

TERMS AND CONDITIONS OF WORK CONDUCTED BY CONTRACTUAL

1. GENERAL REQUIREMENTS

The contractual partner (*hereinafter referred to as: Service Provider*) undertakes to strictly comply with and ensure compliance with the applicable laws and regulations at the branch of GANZ Transformers and Electric Rotating machines Ltd. (*hereinafter: GANZ*) (2766 Tápíósztele, Györgyei út 14.) and the safety, health, fire and environmental protection and transport (*hereinafter: EHS*) regulations annexed to the applicable contract and individual orders (*hereinafter: contract*).

If the Service Provider intends to use other subcontractor(s) (contractor), it undertakes to provide and explain the present EHS Regulations in force to its subcontractor at the GANZ branch in a verifiable manner and to ensure that the current EHS regulations are strictly observed by its subcontractor. The Service Provider may only use subcontractors who have become familiar with the prescribed EHS regulations and have recognized them as binding on them. The Service Provider is fully responsible for the above!

The Service Provider shall take all necessary measures to ensure that the materials and procedures used in the course of its activities do not endanger the health and safety of persons carrying out the activities or persons within the scope of the activities, or the natural and built environment, and do not cause damage to the premises of the GANZ branch.

If subcontractors under the control of the Service Provider perform parallel work on the work site, the Service Provider shall be obliged to coordinate the parallel work.

The Service Provider must ensure that the EHS requirements are enforced throughout its entire subcontracting chain. The Service Provider shall be liable for the subcontractors involved in the work as if the work had been carried out by the Service Provider.

GANZ has the right to ban any person who does not comply with the EHS regulations from its premises and to apply further sanctions. GANZ has the right to prohibit the use of work equipment and work methods that are not suitable for safe work on its premises.

Damages (e.g. material damage, accident, delay) caused by noncompliance with the EHS regulations are the sole responsibility of the Service Provider, and GANZ is entitled to charge the Service Provider for any resulting damage.

2. INFORMATION ON EHS REQUIREMENTS PRIOR TO WORK

The Service Provider may contact the contractual contact persons specified in the contract regarding EHS requirements related to the performance of the contract, who will provide the Service Provider and/or its subcontractor with the opportunity to clarify any EHS-related issues that have arisen (e.g. site hazards, interpretation of GANZ EHS rules, etc.).

3. CHECKS AND SANCTIONS

The Service Provider accepts that during the course of its work, GANZ representatives and/or agents will conduct on-site inspections to verify the regularity of the work, in which the Service Provider's on-site representative is obliged to cooperate. The inspections cover compliance with the applicable legal and contractual EHS requirements.










The Service Provider accepts that GANZ is entitled to apply the following sanctions (either separately or in combination) for violations of the rules established and documented during on-site inspections, depending on their severity:







- written notice to remedy deficiencies (immediately or by a deadline);
- ordering special training;
- withdrawal of work permit;
- imposition of a penalty;
- banning the Service Provider's employees from the GANZ site for a specified period of time;
- notification to the authority,
- termination of the contract with immediate effect

The Service Provider accepts that as a result of violations of the rules revealed during on-site inspections carried out by GANZ's representative or agent, the sanctions items listed *in Annex 1* will be charged to the Service Provider.

The penalty will be enforced after a written warning for any violations that occur.

