

COMPANY HSE REQUIREMENTS FOR CONTRACTORS
High Value and High Risk Activity Contracts

DIVISION 11

HEALTH, SAFETY AND ENVIRONMENTAL OBLIGATIONS

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1. SCOPE

This DIVISION 11 DOCUMENT defines the Health, Safety and Environment (hereinafter referred to as "HSE") requirements to be applied by the CONTRACTOR during all phases of the WORKS from the detailed design through to the final handover to the COMPANY. CONTRACTOR shall abide by all HSE obligations defined in this DIVISION 11 DOCUMENT, and only through written agreement from COMPANY shall any sections, deemed to be not applicable to the scope of WORKS to be performed by CONTRACTOR, be removed from CONTRACTOR's scope.

It is CONTRACTOR's obligation to ensure that the APPLICABLE LAWS relating to HSE are respected, complied with and monitored during the entire performance of the WORKS. This shall include:

- Meeting the specified COMPANY HSE Standards as referred to herein.
- Performing the WORKS in accordance with GOOD ENGINEERING PRACTICE and established available industry practices for environmental performance.

2. COMPLIANCE WITH LAWS, REGULATIONS AND STANDARDS

2.1 APPLICABLE LAWS

CONTRACTOR shall comply and ensure compliance by any of its SUBCONTRACTORS with all APPLICABLE LAWS relating to HSE throughout the performance of the WORKS, and without prejudice to the generality of the foregoing, APPLICABLE LAWS relating to:

- The environment.
- Health and safety.
- Personnel (in particular the regulations relating to the national labour and health authorities).
- Logistics (in particular the regulations issued by the national transport authority, the International Maritime Organisation — IMO — and the GCAA (UAE Civil Aviation Authority)
- The WORK, the FACILITIES, the workshops, the SITE, WORKSITES and anywhere else where WORKS are performed (including VENDOR works).

2.2 GOVERNMENT AUTHORISATIONS

CONTRACTOR shall be responsible for obtaining any permits, work visa's, consents and authorisations from the relevant GOVERNMENTAL AUTHORITIES to the extent required for the WORKS. CONTRACTOR shall prepare a list of all the relevant authorisations and consents and shall submit this to COMPANY together with an action plan and a schedule for obtaining the relevant permits and consents.

This list shall be submitted to COMPANY within thirty (30) days of the EFFECTIVE DATE and thereafter shall be regularly reviewed and updated with such revised list being submitted to COMPANY.

Maintenance and submission of such list shall be without prejudice to CONTRACTOR's general permits obligations in any future COMPANY Contract.

2.3 COMPANY HSE STANDARDS

CONTRACTOR shall comply and ensure compliance by any of its SUBCONTRACTORS with COMPANY HSE requirements, including:

- COMPANY HSE policies as set out in Appendix 1a & b hereto.
- List of COMPANY HSE Specifications as set out in Appendix 2 hereto.

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2.4 INDUSTRY STANDARDS

CONTRACTOR shall comply and ensure compliance by any of its SUBCONTRACTORS with the applicable industry standards and GOOD ENGINEERING PRACTICE.

In performing the WORKS, CONTRACTOR shall comply with:

- E&P Forum; Guidelines for the Development and Application of Health, Safety and Environmental Management Systems Report OGP reference 6.36/210
- Joint E&P Forum/UNEP Environmental Management in Oil & Gas Exploration & Production - OGP reference 2.72/254.

2.5 HSE REQUIREMENTS

The Industry Standards referred to in Section 2.4 when taken with the items listed in Section 2.3 shall be COMPANY's "HSE Requirements". CONTRACTOR shall comply, and shall ensure its SUBCONTRACTORS so comply, with HSE Requirements and this DIVISION 11 DOCUMENT during the performance of the WORKS. To the extent that there is a conflict between HSE Requirements and this DIVISION 11 DOCUMENT, the more stringent requirement as determined by COMPANY shall prevail.

3. CONTRACTOR'S RESPONSIBILITIES

Compliance with HSE Requirements and this DIVISION 11 DOCUMENT during the WORKS is a line management responsibility requiring the active participation of all levels of management and supervision. CONTRACTOR management shall provide evidence of a visible commitment to HSE matters and promote the realisation of the HSE objectives. Such evidence will be reviewed by COMPANY through regular COMPANY HSE audits with which CONTRACTOR shall cooperate fully as and when required by COMPANY.

In addition, CONTRACTOR shall appoint and keep assigned during the entire course of the WORKS a management representative who shall have specific responsibility, authority and accountability for co-ordinating implementation of the HSE Plan, and associated measures and standards to protect the health, and safety of people, as well as protection of assets and the environment in line with COMPANY's and CONTRACTOR's own internal HSE policies.

