

TERMS AND CONDITIONS

for Ensuring Occupational Safety and Health (OSH), Environmental Protection (EP), and Fire Protection (FP) ("Terms and Conditions") issued in accordance with Section 273 of Act No 513/1991, the Commercial Code, as amended

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The purpose of the following provisions of these Terms and Conditions is to define the rights and obligations of all contracting parties (Client and Supplier) to ensure occupational safety and health (OSH), fire protection (FP) and environmental protection (EP) in the performance of Contracts on and off RWE premises in accordance with the laws of the Czech Republic.

"Client" shall mean, individually and collectively:

RWE Transgas Net, s.r.o., having its registered office at Praha 10-Strašnice, V Olšínách 75/2300, 100 00, incorporated by entry in the Commercial Register kept by the Municipal Court in Prague, Section C, Entry 108316, registered number 272 60 364

RWE Interní služby, s.r.o., having its registered office at Praha 4, Vyskočilova 1481/4, 140 00, incorporated by entry in the Commercial Register kept by the Municipal Court in Prague, Section C, Entry 146798, registered number 271 16 191, VAT number CZ27116191

RWE Transgas, a.s., having its registered office at Praha 10-Strašnice, Limuzská 12/3135, 100 98, incorporated by entry in the Commercial Register kept by the Municipal Court in Prague, Section B, Entry 7240, registered number 264 60 815, VAT number CZ2646081

RWE Gas Storage, s.r.o., having its registered office at Praha 10-Strašnice, V Olšínách 75/2300, 100 00, incorporated by entry in the Commercial Register kept by the Municipal Court in Prague, Section C, Entry 124711, registered number 278 92 077, VAT number CZ27892077

RWE GasNet, s.r.o., having its registered office at Ústí nad Labem, Klíšská 940, 401 17, incorporated by entry in the Commercial Register kept by the Regional Court in Ústí nad Labem, Section C, Entry 23083, registered number 272 95 567, VAT number CZ27295567

RWE Energie, a.s., having its registered office at Ústí nad Labem, Klíšská 940, 401 17, incorporated by entry in the Commercial Register kept by the Regional Court in Ústí nad Labem, Section B, Entry 515, registered number 499 03 209, VAT number CZ49903209

SMP Net, s.r.o., having its registered office at Ostrava, Moravská Ostrava, Plynární 420/3, 702 72, incorporated by entry in the Commercial Register kept by the Regional Court in Ostrava, Section C, Entry 51324, registered number 277 68 961, VAT number CZ27768961

Severomoravská plynárenská, a.s., having its registered office at Ostrava, Moravská Ostrava, Plynární 420/3, 702 72, incorporated by entry in the Commercial Register kept by the Regional Court in Ostrava, Section B, Entry 757, registered number 476 75 748, VAT number CZ47675748

VČP Net, s.r.o., having its registered office at Hradec Králové, Kuklenský, Pražská třída 485, 500 04, incorporated by entry in the Commercial Register kept by the Regional Court in Hradec Králové, Section C, Entry 22449, registered number 274 95 949, VAT number CZ27495949

Východočeská plynárenská, a.s., having its registered office at Hradec Králové 4, Pražská 702, 500 04, incorporated by entry in the Commercial Register kept by the Regional Court in Hradec Králové, Section B, Entry 1025, registered number 601 08 789, VAT number CZ60108789

JMP Net, s.r.o., having its registered office at Brno, Plynárenská 499/1, okr. Brno-město, 657 02, incorporated by entry in the Commercial Register kept by the Regional Court in Brno, Section C, Entry 52276, registered number 276 89 841, VAT number CZ27689841

Jihomoravská plynárenská, a.s., having its registered office at Brno, Plynárenská 499/1, okr. Brno-město, 657 02, incorporated by entry in the Commercial Register kept by the Regional Court in Brno, Section B, Entry 1246, registered number 499 70 607, VAT number CZ49970607

RWE Distribuční služby, s.r.o., having its registered office at Brno, Plynárenská 499/1, 657 02, incorporated by entry in the Commercial Register kept by the Regional Court in Brno, Section C, Entry 57165, registered number 279 35 311, VAT number CZ27935311

"Supplier" shall mean any person with whom a Contract is concluded, in particular for the supply of particular goods, the execution of works (e.g. buildings) or services, and as a result of the performance of such a Contract the Parties have rights and obligations related to OSH, FP and EP. "Supplier" shall also refer to a subcontractor of a Supplier.