General rules

	<p>Access to the premises by car is only possible with the permission of GANZ. Delivery in and out materials can only be done based on delivery notes and tool lists. Baggage and vehicle checks are carried out before entering and exiting the premises. The work tools used during the work must be provided with a clearly visible unique identifier, the suitability of the tool must be verified with the identifier (label or other means) displayed on the work tool</p>
	<p>Any employee of GANZ has the right to check the work and, if there is an activity different from the one authorized or if there is a danger, they have the right to suspend the work upon notification to the GANZ contact person. Observations are documented in written. The work can be continued or restarted after the necessary corrective measures have been taken with the permission of GANZ.</p>
	<p>GANZ can order the 3rd parties to conduct an alcohol test on his employee in the case of an employee who intentionally or negligently caused damage or an accident, and who suffered an accident, if the condition of the person who suffered the accident allows it after first aid. GANZ. provides the entrepreneur with an official breathalyzer measuring device. GANZ can immediately suspend the activity of an employee who prevents or refuses to carry out the inspection, or who is found to be under the influence of alcohol.</p>
	<p>Safety- health protection and fire protection signs must be taken into account and followed:</p> <ul style="list-style-type: none"> • mandatory sign • prohibition sign • warning sign • first aid or escape sign • fire safety information sign
	<p>Smoking is only permitted in designated smoking areas throughout the site.</p>
	<p>Property protection: The unauthorized possession and storage of materials, semi-finished and finished products owned by GANZ is prohibited in the premises managed by the 3rd parties, as well as in the lockers, storage rooms and vehicles of its employees. An exception to this is the materials and equipment required for the work, handed over to the 3rd parties by a representative of GANZ. If any of the above-mentioned material assets are still found during an asset protection and safety inspection, we consider it an attempt of theft. GANZ will immediately ban the 3rd parties' employee from the premises in the event of misappropriation (expropriation), or in the case of a confirmed intent to theft.</p>
<h3 style="text-align: center;"><u>Before starting work</u></h3>	
<p>Risk assessment</p>	
	<p>The task of the 3rd parties is to carry out an EHS and safety risk assessment for the activities of employees employed by third parties - for the activities at the premises of GANZ. Before starting the work, the 3rd party must present the document confirming this. GANZ evaluate and make suggestions, which 3rd parties must include in their risk assessment, and the document must be presented repeatedly.</p>
<p>Occupational Health</p>	
	<p>Employees employed by the 3rd parties may only work at the premises of GANZ if they have a valid medical fitness test. Before starting work, the Contractor must present this document or a declaration of valid suitability tests.</p>
<p>Hot work activities</p>	
	<p>An employee employed by the 3rd parties may perform Hot Work activities on the premises of GANZ only with a written permit issued by the company's EHS department. During Hot Work activities, a fire extinguisher suitable for the task must be available and kept on site.</p>

Jobs subject to qualifications	
	<ul style="list-style-type: none"> • lifting machine operator authorization, rigging • hot work license • machine operator examination • industrial alpinist qualification
<p>An external employee may only carry out activities requiring special qualifications in the area of the site if s/he has the qualifications for this activity and the corresponding medical examination. The certificate containing the validity of the test and entitling to activities tied to education must be kept on site, the documents are checked by the competent employees of GANZ, EHS department.</p> <p>The 3rd party may only employ employees for the defined activities with a fire protection examination in the areas of GANZ. Before starting work, the Contractor must present the valid fire protection examination certificate(s) to the EHS department.</p>	
Education	
	<p>The 3rd party can start his activities after receiving special knowledge and training related to the given workplace and activity, which he receives from the EHS specialist of GANZ.</p> <p>Occupational fire and environmental education.</p>
<u>Work protection</u>	
Personal protective equipment	
	<p>The 3rd parties' employees must have the necessary quantity and quality of personal protective equipment for their activities and must wear it for the entire duration of their work at the GANZ. The CE certificate of conformity of these devices must be presented to the EHS department of GANZ. The use of appropriate work clothes with visible indication of the contractor (long-sleeved, closed, shoulder-covering, waist-covering) safety shoes (toe-cap, nail-penetration protected) safety helmet (only hard-hat acceptable) is mandatory throughout the site excluding office areas and sanitary facilities. For construction- demolition works and areas high-visibility vest, clothing with visible indication of the contractor must be worn.</p>
Machine safety	
	<p>The 3rd party may bring onto the territory of GANZ only machines and equipment that comply with the legal and standard requirements (e.g. they have undergone periodic safety inspections, and electrical safety measures) and do not endanger the physical integrity of the employees or the work areas of the site.</p> <p>The use of diesel-powered machines in the areas of facilities and halls is only possible with the prior permission of GANZ.</p> <p>In the case of machines and equipment considered dangerous from an occupational health and safety point of view, the Contractor must present a document ordering the commissioning of the machine or equipment or a periodic safety review before starting work.</p> <p>Operations involving the dismantling of machines, equipment, and systems may only be started in a de-energized state. All work machines must be lockable with a key as designed by the manufacturer or must be capable of preventing unauthorized handling in other ways designed by another manufacturer.</p>
Construction contractor activity	
	<p>During his work, the 3rd party is obliged to comply with the 4/2002. (II. 20.) SzCsM-EüM joint decree on minimum occupational health and safety requirements to be implemented at construction workplaces and during construction processes.</p> <p>The work area must be fenced off in cases where there is a risk of injury to people in the environment, especially when working at a height. The company/contractor performing the work must provide the tools necessary for fencing. Those entitled to enter the fenced-off area must be indicated on a sign. Required means of fencing: buoy, cordon, fence (tape is not accepted). Display the name and contact information of the given company on the board.</p> <p>Temporary storage at the workplace is only possible with the permission of the company. The storage areas must be fenced off with a minimum of tape, clearly signposted, and the company name, foreman's name and phone number must be indicated on the signboard.</p> <p>GANZ owned machines, equipment, and work tools may not be used by external employees only with permission. The occupational safety documentation for the machines, equipment and work tools used at the site must be submitted to the EHS department of GANZ before the start of work and must be available at the workplace during work.</p>
Use of dangerous technology, dangerous substance	
	<p>In case the 3rd party wants to use dangerous technology/equipment, GANZ EHS department (ehs@ganzelectric.com) must send the manual, the EC certificate of conformity, the hazardous technology risk analysis, the instructions for use in Hungarian, the safety data sheet in Hungarian for hazardous materials.</p>