COMPANY requires that this person shall be a senior line manager at the SITE, WORKSITES or anywhere else where WORKS are performed, supported by a qualified CONTRACTOR HSE manager (the "HSE Manager").

The HSE Manager shall have a direct line of communication to the COMPANY's HSE manager, as notified to CONTRACTOR from time to time in writing, during all phases of the WORKS.

3.1 HSE PLAN

CONTRACTOR shall issue an HSE plan within Thirty (30) days of the EFFECTIVE DATE (See section 14.7 HSE Deliverables, incorporating the "HSE Plan"). The HSE Plan shall address the method of CONTRACTOR compliance with the obligations and requirements of the HSE Requirements, this DIVISION 11 DOCUMENT and all HSE matters specific to the WORKS.

Other specific issues which, shall be addressed in the HSE Plan are:

- HSE Policy
- HSE organisation and resources.
- WORKS specific procedures and organisation including emergency response arrangements.
- WORKS specific procedures and organisation applicable to simultaneous operations ("SIMOPS").

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- Safe operating procedures, addressing as a minimum the requirements of the HSE Management Plan.
- WORKS audit and review plan, in accordance with Section 12 hereof.
- Compliance with APPLICABLE LAWS and COMPANY HSE requirements.
- Establishment of HSE Key Performance Indicators ("KPI"s) relevant to HSE aspects of the WORKS. KPI's shall be clear and measurable and relate to all phases of the WORKS.
- All other matters in relation to HSE in accordance with GOOD ENGINEERING PRACTICE.

The HSE Plan shall also evaluate the potential environmental impacts and effects whether positive or negative that the execution of the WORKS and associated activities may have on the environment.

CONTRACTOR shall implement and comply with the HSE Plan and the specific obligations and requirements set out therein during the course of the WORKS.

3.2 COMPANY' S RIGHTS

CONTRACTOR is hereby put on notice that COMPANY may exercise its rights, pursuant to the CONTRACT to suspend CONTRACTOR performance of the WORK until such time as CONTRACTOR can proceed in a manner, which will not pose a risk of injury or death or a hazard to the WORKS or the FACILITIES or an unacceptable impact to the environment or the health and well being of personnel. Should COMPANY advise such right, CONTRACTOR shall not be entitled to any cost or SCHEDULE relief.

3.3 ORGANISATION

In its HSE Plan, CONTRACTOR shall define, document and communicate with the aid of organisational diagrams the roles, responsibilities, authorities and accountabilities of all employees, in relation to HSE matters, from senior managers down to site supervision e.g. foremen.

The organisational structure shall show the relationship between:

- WORKS divisions.
- Operating divisions.
- Supporting services.
- HSE department.
- SUBCONTRACTORS.

CONTRACTOR shall stress to all employees their individual and collective responsibility for HSE performance.

CONTRACTOR shall in particular demonstrate that its HSE department organisation and the corresponding resources make him capable of performing the WORK in a safe and environmentally responsible manner whilst satisfying the requirements of the HSE Requirements and this DIVISION 11 DOCUMENT at all times during the performance of the WORK. CONTRACTOR HSE resources shall be qualified and experienced for the relevant phase of the WORKS, and shall represent a reasonable ratio to the total number of CONTRACTOR and its SUBCONTRACTOR workforce at any time. HSE resources ratio for each phase of the WORKS shall be one of the KPIs.

CONTRACTOR shall provide for its personnel and SUBCONTRACTORS' personnel a reasonable WORK and rest time ratio on daily, weekly, monthly and/or yearly basis.

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3.4 DOCUMENTATION

CONTRACTOR shall have a document management system to ensure that its documents and records are identified, verified, up-to-date and available at point of use to support the active WORK. These shall also be available to COMPANY at all times upon reasonable notice. CONTRACTOR documentation shall otherwise satisfy the requirements of this AGREEMENT.

3.5 LANGUAGE / INFORMATION

CONTRACTOR shall have a system to overcome language barrier, inability to read and write, change of personnel and size and number of WORKSITES, if any, in addition to the SITES, and anywhere else where WORKS are performed, to ensure that the relevant HSE information to ensure compliance with the HSE Requirements and this DIVISION 11 DOCUMENT is communicated amongst all the personnel involved in the performance of the WORK.

CONTRACTOR shall maintain procedures to ensure its personnel and SUBCONTRACTORS personnel can suggest improvements in relation to HSE matters to management.