All persons (workers) commissioned by a Supplier to perform a Contract or execute an Order shall be regarded as the Supplier's employees.

"Contract" shall also mean a Contract concluded between the Client and the Contractor in the form of a purchase order in accordance with the Client's internal regulations, in which the parties express their willingness for these Terms and Conditions to be applied mutatis mutandis to part of the content of the Contract.

The Terms and Conditions shall be binding upon the Client and the Supplier if the parties agree to observe them under a Contract concluded in a valid manner.

1. Suppliers working on the Client's premises

A. OSH

SUPPLIER'S RIGHTS AND OBLIGATIONS

The Supplier shall cooperate with the Client in ensuring the occupational safety and health of the Supplier's employees working on the Client's premises within the meaning of Section 101 of Act No 262/2006, the Labour Code, as amended. The Supplier shall, before commencing the work that is the subject-matter of a Contract, ensure the following:

- take receipt of written information about risks and measures taken to protect against their effects, and about measures in case of emergencies, and demonstrably inform its employees or the employees of its subcontractors thereof;
- if the Client is obliged to nominate a coordinator for occupational health and safety on site, the Supplier shall notify the Client in writing whether a building project will be performed by multiple subcontractors, so that the Client can appoint an appropriate number of occupational safety and health coordinators at the site;
- enable the Client to inform employees, if necessary, about internal safety regulations and other specific OSH matters concerning the specific premises;

- assign work only to employees who are trained in OSH guidelines, are holders of a valid certificate of professional competence for their activities in accordance with statutory requirements (e.g. a driving licence, welding certificate, etc.) and are medically fit to carry out the work;
- provide a Personal Safety Notebook to those employees who are to perform for the Client any of the activities defined by the Client as very dangerous.

For the purposes of duties related to personal safety notebooks, the following shall be regarded as very dangerous work:

- interconnecting work on VHP and HP distribution and transmission systems, i.e. activities with potential gas leaks;
 - diving work;
 - work using X-ray equipment and other sources of ionizing radiation;
 - work at heights above 10 m or at depths of 7 m or more.
- The Supplier shall also be liable for ensuring that the Personal Safety Notebook is properly and truthfully completed prior to the start of work and that it contains all the particulars referred to and required therein. Failure to comply with this provision shall be subject to penalization under the conditions and at the amount provided for by these Terms and Conditions.

The Client shall summarize and publish the areas of activities for which the Supplier's employees or subcontractors, according to current legal requirements, must be professionally competent. This overview is available on the Client's website: <http://www.rwe.cz/>. If this document is updated, the version published and in force at the date of signature of the Contract shall apply to the Contract, but this shall not relieve the Supplier of the obligation to comply with current legal and legislative requirements.

Further, the Supplier undertakes that its employees and the employees of subcontractors on the Client's premises:

- shall comply with safety and hygiene regulations and shall act so as to avoid damage to health and property;
- shall, in their work, use prescribed protective equipment and personal protective equipment;
- use, for their work, only such tools, machinery and equipment which meet safety regulations and technical standards and are in good condition;
- shall not consume alcoholic beverages or other narcotic drugs and psychotropic substances, nor shall they work under the influence thereof, and at the request of a representative of the Client shall be subjected to a test for such substances in the presence of the competent senior employee of the Supplier;
- shall comply with the prohibition on smoking;
- shall, at the Client's request, undergo a check of items carried in and out and transferred to and from the Client's premises;
- shall use only those tools, machinery and equipment owned by the Client which they have been granted written consent to use;
- shall treat chemicals in such a manner so as to avoid endangering the health and lives of persons or the environment and comply with the requirements of applicable law – in particular they shall be familiar with rules and be trained as required by Section 44a of Act No 258/2000, the Public Health Protection Act, as amended, and the safety data sheets under the EC REACH Regulation, i.e. No 1907/2006;
- shall, in the performance of work defined by the Client as very dangerous, have a valid Personal Safety Notebook on the premises;
- at the oral request of the Client's representative, produce, without undue delay, a valid safety notebook, if they are carrying out activities defined by the Client as very dangerous.