Work at height and/or work involving the risk of falling and/or the risk of falling objects



Work on the roof or with risk of falling from a vertical height or of falling objects

When working at a height/on the roof, a sign reading “**Danger! Men working above**” (**Vigyázz, a tetőn dolgoznak!**) must be placed on the level where traffic is present. If needed, fencing must be used to ensure that no one gets as close to the endangered zone as to get hurt from falling objects (**safety cones, cordon – tape not allowed**). Fencing must be done such way as to ensure a safety distance of minimum 5 meters or 1/6-th of the building’s height. Warning signs must be placed in locations where normally pedestrian traffic can be expected.

During work at height or with risk of falling, ensuring **collective protection against falls is mandatory** (protective or warning rails in compliance with Standard MSZ EN 13374:2013 placed at 2 meters from the edge). **In the event collective protection cannot be put in place (no rails available at the height of min. 1.1 m):**

- personal fall protection equipment must be used (a per MSZ EN 795 or equivalent anchor point of **1.2 tons/ person strength**, MSZ EN 354, MSZ EN 355, MSZ EN 360 lanyard, MSZ EN 361 full body harnesses).
- The method used for ensuring adequate protection against falls shall be **recorded in the Protection Against Falls and Rescue Plan** approved by the GANZ.

Theoretical and practical training must be organized on the Protection Against Falls and the Rescue Plan!

Rules for works at height of 1 m or above - Use of ladders and scaffoldings:



General rules:

- Climbing up or down, stepping to or back from the work level shall not increase the risk of falling
- It must be ensured that handhold and standing are always safe
- Carrying a load on the ladder must not impede safe handhold
- Falling of objects must be prevented (using cones or cordons)
- it is **FORBIDDEN** to connect personal fall protection equipment to ladders, scaffoldings
- Wherever possible, appropriately built standard **mobile scaffoldings** must be used. Mobile scaffoldings should include vertical extension elements of 0.5m and/or 0.3m in order to ensure optimal adjustment to the inside height, and that the **waist-height of 3-line guardrail** could be built at minimum 1.1 m height.
- In places where mobile scaffoldings cannot be used due to the characteristics of work or workplace, standard work stages with 3-line guardrails must be used
- In places where the use of work stages is not feasible either (e.g.: narrow work areas), standard stepladders (with wide steps, waist or chest support) must be used
- Leaning ladders and their rungs can be used as working level only if, based on risk assessment, the use of other safer equipment is not justified
 - due to low risk,
 - short intended use
 - due to specificities of location that cannot be changed by the employer.