CONTRACTOR shall assess regularly the clarity and application of its HSE communication procedures.

3.6 MANAGEMENT OF CHANGE

Without prejudice to the CONTRACT, CONTRACTOR shall have a change management system to manage and control both permanent and temporary changes, in people, plant, MATERIALS, engineering and working procedures to avoid any adverse HSE consequences (as example to manage temporary connection of equipment during commissioning phase).

This change management system shall address as a minimum:

- Identification and documentation of change.
- Responsibilities for reviewing and recording the potential HSE hazards from the change.
- Implementation of change including communication to those who need to know.

Changes, which may impact upon HSE matters, shall be routed to the CONTRACTOR HSE department who shall be responsible to evaluate their impact on HSE and obtain COMPANY APPROVAL or rejection of them. Such changes may not be implemented without APPROVAL.

For process aspects, all changes will be systematically evaluated with HAZOP type method.

3.7 RESOURCES

CONTRACTOR shall allocate sufficient and qualified HSE resources to satisfy its obligations under the HSE Requirements and this DIVISION 11 DOCUMENT. Resources allocation shall be reviewed periodically by CONTRACTOR to ensure HSE Requirements can be met.

CONTRACTOR shall ensure that all personnel are qualified and competent and have the necessary authority and resources to perform their duties in a safe manner. Evidence of competence shall be available to COMPANY upon request.

CONTRACTOR shall have competent HSE engineers, officers and advisors at senior level to support the line management throughout the entire course of the WORKS.

3.7.1 Contractors organisation on work place

- There shall be no more than two (2) layers of SUBCONTRACTS, unless formally agreed with COMPANY otherwise.

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3.7.2 Contractor & Sub-contractor Safety Organisation

- One safety (HSE) team at Contractor level (for general coordination)
- One safety team per Contractor N-1 level, including associated N-2 level
- 1 Safety Officer up to 15 workers
- 2 from 15 to 35
- 3 from 36 to 80
- 1 more per additional group of 40
- 1 Safety Supervisor per group of 4 safety advisors
- 1 Safety Engineer per group of 3 safety supervisors
- This safety organisation (contractors) will act in parallel to COMPANY safety organisation

3.7.3 Interim people

- Number of interim people will be limited to 25 % (as maximum) for each contractor or sub-contractor

4. SUBCONTRACTORS AND PURCHASES CONTROL

CONTRACTOR shall be fully responsible for the HSE performance, in accordance with HSE Requirements and this DIVISION 11 DOCUMENT, of its SUBCONTRACTORS. Therefore CONTRACTOR shall ensure that SUBCONTRACTORS selection process takes into account previous HSE performance and capability to manage the risks inherent to its activities in-house and at the SITE, WORKSITES and anywhere else where WORKS are performed (including VENDOR works).

CONTRACTOR shall ensure that its SUBCONTRACTORS fully comply with the HSE Requirements and this DIVISION 11 DOCUMENT.

CONTRACTOR shall ensure that its SUBCONTRACTORS are fully familiar with COMPANY HSE Requirements and this DIVISION 11 DOCUMENT and with all HSE procedures developed by COMPANY and CONTRACTOR during the execution of the WORK.

CONTRACTOR shall review and approve SUBCONTRACTOR HSE organisation prior to submission to COMPANY for APPROVAL.

All construction procedures, risk analyses, WORK permit forms originated by SUBCONTRACTORS shall be reviewed and approved by CONTRACTOR prior to submission to COMPANY for APPROVAL.

Should a SUBCONTRACTOR not comply with the HSE rules and standards set-up during the performance of the WORK, CONTRACTOR shall immediately assist its SUBCONTRACTOR to take corrective actions.

CONTRACTOR shall ensure that all purchase orders relating to safety critical systems shall incorporate the performance standards required to be met for the relevant safety critical system (see Section 14.5 of this DIVISION 11 DOCUMENT). CONTRACTOR shall ensure that all performance standards of such safety critical systems are met.

5. RISKS EVALUATION AND MANAGEMENT

5.1 HAZARDS IDENTIFICATION AND CONSEQUENCE ANALYSIS

CONTRACTOR shall have and implement a system and a set of procedures for systematic hazard identification during the WORKS. Hazard identification methods shall include HAZOP and HAZID as a minimum. CONTRACTOR shall address the consequences of the identified hazards on personnel present at the SITE, WORKSITES and anywhere else

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where WORKS are performed (including VENDOR works), assets and the environment taking into account technical and local data.