In the performance of activities related to the subject-matter of the Contract on the Client's premises, the Supplier shall:

- keep the premises clean and tidy;

- ask for written consent to any modifications to safety, health and fire facilities and the labelling thereof;
- proceed in accordance with the relevant measures of Act No 183/2006, the Building Act, as amended, where the equipment on the premises is regarded as temporary or requires changes or removal, etc.;
- report and consult work in the protection zones of utility network lines or in the vicinity of other facilities (e.g. storage points and storage facilities of tech. gas or fuel) in advance with the Client and, during such work, respect the protection zones and work with caution;
- notify, register, record and report all occupational accidents of its employees which take place on the Client's premises or in the course of work for the Client, or of the employees of subcontractors, and shall invite the responsible representative and safety officer of the Client to properly investigate them. All records of accidents which occur in the course of work for the Client shall be sent by the Supplier to the e-mail address: urazy@rwe.cz;
- on request and without undue delay, notify the approximate number of hours worked in favour of the Client.

CLIENT'S RIGHTS AND OBLIGATIONS

The Client shall:

- provide a Supplier whose employees or subcontractors are to work on the Client's premises with written information about risks and measures taken to protect against the effects thereof. If the above information is not annexed to a Contract, this action shall be taken before the Supplier starts the work. The Client shall immediately notify the Supplier of any significant changes in the above areas;
- inform the Supplier of the measures in case of emergency. If the above information is not annexed to a Contract, this action shall be taken before the Supplier starts the work. The Client shall immediately notify the Supplier of any significant changes in the above areas;
- duly and properly hand over and identify the work premises to the Supplier (and its subcontractors) and identify and define the access routes;
- inform, through a designated contact person, the appropriate senior staff of the Client whose employees use the workplace or other premises where the Supplier is to work about the purpose of the work carried out by the Supplier (or its subcontractor) on those premises. Further, the Client shall inform these employees of all safety measures taken no later than the day after the Client receives the necessary information from the Supplier;
- publish and update a list of activities for which the employees of the Supplier (or its subcontractors) must be professionally competent, and make this list available at: <http://www.rwe.cz/>.

The Client hereby reserves the right to:

- check the Supplier's work to verify compliance with the principles of occupational safety and health mentioned above and, in the event of a serious breach of any provision which could result in danger to safety or health, require the termination of performance or eject any person creating a risk from the workplace and the premises of the Client;
- conduct a customer audit of the Supplier to assess compliance with legal requirements and the obligations of the Client in terms of quality control and occupational safety.

B. EP

SUPPLIER'S RIGHTS AND OBLIGATIONS

The Supplier shall perform all contractually agreed activities so as to avoid any negative impacts on the environment. The Supplier shall also respect the Client's internal environmental guidelines and regulations on the Client's premises. The Supplier shall be liable for environmental damage arising from its activities and caused to the Supplier itself, to the Client, or to third parties, and for the removal thereof.

If the Supplier handles hazardous chemical substances or preparations on the Client's premises, the Supplier shall:

- provide the Client, on request, with a list of all the hazardous chemical substances and preparations handled by the Supplier, including safety data sheets;

No.	List of additional documents beyond the scope of a Contract	Submitted	
		Client	Supplier
1	Record of mutual information provided to ensure OSH on the premises and the designation of the person coordinating OSH on the premises	✓	✓
2	Record documenting that the Supplier's employees have been informed of the risks associated with activities related to the subject-matter of the Contract, and of OSH rules on the Client's premises, including a copy of the attendance list	X	✓
3	Record documenting that the Client's employees have been informed of the risks associated with the activities of the Supplier (or its subcontractors)	✓	X
4*	List of activities for which the employees of the Supplier (or its subcontractors) must be professionally competent (http://www.rwe.cz/)	✓	X
5**	Plan of on-site safety and health protection ("Plan") for work where this obligation arises under Act No 309/2006 and Government Regulation No 591/2006	✓	✓

* Documents which are mandatory only for Suppliers whose employees, or their subcontractors' employees, are to perform for the Client any of the activities defined by the Client as very dangerous (see above).