The use of leaning ladders in any other case is strictly **FORBIDDEN!**

- Leaning ladders can only be used in justified cases and for short lasting work (e.g. hanging loads), always ensuring 1 securing person and 3 contact points (2 feet and 1 hand, 2 hands and 1 foot, and/or 2 feet and waist or chest support)
- to bridge level differences if based on risk assessment, the use of stair flights or stair tour or other more appropriate device is not justified and the use of access ladder in compliance with requirements can be ensured
- in case of electrical work
 - insulated ladder insulation layer must be placed under the ladder, and
 - the work area must be inspected for preventing that any part under voltage be touched accidentally during work
- For all scaffoldings, adequacy documentation must be available and shall be verified in advance by the GANZ ..
- Scaffoldings built on site (heavy scaffolding and/or scaffoldings of non-standard elements) must be put into service in a documented way
- **While building scaffoldings, auxiliary scaffoldings or 3-line guardrail work stages must be used; if this is not possible, personal fall protection equipment must be used.**
- **Personal fall protection equipment must not be connected to scaffolding.**
- **Mounting instructions of manufacturer must be posted on the scaffolding**
- scaffolding/ladder-sign must be used for all ladders and scaffoldings
- if collective fall protection cannot be ensured for work on a ladder, personal fall protection equipment must be used, **the method should be recorded in advance in the Protection Against Falls, and Rescue Plan**

Accident at work



If a **work accident or near-miss has occurred, it must be reported IMMEDIATELY.**

The 3rd party investigates the work accident of the employee it employs, but the accident must be reported to the GANZ contact person and the EHS department.

First aid is provided by authorized persons in the area. The contractor must ensure the personal (qualified first aid) and physical (first aid equipment) conditions for first aid.

Fire protection

Fire protection rules



Emergency exits, escape routes, fire extinguishers, utilities switchboards and distribution boards **MUST NOT be obstructed, not even temporarily!**
 Roads and areas reserved for firefighters must **always be left clear**. It is forbidden to park in front of fire hydrants, exits, gates or narrow passages.
 In case of **fire**, the **fire extinguishers** must be used, and the fire alarm must be started at the nearest fire alarm button, while concurrently notifying the Security Service thereof.
 In case of sirens sounding (fire alarm), you must line up at the **Assembly Points** located at several points on the site and remain at the assembly point until further instructions, in this case the employee of the external company may not leave the site without permission.

Environmental Protection














Into the public sewer or it is strictly FORBIDDEN to pour hazardous waste or material into the rainwater channel!

Activities with dangerous chemical substances and preparations may only be carried out with verifiably **registered or registered dangerous substances or preparations in Hungary**.
 Before starting the activity, a **risk assessment for the chemicals** to be used must be submitted to GANZ.
 The **safety data sheet of the materials must be available at the point of use**, and the use of a damage recovery tray is mandatory at the site of activity and during storage.

In case of chemical, solvent spillage in closed spaces **intense ventilation** must be ensured!
 Hazardous liquids spilled on the floor within the premises, inside facilities **must be absorbed with appropriate material** (contractor shall make available Spill Kits needed for any specific activity) and the absorption agent contaminated with the hazardous material has to be disposed of as **hazardous waste**.

Both **hazardous and non-hazardous waste generated during works must be removed** and disposed adequately by the respective company/contractor. Any other agreement must be recorded in a contract.

Selective waste is collected at the site, so the container for storing selective waste must be used accordingly.

		<p align="center">GANZ LIFE SAVING RULES</p>				
	<p>Always protect yourself from falling when working at height!</p>		<p>Keep flammable materials and ignition sources under control.</p>		<p>Always obtain permission before temporarily overriding the security functions!</p>	
	<p>Plan the lifting operation and keep the area under control!</p>		<p>Follow the rules of safe driving!</p>		<p>Before starting the work system, check that the energy has been isolated and disconnected and that it is free of energy!</p>	
	<p>Keep yourself and others away from danger zones!</p>		<p>Where necessary, only work with the appropriate work permit!</p>		<p>Always ask for permission before doing work involving boarding!</p>	