The identification shall include all CONTRACTOR activities including:

- Simultaneous construction, commissioning, and production.
- Work description and associated risks (based on risk assessment)
- Co-activity during construction phases
- Routine and non-routine operating conditions.
- Incidents and potential emergency situations including those arising from human factors.
- Dismantling and disposal.
- Potential hazards and consequences associated with past activities.

5.2 TECHNICAL DATA

CONTRACTOR shall review with COMPANY the technical data applicable for its evaluation of the HSE risks associated with performing the WORK. The data shall include:

- Design Dossier
- CONSTRUCTION and/or drilling EQUIPMENT specifications.
- SITE specifications.

5.3 LOCAL DATA

Without prejudice, CONTRACTOR shall review with COMPANY the local data applicable for its evaluation of the HSE risk associated with performing the WORK. The data shall include:

- Pre-installation surveys carried out by CONTRACTOR.
- Assessment of geological, hydrological, climatic and meteorological factors.
- Assessment of its personnel's fitness for the local working and living conditions made according to the 2003 "Health Managing Health for Field Operations in the Oil and Gas Activities" by the OGP.
- Assessment of its personnel competence.
- Assessment of local medical support facilities defined according to the 2003 Report 343, "Managing Health for Field Operations in Oil and Gas Activities" by the OGP.
- Assessment of local transport conditions.
- Environmental baseline survey and the environmental impact assessment including photographic survey as requested by COMPANY.
- Assessment of geopolitical environment.
- Any other HSE risk evaluation related to the subsurface conditions, the meteorological conditions and other conditions that may impact upon the WORKS.
- Assessment of other projects (neighbouring) that could affect Labour availability, logistic aspects, HSE materials availability, etc.
- Specific risks linked to modification work inside or close to units in operation

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5.4 RISKS EVALUATION

CONTRACTOR shall have and implement a formal procedure for HSE risk assessment, taking into account the probabilities of occurrence of identified hazards and their severity of consequence on people, assets and the environment.

Formal risk assessment techniques shall be used in conjunction with the judgement of experienced personnel and with personnel directly involved with the risk area. Risk evaluation shall be updated at regular intervals. Risk assessment shall be carried out for all phases of the WORKS.

HSE risk evaluation shall address the potential risks associated with the WORKS, taking into consideration the following potential hazards.

- Fire and explosion.
- Impacts and collisions.
- Falling dropped objects.
- Work on Height
- Co-activities
- Drowning, asphyxiation and electrocution.
- Chronic and acute exposure to chemical (including toxic substances), physical and biological agents.
- Ergonomic factors.
- Well control (IWCF)

Evaluation of acute and chronic environmental effects shall include:

- Controlled and uncontrolled emissions of matter and energy to land, water and the atmosphere.
- Generation and disposal of solid and other wastes.
- Use of land, water, fuels and energy and other natural resources.
- Noise, odour, dust, vibration, temperature, humidity.
- Effects on ecosystems.
- Effects on natural and conservation areas and archaeological sites.

CONTRACTOR shall utilize the risk matrix to be provided by COMPANY in order to determine where risk reduction measures shall be implemented if their risk matrix does not meet the requirements.

CONTRACTOR shall prepare and maintain an overall risk inventory of all work related risks based on frequency and consequence severity. This risk inventory shall address HSE, business, cost and schedule risk drivers.

5.5 RISK REDUCTION

CONTRACTOR shall have and implement a procedure and shall use it to select, evaluate and implement measures to suppress HSE risks and if not possible to reduce HSE risks during all phases of the WORKS. Risk reduction measures shall include both those to prevent incidents and to mitigate severe consequences. Mitigation measures shall include emergency response measures to recover.

The control or prevention measures shall include but are not limited to:

- MATERIALS, such as electrical grounding circuits, rotating part shields, roll-over protection structures, fall-arresting devices, waste boxes, sewage treatment.

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- Procedures, such as vaccination procedures, audit and inspection procedure for lifting devices, WORK permit procedure, safe work systems – e.g. hot work, lock tag and try, confined space entry, ground disturbance, control of personnel HSE competence, waste segregation, oil spill contingencies, site preparation, erosion control.
- As regards CONTRACTORS WORK permit system, CONTRACTOR shall review his work permit system and any other WORKSITE permit system with COMPANY to determine the overall work permit system to be used at the WORKSITE.
- MATERIALS required for Simultaneous Operation periods, such as temporary fire and gas detection, additional personal toxic gas detectors, toxic escape masks and other temporary MATERIALS as required for the addition of those personnel affected by the Simultaneous Operation activities.

6. PEOPLE

6.1 PERSONNEL INVOLVEMENT

CONTRACTOR shall continually reinforce during the performance of the WORKS:

- Personnel awareness of risks.
- Personnel knowledge of associated control and recovery measures.

