) personal protective equipment not used  
- the Labour Code, Act No. 262/2006 Sb., s. 104 and s. 106, par. 4(d)
- h) free escape paths not provided

- Government Decree No. 101/2006 Sb., - Annex No. 1, par. 2.3
- i) failure to comply with the provisions of Decree No. 48/1982 Sb., Part 12
- j) the construction lift operated by an untrained person,
- k) persons transported in the freight lift,
- l) slinging of loads without the slinging certificate,
- m) scaffold handover and takeover not performed, etc.
- n) failure to comply with the regulations and operational documentation for the safe conduct of mining activities

**B. If the carrier breaches his obligations in the OHS sphere, e.g.:**

- a) unsecured work at heights - tank truck being filled without using a hinged rail - protection against fall
  - Government Decree No. 362/2005 Sb.,
- b) personal protective equipment not used or not suitable (protection of head, hands, legs, eyes, body + reflective elements on working clothes, etc.),
  - the Labour Code, Act No. 262/2006 Sb., s. 104 and s. 106 (4)(d)
- c) Non-observance of traffic speed limits within the Company's premises
  - breach of Act No. 361/2000 Sb., s. 61 (2), on road traffic and amendments to some Acts
- d) breach of driver's obligations
  - breach of Act No. 361/2000 Sb., ss. 4, 5, 6, on road traffic and amendments to some Acts
- e) breach of driver's obligations
  - breach of Act No. 361/2000 Sb., s. 26 (2), on road traffic and amendments to some Acts
- f) breach of registered keeper's obligations
  - breach of Act No. 361/2000 Sb., s. 10, on road traffic and amendments to some Acts,
- g) breach of registered keeper's obligations
  - breach of Act No. 56/2001 Sb., s. 36 (3), on road traffic conditions and amendment to the Act No. 168/1999 Sb., on liability insurance for damage caused by operation of vehicle and on amendments to certain related Acts (the Motor Third-Party Liability Insurance Act) as amended by Act No. 307/1999 Sb.
- h) failure to comply with the regulations and operational documentation for the safe conduct of mining activities.

**the Contractor shall pay to the Customer, for the first breach of these obligations in paragraphs A and B, the penalty amounting to 2,500 CZK per each ascertained and documented case.**

**C. In case of work under the influence of alcohol**

A person executing the activity, during which he/she could endanger any other person's life or health or damage any property, must not consume alcoholic drinks or any other addictive drugs before or during execution of this activity, i.e., he/she must ensure not to execute this activity under the influence of alcohol or any other addictive drug.

(Works under the influence or after consumption of alcohol drinks or any other addictive drug in the workplace, or upon refusal of the breath test - detection of saliva - by the Contractor's employee, see e.g.

- the Labour Code, Act No. 262/2006 Sb., s. 106 (1) (e)
- Act No. 361/2000 Sb., on road traffic, s. 5 (2) (a) (b) (d),



- Act No. 65/2017 Sb., on health protection against addictive drug effects, s.19 (20) and s. 21).

Upon a failure to comply with the ban on consumption of alcoholic drinks or any other addictive drugs, the Contractor shall pay to the Customer, in case of the first breach of this obligation, the penalty **amounting to 50,000 CZK per each ascertained and documented case.**

#### **D. Repeated breach of obligations relating to OHS, method of penalty settlement and payment:**

- In case of a repeated breach of these obligations, the Contractor shall pay to the Customer the penalty amounting to double penalties given.
- The method of penalty settlement is governed by the principles included in the payment conditions stipulated in the Contract for Work concluded.
- A repeated breach of obligations can then be considered as a substantial breach of the duty.
- The Customer is entitled to set off the penalties for breach of obligations relating to OHS against the invoiced Work price.
- The penalty payment does not concern the right to compensation for damage in full. Thus, it holds that the penalties are paid by the liable Contracting Party independent of whether and in what amount a damage incurs to another Contracting Party in this context that can be separately claimed to full extent.