** The Client shall be responsible for drawing up the plan of on-site occupational safety and health protection; the Supplier must have this Plan at its disposal and comply with the provisions thereof.

- store hazardous chemicals and preparations in accordance with the instructions set out in the safety data sheets and ensure that the employees who handle them have been demonstrably acquainted with such instructions;
- handle hazardous chemicals in a manner that prevents the unwanted release thereof into the environment (especially soil, groundwater or surface water);
- treat used packaging of hazardous substances as hazardous waste.

The Supplier shall be regarded as the producer of waste generated in the performance of the Supplier's activities under the Contract. As such, it shall:

- submit a list of all waste, with the following information, at the request of the Client's representative prior to commencing supplies or services under the Contract: the name and type, catalogue number, estimated quantity, including a specification of the collection method, transport and disposal arrangements, including the applicable permits to manage the relevant waste;
- properly manage the waste, in particular it shall collect waste sorted by type at sites designated for this purpose and register the quantity thereof;
- secure the collection point or collection facilities with technical parameters to prevent the contamination of water and soil with waste, or leakage of waste or any part thereof into the environment, and ensure the due identification thereof.

In case of an accident, the person who discovers the accident shall immediately take action to prevent the spread of hazards, shall ensure fire safety, and shall immediately report the accident to the Client.

CLIENT'S RIGHTS AND OBLIGATIONS

The Client shall acquaint Suppliers with the internal guidelines and regulations on environmental protection to be observed by the Supplier on the Client's premises, even before the start of work by the Supplier. The Client shall also inform the Supplier of the measures the Supplier must take in the event of an emergency threatening the environment.

The Client shall be entitled to check the Supplier's work to ensure observance of the principles of environmental protection mentioned above. In case of serious breach of any provision which could result in damage to the environment, the Client shall stop the work or eject the originator of the threat from the Client's workplace and premises. Further, the Client reserves the right to conduct a customer audit of the Supplier to assess compliance with legal requirements and the obligations of the Client in terms of environmental protection.

C. FP

SUPPLIER'S RIGHTS AND OBLIGATIONS

Unless otherwise agreed, the Supplier shall ensure fire protection on the premises to the extent of the work carried out by the Supplier.

The Supplier shall act, in the performance of supplies or services under the Contract, so as not to cause a fire and endanger life, health and property. To this end, the Supplier shall, if necessary, acquaint itself with the method for ensuring fire protection on the Client's premises and inform the employees of the Supplier as well as the employees of the Suppliers' subcontractors working on the Client's premises thereof.

Further, the Supplier undertakes that its employees and the employees of subcontractors:

- shall, at the Client's request and in all cases in workplaces where operations with an increased and high fire risk are carried out, attend training on fire protection on the Client's premises prior to starting work;
- in the performance of work in, on or near emergency exits and routes, electricity distribution equipment, gas, water and heating valves, fire safety equipment and material fire protection resources, shall not impede free access, unless absolutely necessary in the performance of work under the Contract;
- strictly observe all instructions indicated by safety signs and signals;
- shall carry out work with an increased fire risk (e.g. welding, grinding, cutting, working with a naked flame, etc.) after reporting such work to and receiving permission from the Client's employee responsible for fire protection;
- before commencing fire-risk activities, shall check the place of work and its surroundings, remove flammable substances and take other necessary fire-safety measures;
- sound the fire alarm if they detect fire;
- provide adequate fire-fighting assistance.

CLIENT'S RIGHTS AND OBLIGATIONS

The Client shall ensure the fire protection of the workplace to the extent of the Client's operations.