This reinforcement, in addition to formal training (as detailed in Section 9.2), shall be done through:

- HSE induction.
- Regular HSE meetings, for example daily safety talk on SITE.
- Drills / Emergency exercises.
- HSE information through poster campaigns, videos and regular papers, safety feedback notices and safety notices, or safety bulletin/alerts from COMPANY.
- Work permit system implementation.
- New proactive systems such as “Behavioural Base Safety Management (BBSM)”, “Safety Training Observation Program (STOP)” and “Job Safety Analysis (JSA)”.

"Behavioural Base Safety Management" encourages observers (employees and line management) to identify at-risk behaviours in the working area, gather information and draw an action plan based on the information.

"Safety Training Observation Program" is to be carried out by employees. Any employee, detecting that another employee is doing an unsafe act or is in an unsafe condition, shall stop the unsafe employee activity and ask him to detect what is unsafe with its condition. After correction, activity is resumed. The employees file a record without names to be reviewed at the next safety meeting.

"Job Safety Analysis" is to be carried out by the personnel doing the WORK. The job is divided into steps. For each step, HSE risks and control measures are identified and discussed by a team including the supervisor and the operators. A facilitator or the supervisor records the analysis. Job risk analysis is displayed in working area.

6.2 ACCESS, ALCOHOL, DRUGS AND SMOKING POLICY

CONTRACTOR shall have in place a documented Access/Egress Control system. (POB System) at all locations where WORKS are being performed to ensure that only authorized personnel access/egress the locations. The POB System is also crucial for establishing personnel presence during emergency head counts. The system shall also include ID badges for all authorized personnel. This shall apply to CONTRACTORS SUBCONTRACTORS (including VENDOR works)

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Smoking shall be prohibited at SITE, WORKSITES or anywhere else where WORKS are performed (including VENDOR works), with the exception of dedicated smoking areas, which CONTRACTOR may assign in consultation with COMPANY. CONTRACTOR shall be liable for any breach of this requirement by its personnel and its SUBCONTRACTORS personnel.

Alcohol and drugs are strictly forbidden. CONTRACTOR shall ensure, as far as reasonably practical, that all PERSONNEL do not at any time partake of, be under the influence of, and do not transport to or have in their possession on or at COMPANY WORKSITES any medication, drugs, alcohol, natural stimulants, natural sedatives or other similar intoxicating substances, other than for bona fide medical reasons. Where there is a reasonable likelihood that an employee or a subcontractor at work is under the influence of drugs, alcohol, natural stimulants or other similar intoxicating substances, other than for bona fide medical reasons, the CONTRACTOR shall have a system in place for the testing of the person and substance as detailed in the legislation.

6.3 HORSEPLAY

Horseplay, such as wrestling and practical jokes, etc., can be dangerous. CONTRACTOR shall ensure that no such activities take place at the SITE, WORKSITES and anywhere else where WORKS are performed (including VENDOR works).

6.4 DRIVING AND TRANSPORTATION RISKS

CONTRACTOR shall prepare and issue to COMPANY its own driving policy and ensure that its personnel and its SUBCONTRACTOR's personnel adhere to it. In the absence of any written policy or if there are inherent weaknesses in the CONTRACTOR policy, the COMPANY reserves the right to apply COMPANY's current policy concerning vehicles and driving with which CONTRACTOR shall comply.

CONTRACTOR shall perform formal hazard assessments of transportation activities and practice good journey management at all times. The frequency of such hazard assessments should be determined based on the magnitude of risk and/or any significant change in transportation activities. It may be appropriate to include persons with specialized knowledge of a particular transportation activity within the hazard assessment team. In terms of transportation activities, the following principles apply to conducting hazard assessments:

- Types of transportation (air, marine or road) utilized.
- Transportation of people or MATERIALS or both.
- APPLICABLE LAWS and COMPANY Guidelines.
- Journey characteristics (over mountains, through desert, day or night, etc).
- Frequency and extent of travel (regular work, infrequent, etc).
- Potential hazards, associated risks and appropriate precautions.
- If transportation is being provided by a specialized SUBCONTRACTOR, integration of COMPANY and CONTRACTOR HSE systems is critical (communication, chain of command, agreement of roles and responsibilities).
- SUBCONTRACTOR selection, HSE performance and recent incident history.
- Operating procedures, HSE arrangements and training requirements.
- Emergency preparedness and response arrangements.