#### **V. Fire Protection**

##### **1. SELECTION FROM FP REGULATIONS RELATING TO CONTRACTOR IN CUSTOMER'S PREMISES**

- a) Act No. 133/1985 Sb., on fire protection,
- b) Decree No. 87/2000 Sb., laying down conditions for fire safety during welding and heating of bitumen in melting pots,
- c) Decree No. 246/2001 Sb., laying down conditions for fire safety and state fire supervision performance (Decree on Fire Prevention),
- d) and other legal and other regulations to provide occupational health and safety including respective Czech standards (ČSN) such as:
  - a. ČSN 05 0601 - Safety measures for welding of metals,
  - b. ČSN 05 0630 - Safety measures for arc welding of metals,
  - c. ČSN 05 0610 - Safety measures for flame welding and cutting of metals,
  - d. ČSN 05 0650 - Safety measures for resistance welding of metals,
  - e. etc.

##### **2. GENERAL**

- A. Rights and duties of the Customer and the Contractor concerning the fire protection result from the generally binding regulations and respective Czech standards (ČSN).
- B. The respective Contractor and Customer undertake to fully observe below duties concerning the fire protection in the sphere of investments, repairs, maintenance and services of any kind.

##### **a) General provisions:**

- all the building objects, operating units are considered to be the objects for purposes of these principles, including the building site installations, individual rooms in buildings, or open spaces, if they are used by a respective Contractor, i.e., regardless of a way they were gained in. Determination of the range shall be laid down by the handover protocol,

- activities and objects with an increased fire risk are specified in Act No. 133/1985 Sb., on fire protection, as subsequently amended,
- while executing activities specified in Act No. 133/1985 Sb., (2) (3), s. 4, on fire protection, as amended, they must complete the special training in the fire protection in accordance with Decree No. 246/2001 Sb., s. 23, on fire prevention,
- controversial issues and problems in the sphere of fire protection shall be solved by the Contractor through a discussion with the Customer in the presence of a fire officer.

**b) Customer's duties:**

- inform the Contractor's employees about operated activities and objects with an increased fire risk in a workplace in question through an entry into the building/erection journal or in another evidential manner; in doing so, use knowledge of production technologies and their influence on possible changes in environment and possible formation of environment with an increased fire risk,
- acquaint the Contractor's representatives with energy closures, layout of fire protection means, fire alarm regulations, escape paths, fire regulations, etc.

**c) Contractor's duties:**

- ensure performance of all the activities connected with execution of the ordered Work so that places are always accessible for action of the fire rescue brigade,
- ensure that the Contractor's personnel only smoke in dedicated areas determined by the Customer,
- issue the methodological procedure for welding and other works according to the Customer's controlled record No. 4-00469: "Order for welding with an increased risk and ORDER V"; this shall be issued for the technological procedure for works not included in the local fire regulations,
- ensure the Contractor's fire protection training for the Contractor's personnel that will participate in the Work execution (services, performances, deliveries, construction) before entering the building site installations/workplaces within the Customer's area and before commencing works,
- observe the fire protection principles, fulfil and observe legal regulations and technical standards related to the fire protection,
- ensure fire protection for activities and objects with an increased fire risk (protection devices, extinguishers, escape paths, fire supervision, preventive fire guards, etc.),
- submit to the Customer a record in writing on any fire arisen on the construction and in the premises of the building site installations/workplace, including a range of damages and causes; this duty does not exempt the Contractor from the responsibility to announce fire to the respective state authorities,
- inform the Customer about changes in quantity of stored flammable substances and substances with fire risk, changes in fire protection equipment (extinguishers, etc.),
- perform checks of the used premises and activities in accordance with the fire protection regulations,
- perform subsequent supervision after completion of welding and other works with an increased risk within the meaning of the Czech standards and Decree No. 87/2000 Sb., on welding.
- ensure the free escape paths for workplaces,
- ensure that no welding gas cylinders are placed in areas with danger of explosion or fire,
- ensure removal of burners and hoses for gas supply from areas with danger of explosion or fire after each flame extinction and workplace leave,



- ensure that more welding sets in the workplace are at the distance from each other at least 3m or separated from each other with a non-combustible fixed wall exceeding height of cylinders by 200mm and their width by 100mm.