Annex 1

SANCTIONS

SANCTIONS APPLIED BY GANZ FOR NON-COMPLIANCE WITH BASIC SAFETY, ENVIRONMENTAL AND FIRE SAFETY RULES		
SUBJECT OF INSPECTION	PENALTY (HUF)	ACTION
GENERAL DOCUMENTATION		
Lack of occupational risk assessment for the activity carried out	50 000 /company	Suspension of the activity until the deficiency is corrected
Lack of chemical risk assessment	50 000 / company	Suspension of activity until the deficiency is corrected
Lack of personal protective equipment provision	50 000 / company	Suspension of activity until the deficiency is corrected
Lack of fire safety regulations	50 000 / company	Suspension of activity until the deficiency is corrected
Lack of occupational safety training	10 000/ person	Suspension of the person's activity until the deficiency is remedied
INFORMATION		
Failure to immediately inform the GANZ contact/responsible person in the event of an accident, fire, damage, etc.	50 000 / company	Further sanction based on the decision of GANZ management
PERSONAL CONDITIONS		
Service provider is present on company premises without a GANZ access card	5 000/ person	Immediate card replacement at the reception desk
Alcohol or drug influence proven during the inspection and investigation conducted by GANZ or the assigned security service.	20 000/ person	Banning the employee from GANZ premises for the given day. Permanent ban in case of multiple occurrences
The person is proven to be unfit for work for other reasons.	10 000/ person	Banning the person from the GANZ site for the given day.
Valid medical history for the job eligibility cannot be verified.	5 000/ person	No person may perform work on the GANZ premises until the deficiency is remedied.
Lack of personal job qualifications (qualification, professional exams)	10 000/ person	Suspension of the person's work activity until presenting required documents. Repeated lack of documents will result in a ban of 1 day.
ORGANIZATIONAL CONDITIONS		
No designated work supervisor	10 000/ person	Suspending work until the deficiency is corrected
Employees are not provided with the instructions and information necessary for safe work.	20 000/ activity	Suspending work until the deficiency is corrected
Inadequate delimitation and marking of the work area (construction and area in general)	20 000/ area	Suspension of activity. Immediate fencing off of the area, placing of necessary markings
Work areas of particularly dangerous activities (e.g.: working pits, ditches, excavations, crane areas, free-moving machinery, areas below working at height etc.) are not properly demarcated and their marking is inadequate.	50 000 / area	Immediate fencing of the area, necessary markings posting, informing bystanders, keeping the area under surveillance
Electrical equipment has not been subject to a contact hazard assessment and/or documentation is not available on site.	5 000/ equipment	Prohibiting the use of inappropriate equipment and removing it from the site
The validity of the inspection cannot be proven for work equipment subject to periodic inspection.	5 000/ equipment	Prohibiting the use of inappropriate equipment and removing it from the site