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7. SAFEGUARDING OF HEALTH

7.1 MEDICAL FITNESS

Fitness certificates shall be maintained by CONTRACTOR and provided upon COMPANY request. CONTRACTOR shall provide COMPANY with details of its system for assessing the medical fitness of its personnel and those of its SUBCONTRACTORS and highlight any differences from those defined according to the 2003 Report 343, "Managing Health for Field Operations in Oil and Gas Activities" by the OGP" which COMPANY requires to be the minimum standard for CONTRACTOR's medical obligations herein.

7.2 PERSONNEL PROTECTIVE EQUIPMENT

Basic rule for erection sites is to implement Collective Protective Equipment ("CPE"). If not applicable Personnel Protective Equipment ("PPE") have to be provided.

CONTRACTOR shall issue to COMPANY its policy governing personnel protective equipment. CONTRACTOR shall provide PPE to its personnel in accordance with GOOD ENGINEERING PRACTICE and recognised international standards and shall ensure that SUBCONTRACTORS do the same.

CONTRACTOR shall ensure that its personnel and SUBCONTRACTOR personnel always wear the PPE required for the type of WORK being carried out in addition or in place of basic PPE required for all personnel (and shall make sure all appropriate PPE is provided to non-CONTRACTOR persons entitled to have access to the WORKS pursuant to this AGREEMENT). Suitable PPE shall be reviewed regularly according to risk evaluations. CONTRACTOR shall ensure its and its SUBCONTRACTORS' employees understand the need for PPE and are provided with instruction as necessary in its use.

PPE required pursuant to this DIVISION 11 DOCUMENT shall meet American National Standards Institute (ANSI), British Standard (BS) or a COMPANY APPROVED equivalent standard, for such PPE where required for items including, but not limited to:

- Head protection.
- Eye and face protection
- Foot protection (refinery type safety shoes).
- Hearing protection.
- Flame resistant clothing may be required for certain task(s) or in certain locations, IE- rig floor, etc, as identified by in-situ management or risk assessment.
- Clothing, aprons, rubber gloves, face masks, etc, for handling hazardous chemicals.
- Hand protection.
- Fall protection (e.g. - CPE: handrails - PPE: harnesses).
- Other equipment, e.g., breathing apparatus, toxic escape masks, barrier creams, toxic personal detectors, gloves, harnesses or belts, rain gear or chemical resistant clothing, etc., must be worn when the hazards to which an individual is exposed dictate their use.

During Simultaneous Operations, drilling, well testing and injection and start-up periods, all personnel exposed to the potential risks associated with hydrogen sulphide, as shall be defined in the HSE Plan, must be provided with toxic escape masks and personal detectors.

- A general policy will be defined for personal detectors:
- Areas where fixed detectors are in place
- Areas where portable detectors (collectives) could be used for group of persons

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- Areas where personal detectors are mandatory

As a minimum, and unless agreed in writing by the COMPANY's authorized representative, the following items of personal protective equipment shall be used and/or worn by CONTRACTOR's personnel at all times in and around the WORK Site:

- Hard hats, safety glasses with side shields, and steel-toed safety shoes or boots hearing protection – fire resistant clothing.
- Hearing protection must be worn in high-noise areas. High noise areas should be marked, but also includes any area where one must shout to be heard.

7.3 OCCUPATIONAL RISKS

CONTRACTOR shall ensure that occupational health hazards related to the WORKS have been identified and preventive measures have been considered, taken and implemented.

CONTRACTOR shall ensure that every substance, product and MATERIALS considered as hazardous by APPLICABLE LAW and COMPANY Guidelines, GOOD ENGINEERING PRACTICE or international standards of reference is clearly identified, quantified and known by all personnel. A material safety data sheet ("**MSDS**") shall be available in English and local language(s) and shall be located adjacent to areas where potentially hazardous substances, products or MATERIALS are stored or in use.

All these MSDS will have to be available also in contractor safety organisation office(s) and infirmary on site. One set could be sent to the nearest hospital which will be in charge of emergency if any.

Excessive working time and insufficient rest time is to be considered as an occupational risk. CONTRACTOR shall adapt working time of personnel to climate, environmental and living conditions.

7.3.1 Storage, use, and labelling of chemicals, solvents, paint and radioactive sources

All chemicals, solvents, paints and radioactive sources used in the WORKS shall be stored in accordance with GOOD ENGINEERING PRACTICES and VENDORS instructions in a well-ventilated locker. Large paint lockers are to be provided, by CONTRACTOR as part of the WORKS, with CO₂ or dry chemical fire suppression systems.

Note: measures done, by competent person, around radioactive source storages will ensure there is no unacceptable radioactivity around this storage.