### **3. PENALTIES FOR BREACH OF CONTRACTOR'S OBLIGATIONS IN THE FP SPHERE WITHIN CUSTOMER'S PREMISES**

#### **A. If the Contractor breaches his obligations in the FP sphere, e.g.:**

- welding without the valid welder certification,
- breach of obligation laid down in the Czech Mining Office's Decree No. 22/1989 Sb., ss. 166 and 167, - on occupational health and safety and safety during mining works executed in the mining manner underground,
- welding in areas with an increased risk without "Order for welding with an increased risk and Order V" - the Customer's controlled record No. 4-00469,
- breach of Chap. 3.6 of ČSN 05 0601 during welding in areas with an increased risk,
- breach of Chap. 4.1.4 of ČSN 05 0601 during welding in areas with an increased risk,
- breach of Chap. 3.3 of ČSN 060610 during works with an increased risk,
- breach of Chap. 4.1.3 ČSN 060610 during works with more welding sets,
- welding without provision of PFE (Portable Fire Extinguisher) during welding and cutting works,
- leaving residual combustible and combustion-supporting materials in the welding workplace,
- no separation of a greater number of welding workplaces from each other,
- leaving electrode stubs in an elevated workplace without being safely stored to prevent them from falling down,
- no access to ascending areas for IRS (Integrated Rescue System) or FRB (Fire Rescue Brigade) and connection points to IRS or FRB extinguishing agents,
- escape path blocking - narrowing the cross-section - in any way,
- breach of ČSN 05 0601, ČSN 05 0630, ČSN 05 0610, and ČSN 05 0650 provisions,
- breach of obligation given in the Act No. 133/1985 Sb., ss. 6 and 17, on fire protection,
- breach of obligation given in Act No. 87/2000 Sb., laying down conditions for fire safety during welding and heating of bitumen in melting pots, in particular ss. 3, 4, 5, 6, and 7,
- breach of obligation to smoke in places dedicated by the Customer,
- breach of obligation to permanently have free escape paths,

**the Contractor shall pay to the Customer for the first breach of these obligation the penalty amounting to 2,500 CZK per each ascertained and documented case.**

#### **B. Repeated breach of obligations relating to OHS, method of penalty settlement and payment:**

- In case of a repeated breach of these obligations, the Contractor shall pay to the Customer the penalty amounting to the double penalty given.
- The method of penalty settlement is governed by the principles included in the payment conditions stipulated in the Contract for Work concluded.
- A repeated breach of obligations can then be considered as a substantial breach of the duty.
- The Customer is entitled to set off the penalties for breach of obligations relating to OHS against the invoiced Work price.
- The penalty payment does not concern the right to compensation for damage in full. Thus, it holds that the penalties are paid by the liable Contracting Party independent

of whether and in what amount a damage incurs to another Contracting Party in this context that can be separately claimed to full extent.

## **VI. Property Guarding and General Inspection**

1. The Contractor is obliged to follow instructions of a Customer's property guard, hereinafter referred to as "Guard".
2. While performing his activity at the Customer, the Contractor undertakes to ensure observance of the following duties:
  - a) the main entrance (gatehouse) is only permitted for arrival and departure of the Customer's area in Hranice,
  - b) before commencing works at the Customer, the Contractor shall submit an application in writing for issuance of a permit to enter the Customer's area in Hranice, including a list of names of employees with a place of residence for each employee,
  - c) while sending tools and erection accessories from/to the Customer's object, the Contractor is obliged to document a delivery by means of a detailed list of items in three copies. One copy shall be submitted to the Guard. This principle applies to transport by rail as well as by road,
  - d) the Guard shall perform inspection according to the attached list signed by a Customer's representative before transport of tools, erection accessories and material to the Contractor or the building site installations/workplace,
  - e) the Contractor shall transport erection material as well as other material to the Customer exclusively in the amount and range specified in the project documentation for the Customer's investment project in question. The same applies to supply of material required for rendering of services for the Customer,
  - f) the Contractor is obliged to take all the available measures in his equipment/objects in order to prevent the stored items or material from being stolen from them - the Customer is not responsible for protection of the Contractor's property,
  - g) if the Customer or the Guard finds drawbacks in protection of the Contractor's property, the Customer shall call for the Contractor to verify given facts and ensure the remedy which he shall immediately perform if required,
  - h) the Contractor takes into account and shall observe the fact that transport of iron scrap and nonferrous waste from the Customer's area in Hranice is only permitted after a prior consent of the Customer's technical representative (supervision body).