By agreement with the Supplier, the Client shall provide training for the Supplier's senior employees. Furthermore, the Client shall provide the Supplier, before the commencement of the work and after each subsequent significant change in circumstances, with the information necessary to carry out the training of the employees of the Supplier or its subcontractors. This training shall be carried out or arranged by the Supplier.

The Client shall be entitled to check the Supplier's work to ensure observance of the principles of fire safety mentioned above. In case of serious breach of any provision which could result in a fire or danger to life, health or property, the Client shall stop the work or eject the originator of the threat from the Client's workplace and premises. Further, the Client reserves the right to conduct a customer audit of the Supplier to assess compliance with legal

- requirements and the obligations of the Client in terms of fire protection.

2. Suppliers working off the Client's premises

D. OSH

SUPPLIER'S RIGHTS AND OBLIGATIONS

In connection with activities under the Contract, the Supplier shall:

- comply with all applicable laws and other regulations on occupational safety and health and act in such a manner so that its operations do not endanger the safety or health of its employees or others;
- enable the Client to inform employees, if necessary, about safety regulations and other specific OSH matters concerning activities which are the subject of the Contract;

- assign work only to employees who are trained in OSH guidelines, are holders of a valid certificate of professional competence for their activities in accordance with statutory requirements (e.g. a driving licence, welding certificate, etc.) and are medically fit to carry out the work;
- provide a Personal Safety Notebook to those employees who are to perform for the Client any of the activities defined by the Client as very dangerous.

For the purposes of duties related to safety notebooks, the following shall be regarded as very dangerous work:

- interconnecting work on VHP and HP distribution and transmission systems, i.e. activities with potential gas leaks;
- diving work;
- work using X-ray equipment and other sources of ionizing radiation;
- work at heights above 10 m or at depths of 7 m or more.

The Supplier shall also be liable for ensuring that the safety notebook is properly and truthfully completed prior to the start of work and that it contains all the particulars required therein.

Failure to comply with this provision shall be subject to penalization under the conditions and in the amount provided for by these Terms and Conditions.

The Client shall summarize and publish the areas of activities for which employees or subcontractors, according to legal requirements, must be professionally competent. This overview is available on the Client's website: <http://www.rwe.cz/>. If this document is updated, the version published and in force at the date of signature of the Contract shall apply to the Contract, but this shall not relieve the Supplier of the obligation to comply with current legal and legislative requirements.

Further, the Supplier undertakes that its employees and the employees of its subcontractors, in the performance of activities related to the subject-matter of the Contract:

- shall comply with safety and hygiene regulations and shall act so as to avoid damage to health and property;
- shall, in their work, use prescribed protective equipment and personal protective equipment;
- use, for their work, only such tools, machinery and equipment which meet safety regulations and technical standards and are in good condition;
- shall not consume alcoholic beverages or other narcotic drugs and psychotropic substances, nor shall they work under the influence thereof, and at the request of the Client shall be subjected to a test for such substances in the presence of the competent senior employee of the Supplier;
- shall comply with the prohibition of smoking;
- shall, in the performance of work defined by the Client as very dangerous, have a valid safety notebook on the premises;
- at the oral request of the Client, produce, without undue delay, a valid safety notebook, if they are carrying out activities defined by the Client as very dangerous.

In the performance of activities related to the subject-matter of the Contract on the Client's premises, the Supplier shall:

- report and consult work in the vicinity of utility network lines or other facilities (e.g. storage points and storage facilities of tech. gas or fuel) in advance with the Client and, during such work, respect the protection zones and work with caution;

- notify, register, record and report all occupational accidents of its employees (or of the employees of its subcontractors) which take place in the course of work for the Client, and shall invite the responsible representative and safety officer of the Client to properly investigate them. All records of accidents which occur in the course of work for the Client shall be sent by the Supplier to the e-mail address: urazy@rwe.cz.

CLIENT'S RIGHTS AND OBLIGATIONS

The Client shall:

- publish and update a list of activities for which the employees of the Supplier (or its subcontractors) must be professionally competent, and make this list available at: <http://www.rwe.cz/>.