All chemicals, solvents, paints and radioactive sources must be kept in containers, which are clearly labelled as to the respective contents. MSDS must be supplied for MATERIALS supplied under this AGREEMENT and CONTRACTOR's and SUBCONTRACTOR's personnel must be instructed in the safe use of such chemicals, solvents and paints. CONTRACTOR shall provide regular safety training for the safe use and handling of all hazardous substances, as well as providing MSDS for such substances.

In addition, CONTRACTOR shall provide individual hazard awareness cards for each hazardous substance that CONTRACTOR's and SUBCONTRACTOR's personnel may encounter during the WORK'S for each relevant individual. Protective equipment as outlined in the MSDS or as otherwise required by operating location management must be provided to and worn by potentially exposed CONTRACTOR's personnel.

Low flash point solvents shall not be used for any washing or cleaning. The use of gasoline for anything other than the intended purpose is not permitted at the SITE, WORKSITES or anywhere else where WORKS are performed (including VENDOR works).

7.3.2 Storage of Explosives

The local laws and regulations governing the storage and handling of explosives shall be observed.

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Explosives and detonators shall be stored in separate containers and stored in a building located at a safe distance from stores containing flammable materials. Non-explosive materials should not be stored in the same building. All possible precautions shall be taken against accidental fire or explosion. Access to the explosive store shall be controlled and full record shall be kept of outgoing and incoming stocks.

General rules to be observed:

- Do not smoke, strike matches or use an open flame lighter in the vicinity of explosives. Use only electric flash lights.
- Do not leave explosives where they may be exposed to flame, heat, spark or impact.
- Do not expose explosives to direct sunlight.
- Do not leave explosives where un-authorized persons can access them.
- Do not fight a fire in a building or vehicle containing explosives.
- If a fire does break out, keep well clear until the fire is completely out.

7.3.2 Overhead Work

Overhead work will be protected, as far as possible, from risks of falls of materials, tools, product, etc. Working below an overhead work activity (co-activity) will not be sanctioned.

In respect of overhead WORKS, CONTRACTOR shall ensure that the area below shall be roped off or other equivalent measures taken to protect workers on the SITE.

Signs reading "Danger – Work Overhead" shall be conspicuously posted. CONTRACTOR's personnel shall never pass under a suspended load.

7.3.3 Scaffolds and Platforms

CONTRACTOR shall ensure that all scaffolds or platforms used in the WORKS for installation and maintenance or removal of machinery and equipment shall be constructed, maintained, and used in compliance with the applicable occupational health and safety construction regulations. All scaffolds are to be inspected and tagged by a competent individual prior to use. All modification of a scaffold / platform will impose that the considered equipment will be declared "out of order" before starting modification and will be submitted to new approval protocol when modification will be finished. The system will be audited by both Contractors and COMPANY on regular basis

Working from ladders will not be permitted. Ladders may be used only as a means of access and egress to other platforms. Wherever platform access is gained externally, self-closing safety gates shall be used in external hand rails.

7.3.4 Safety Harnesses and Lifelines

Full body safety harnesses and lifelines shall be supplied by CONTRACTOR and worn by all workers when working above six feet (6') or two meters (2 m). Lanyards used shall not allow wearer to fall more than six feet (6') or two meters (2 m) at any time, so should be tied off above the wearer, if possible.

7.3.5 Non-Destructive Testing – People protection

CONTRACTOR shall ensure that radioactive isotopes, x-rays, etc., shall only be used by licensed individuals. CONTRACTOR shall ensure that all other individuals shall stay clear from any danger area when the aforementioned are being used. Non-Destructive Testing ("NDT") may have to be scheduled such that individuals do not have to work in the affected area. CONTRACTOR shall ensure that the NDT SUBCONTRACTOR places warning signs, etc., at the required distance from the testing area.

7.3.6 Hydrogen Sulphide

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Hydrogen Sulphide or H₂S will be present at the location/s during the course of the WORKS. CONTRACTOR shall be responsible for ensuring that CONTRACTOR's and SUBCONTRACTOR's personnel are properly trained and equipped in accordance with APPLICABLE LAWS, COMPANY Guidelines, GOOD ENGINEERING PRACTICE and the HSE Requirements when working in areas where hydrogen sulphide may be encountered due to the nature of the WORK.

All access to H₂S area will be possible only to people equipped with specific escape mask and depending on areas equipped with portable or personal H₂S gas detector (chapter 7.2. Personal Protective Equipment). These people will be instructed on considered product and be trained on escape mask utilisation (done during safety induction).