## **VII. Environmental Protection, Waste Handling**

**In executing building, erection and other works and services, the Contractor is in particular obliged to observe the following Acts, including the related implementing legislation, in the sphere of the environmental protection:** for example, Act No. 185/2001 Sb., on wastes, Act No. 254/2001 Sb., on water, Act No. 201/2012 Sb., on air protection, Act No. 56/2001 Sb., on the conditions for operating vehicles on roads, Act No. 350/2011 Sb., on chemical substances and chemical mixtures, Act No. 224/2015 Sb., on the prevention of major accidents, Act No. 73/2012 Sb., on substances that deplete the ozone layer and fluorinated greenhouse gases, Act No. 258/2000 Sb., on protection of public health, Act No. 263/2016 Sb., Atomic Act, etc.

### **1. Waste handling in general during execution of building, erection and other works and services**

The Contractor is obliged to handle wastes including handover of wastes to the authorised persons in accordance with Act No. 185/2001 Sb., on wastes and the implementing legislation. In case of handover of wastes being produced during execution of works, the Contractor is obliged to have the valid consent for handling of these wastes.

**Delegation of obligations resulting from handling of wastes (hazardous as well as other wastes) from the Contractor to the Customer is absolutely inadmissible and strictly forbidden.**

**All the wastes** being produced during execution of the Work by the Contractor (i.e., during repairs, reconstructions, building, demolition works, execution of the Work within investment projects, etc.), **are owned by the Contractor, unless otherwise expressly stated in the Contract.** The Contractor is obliged to sort wastes by categories and catalogue numbers, separately collect them in suitable places and in suitable means. Places for collection of individual types of waste must be marked, secured and equipped so that stealing and degradation of waste and contamination of this place are excluded.

**The Contractor must not use the Customer's equipment for collection of wastes, unless otherwise expressly specified in the Contract.**

Having finished the Work, the Contractor is obliged to immediately remove the Contractor's equipment serving for waste collection. Until wastes, the waste collection equipment are removed from the Customer's premises and other obligations are met, until the Work is taken over without defects and arrears, the Customer is authorised to realise the retained sum amounting to 20% of the Work price without VAT.

## **2. Technical condition of transport and technical means and mechanisms**

The Contractor is allowed to only use **transport and technical means and mechanisms not endangering and contaminating the environment.** The Contractor's transport means must follow requirements of Act No. 56/2001 Sb., on the conditions for operating vehicles on roads and Decree No. 341/2002 Sb., on approving technical competence, and on the technical conditions for operating vehicles on roads.

**The Guard is authorised to perform visual check (including validity of the technical inspection) of the condition of transport means. Unless the transport means meets the above requirements, or for example leakage of service fluids and fillings occurs, this means shall not enter the premises.** If a loss situation occurs during execution of the Work in accordance with the given requirements, the Contractor shall remove the given discrepancy and immediately remove the transport means from the Customer's premises. This also applies to other technical means and mechanisms.

## **3. Handling of substances and agents hazardous to the environment, in particular substances harmful to water**

The Contractor is only allowed to handle such harmful substances and such quantity related to execution of the Work at the Customer.