The Client hereby reserves the right to:

- check the Supplier's work performed in connection with the subject-matter of the Contract to verify compliance with the principles of occupational safety and health mentioned above and, in the event of a serious breach of any provision which could result in danger to safety or health, stop the work or evict any person creating such a risk from the workplace.
- conduct a customer audit of a Supplier whose employees are to carry out activities for the Client which are defined by the Client as very dangerous, in order to assess compliance with legal requirements and the obligations of the Client in terms of occupational safety.

E. EP

SUPPLIER'S RIGHTS AND OBLIGATIONS

The Supplier shall perform all contractually agreed activities so as to avoid any negative impacts on the environment. The Supplier shall be liable for environmental damage arising from its activities and caused to the Supplier itself, to the Client, or to third parties, and for the removal thereof.

The Supplier shall be regarded as the producer of waste generated in the performance of the Supplier's activities under the Contract. As such, the Supplier shall be liable for properly disposing of the waste at its own expense. The Supplier shall secure all waste in such a manner so that, during the collection of waste, the Supplier uses facilities with technical parameters to prevent the contamination of water and soil with waste, or leakage of waste or any part thereof into the environment, and shall ensure the due identification thereof.

Gas pipe networks may contain natural gas condensate, the characteristics of which make it dangerous to water (toxic to aquatic organisms) and humans (carcinogenicity). When working on the gas system, the Supplier shall take extra care to prevent leakage of condensate into the surrounding environment. In case of an accident and leakage of any substance, the Supplier shall immediately take action to prevent the spread of hazards, shall ensure fire safety, and shall immediately report the accident to the Client, and if required by the scale of the accident, to the Czech Environment Inspectorate and the fire brigade.

On completing the work, the Supplier and its subcontractors shall clean and tidy all areas affected by the performance of their work. All items that meet the definition of waste shall be disposed of as waste by the Supplier.

CLIENT'S RIGHTS AND OBLIGATIONS

The Client shall be entitled to check the Supplier's work to ensure observance of the principles of environmental protection mentioned above. In case of a breach of any provision that could result in damage to the environment,

No.	List of additional documents beyond the scope of a Contract	Submitted by	
		Client	Supplier
1	List of activities for which the employees of the Supplier (or its subcontractors) must be professionally competent (http://www.rwe.cz/)	✓	✗
2*	The Personal Safety Notebook and requirements thereof, specifying the form and content of the safety notebook (http://www.rwe.cz/)	✓	✗
3**	Plan of on-site safety and health protection ("Plan") for work where this obligation arises under Act No 309/2006 and Government Regulation No 591/2006	✓	✓

* Documents which are mandatory only for Suppliers whose employees, or subcontractors' employees, are to perform for the Client any of the activities defined by the Client as very dangerous (see above).

** The Client shall be responsible for drawing up the plan of on-site occupational safety and health protection; the Supplier must have this Plan at its disposal and comply with the provisions thereof.

the Client may immediately withdraw from the contract in its entirety or in part and such deficiency shall be regarded as a fundamental breach of contract. The Client shall retain all rights and claims for redress (especially the right to compensation for damage and the right to payment of a contractual penalty).

3. Contractual penalties

In the event of an infringement of the Supplier's obligation to equip its employees with a duly completed Personal Safety Notebook (in particular, if an employee of the Supplier is unable to produce a safety notebook during a check by the Client), the Supplier shall pay a contractual penalty of CZK 3,000 per such case should the Client so demand.

If the Supplier fails to inform the Client that the subject-matter of the Contract, comprising building works, is to be performed on the site by multiple subcontractors, and the Client, as the contracting entity, therefore fails to appoint the necessary number of safety coordinators on site in accordance with the relevant legislation, the Supplier shall pay a contractual penalty of CZK 100,000 per such case should the Client so demand.

The provisions on the contractual penalty shall not prejudice the Client's right to damages. A contractual penalty shall be payable within 30 days from the date on which the Client demands payment thereof from the Supplier.

These Terms and Conditions consist of 5 pages and shall become effective as of 1 October 2009.