Unauthorized use of GANZ equipment and tools	15 000/ equipment	Immediate cessation of use
WORKING		
Hazardous work, direct hazard	50 000 / incident	Immediate suspension of the activity!
Failure to wear or improper wear of personal protective equipment required for work activity	2 000/ person	Suspension of the person's work until replacement. In case of repeated failure, ban for 1 day
Use of inappropriate or unsuitable, damaged personal protective equipment	2 000/ person	Suspension of the person's work until replacement. In case of repeated failure, ban for 1 day
Work performed at height (above 1 m level difference) without collective protection against falls, a body harness is not used and/or the harness is not properly attached to a designated anchor point and/or the body harness is in inadequate condition and/or has not been inspected.	10 000/ person	Immediate cessation of the activity and ban of the person from the GANZ site for 1 day
Using an inadequate work scaffold or using incomplete scaffolding (handrail, knee-, footboard)	5 000/ equipment	Immediate stopping of work or replacement of the equipment or, failing that, removal from the site
Mobile scaffolds not secured against unintentional movement	5 000/ equipment	Securing mobile scaffold. If not possible, remove it from site and/or replace it
A person is on a mobile scaffold when the scaffold is being moved	5 000/ person	Immediate termination of the operation, if repeated, ban for 1 day
Using a damaged, not suitable to use or unstable ladder	5 000/ equipment	Prohibition of further use of the ladder! If it is not possible remove it from the site and/or replace it
Support ladder does not extend at least 1m beyond the landing level or there is no handrail at the landing level	5 000/ equipment	Prohibition of further use of the ladder! If it is not possible remove it from the site and/or replace it
Using a ladder not high enough for safe work or using the top two steps only	5 000/ equipment	Suspension of the person's work until a suitable ladder is replaced. In case of repeated deficiency, the person is banned for 1 day
Unsafe work area arrangement (lack of space, lighting, etc.)	2 000/ person	Cessation of activity until appropriate conditions are in place
Equipment and work tools are not placed in the demarcated and designated area! Supervision is not provided!	10 000/ equipment	Eliminate deficiency
Using unsafe work equipment that poses an immediate danger!	10 000/ equipment	Immediate stopping of work or replacement of the equipment or, failing that, remove it from the site
LIFTING EQUIPMENT		
The lifting machine log is not on site and/or is not kept properly!	5 000/ equipment	Eliminate the deficiency! If the logbook is not available, suspend the use of the lifting equipment until it is replaced!
Access to lifting equipment by unauthorized persons is not prevented	5 000/ equipment	Eliminate the deficiency! Secure lifting equipment against displacement.
Working and staying under a suspended load	10 000/ person	Suspension of the operation, in repeated cases ban for 1 day
Lifting a person with lifting equipment (except for lifting equipment, lifts, baskets, hoists, etc., designed and tested for this purpose)	15 000/ person	Suspension of the operation, in repeated cases ban for 1 day
Scootering/ Rolling with a manual pallet jack	5 000/ person	Suspension of the operation, in repeated cases ban for 1 day
Manual control and positioning of the load during a machine lifting operation, tying/fixing not in accordance with regulations	10 000/ company	Suspend the operation until the deficiency is corrected
There is no designated lift supervisor on site	5 000/ company	Suspend the operation until the deficiency is corrected

CHEMICALS / MIXTURES		
Unchecked, unlabeled, chemical substance/mixture without safety data sheet leaving it in the area	10 000/ company	Replacement, elimination of deficiency!
Improper storage (lack of labelling, using food storage vessel, etc.) of hazardous chemical substance/mixture	10 000/ company	Elimination of deficiency!
Discharging hazardous substances into the sewer or contaminating soil, groundwater, or land	100 000 + remediation + authority penalty / company	Disengagement, suspension of works, mitigation measures. (Costs and damages resulting from this are the responsibility of the Service Provider)
Food consumption at not designated area/place	5 000/ person	Removing food from the area
Bringing or using carcinogenic, explosive, SVHC substances without GANZ authorisation	10 000/ company	Immediate removal of materials and banning the Service Provider. In severe cases, further sanctioning of the Service Provider by management decision
FIRE PROTECTION		
Lack of fire permit (for temporary open flame and sparking activities)	20 000/ company	Suspension of the activity until the deficiency is eliminated. In case of repeated deficiency, the Service Provider will be banned!
Emergencies caused by improper storage of flammable and explosive chemicals/mixtures	50 000 / company (if no other demand for compensation for damage)	Disengagement, suspension of works, mitigation measures! (Costs and damages resulting from this are the responsibility of the Service Provider)
Blocking and narrowing paths for electrical switches, distribution cabinets, fire extinguishers and emergency exits without permission.	10 000/ company	Suspension of activity until the deficiency is eliminated.
GENERAL RULES		
Smoking in non-designated areas	5 000/ person	Warning to service provider/person, ban for 1 day if repeated
Exceeding the speed limit	10 000/ vehicle	Warning Service Provider/person, in repeated cases, ban for 1 day
Violation of traffic regulations	10 000/ vehicle	Warning Service Provider/person, in repeated cases, ban person and vehicle for 1 day
Irregular parking	5 000/ vehicle	Warning Service Provider/person, in repeated cases, ban person and vehicle for 1 day
Undisciplined behavior	5 000/ person	Banning the violator for 1 day
Disorderliness	15 000/ person	Banning the violator for a period decided by management
Inadequate waste storage, lack of waste storage, collection and storage in non-designated areas and not in manner required by operator	10 000/ company	Suspension of activity until deficiency eliminated. In the event of a repeated failure, the Service Provider will be banned
Disorder, storage of materials on traffic routes	10 000/ company	Eliminate deficiencies