**All the substances changing quality of surface water or underground water no matter how** (it also concerns e.g., water turbidity by insoluble inert substances), **are considered to be substances harmful to water.** The Contractor is obliged to have the valid emergency plan prepared and submit it to the Customer in case of deterioration of surface water quality and follow the measures taken herein, if handling of harmful substances exceeds the given limits of present harmful substances:

Extremely hazardous harmful substances:	>= 10 l (liquid state) or >= 15 kg (solid state);
Hazardous harmful substances:	>= 250 l (liquid state) or >= 300 kg (solid state);
Harmful substances to a larger extent:	>= 1,000 l (liquid state)

### **Obligations during handling of harmful substances:**

If extremely hazardous harmful substances or hazardous harmful substances or harmful substances to a larger extent are handled during execution of the Work, or when their handling is connected with an increased risk, **the Contractor is obliged to take**

**corresponding measures** preventing them from escaping to surface water or underground water or drainage.

#### **4. The use of substances and agents hazardous to the environment**

If the Contractor use substances and agents with properties hazardous to the environment during execution of the Work, he is obliged to use these substances and agents so as not to contaminate or endanger the environment.

**Any handling of these substances and agents is forbidden, in particular:**

- in the vicinity of inlets of the rain water drainage and the sanitary sewerage, **it is strictly forbidden to discharge** harmful, hazardous harmful and extremely hazardous harmful substances to any drainage or sewerage, *the other waste waters must meet requirements given below in Clause 5,*
- on paved areas without a protective agent excluding contamination of area surface by used substances or agents,
- on areas with unpaved surface,
- in places where the area is inclined to unpaved surface, sewerage inlet, watercourse, and water body,
- in exterior under unfavourable weather conditions (raining, windy, snowfall, etc.).

The used protective agent must be removed immediately after completion of handling of a hazardous substance or agent. In case of its contamination, it must be placed into the equipment for collection of hazardous wastes.

#### **5. The use of technologies and procedures with other negative impacts on the environment**

Disposal of any waste by incineration is strictly forbidden! (excluding equipment having approval for waste incineration issued according to Act No. 201/2012 Sb., on air protection). If breach of this forbiddance is found out, the Customer warns of notification of the environmental protection authority.

**The Contractor shall not use technological processes which have negative impact on environment through:**

- foul smell,
- excessive noise so that the sound pressure level at the nearest residential development does not exceed the value of **50 dB during daytime** (from 6:00 a.m. to 10:00 p.m.) and **40 dB during nighttime** (from 10:00 p.m. to 6:00 a.m.). The never-exceed value of the sound pressure is **90 dB at the distance of 1.5m from a noise source**, unless otherwise agreed between the Contractor and the Customer.
- emissions of solid and gaseous pollutants to atmosphere by the source not meeting conditions of Act No. 201/2012 Sb., on air protection and Decree No. 415/2012 Sb., on permissible level of pollution and its identification.
- producing waste water being discharged to the rain water drainage not meeting the limits of indicators:  
 $NL < 20 \text{ mg/l}$ ;  $NEL (C_{10}-C_{40}) < 1 \text{ mg/l}$ ;  $CHSK_{Cr} < 60 \text{ mg/l}$ ;  $BSK_5 < 20 \text{ mg/l}$ ;  
 $tensides < 0.1 \text{ mg/l}$ ;  $pH \text{ indicator: } 6.6 < pH < 7.6$ .

Necessity of waste water discharging to the **sanitary sewerage** must be discussed in advance with the Customer's representative while the limits laid down by the valid Hranice Sewage Rules of the company Vodovody a kanalizace Přerov, a.s. (Water Authority in Přerov) must not be exceeded.

### **VIII. Final Provisions**

1. These Company's Conditions are an integral part of stipulated contractual relations between the Contractor and the Customer.
2. Provisions of these Company's Conditions shall come into force on the date of the Contract for Work entry into force. If contractual relations between the Contractor and the



Customer are only concluded on the basis of the Customer's order confirmed by the Contractor, these Company's Conditions shall always be signed by both participants before commencement of performance (execution of the Work) on the Contractor's part.

3. The Contractor's obligations according to this document also apply to the complaint procedure, including cases of the Contractor's complaints against so-called third parties participating in execution of the Work at the Customer.

In Hranice, date .....

**on behalf of the Customer:**

name: Stanislav Vývoda  
position: Purchasing Department Manager

signature: .....

**on behalf of the Contractor:**

name: .....  
position: .....

signature: .....