7.4 NON-OCCUPATIONAL RISKS

CONTRACTOR shall ensure that preventive measures are implemented to mitigate health risks that are not directly related to the WORKS such as, hygiene and environmental conditions, domestic and security hazards. Preventives measures shall cover CONTRACTOR facilities, offices, catering premises and housing.

- CONTRACTOR shall prohibit the use of drugs and alcohol at the SITE, any WORKSITES and anywhere else where WORKS are performed (including VENDOR works).

7.5 SPECIFIC RISKS ON CONSTRUCTION OR DRILLING SITES

7.5.1 Electrical Safety

CONTRACTOR shall ensure that personnel, and its SUBCONTRACTOR's personnel, working around electrical equipment take precautions to ensure that the equipment is de-energized while WORK is being conducted on or around such equipment.

CONTRACTOR shall ensure that WORK that is to be conducted near any overhead power line shall be planned such that a clearance of no less than that defined in the HSE Requirements is maintained throughout the duration of the job so as to prevent accidental contact with energized equipment.

If WORK is to be performed within such defined clearance of overhead energized equipment, the equipment must be de-energized by CONTRACTOR prior to starting the WORK, unless adequately controlled by the safe work system.

CONTRACTOR shall ensure that ladders used around electrical equipment should be of wood construction (or non-conductive material) so as not to be a conductor of electricity.

CONTRACTOR shall implement precautions to ensure that all **Construction Equipment** properly grounded and that accidental contact with ungrounded electrical sources is prevented.

7.5.2 Compressed Gas Cylinders

CONTRACTOR shall ensure that all compressed gas cylinders shall be returned promptly to a suitable storage area after use and that they are not being permitted to be inappropriately stored. CONTRACTOR shall ensure that:

- Protective caps shall be placed over the cylinder valves when not in use or when being transported;
- Compressed gas cylinders shall be kept away from heat, fire, molten metal, or electrical lines, and shall not be transported by mobile cranes unless a special carrier is used;
- Compressed gas cylinders shall be stored in the upright position and secured;
- Bottles have to be stored by categories: flammable, oxidant, toxic, chemical. Flammable and oxidants will be store separately

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- Acetylene or liquid compressed gas cylinders shall never be used in a horizontal position, as the liquid may be forced out through the hose causing a fire hazard or explosion;
- Compressed air shall not be used for cleaning clothing or parts of the body; and
- If compressed air is used for cleaning, the discharge shall not exceed thirty (30) psi and eye protection shall be worn.

7.5.3 Work Permit

CONTRACTOR shall ensure that a **work permit** has been established before starting activities such as:

- entering confined spaces,
- working on pressurised enclosures,
- working on electrical systems,
- working on safety systems,
- work involving hazardous or toxic materials (including radioactive sources, explosives and contaminated atmosphere),
- special lifting operation,
- working in unguarded-unprotected areas,
- working at height higher than 2 m.

In particular the work permit shall include an isolation requirement for any work on equipment, or close to equipment that may be remotely activated.

7.5.4 Operations with Oil Based Mud

Potential Risks

Fire and Explosion, falls, pollution

CONTRACTOR's control and recovery measures:

- Flammable gas detection:
In addition to the standard gas detection, a flammable gas detection system will be set up over the mud pits. The gas alarm shall be located on the drill floor and in the office (or shall be powerful enough to be heard in the office).
- Ventilation:
In classified zone one, forced ventilation shall be provided in case of calm by at least two (2) electric fans (or any other safe mean of ventilation).
- Fire fighting system:
A foam extinguishing system, manually activated, shall be installed over the mud pits. The manual triggering device for this extinguishing system shall be located at least fifteen (15) meters from the mud pit area near an escape route.
- Fire fighting instructions:
- The standard fire fighting instructions will be modified to take into account the additional risks when using oil based mud. Fall control: all stairs and work areas on which oil based mud is liable to fall (drill floor, mud pit area, etc.) will be made of either non-slip plates or covered with efficient non-slip materials.

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- Pollution control:
The drill floor shall be sealed and drained and particular care will be taken to protect the environment against oil based mud wastes.

7.5.5 Operations with H2S suspected of being present in the formation to be drilled

Potential risks:

Fatal intoxication

CONTRACTOR's control and recovery measures:

- Toxic gas detection
- A toxic gas (H2S) detection system shall be set up on the drill floor, over the mud flow return line, over the shale shakers, over the mud pits and over the mud pumps. The system shall raise an H2S alarm at the drill floor area and the tool pusher's office.
- A second H2S detection system shall be set up in the living quarters.
- All personnel working on the drill floor and in the mud pits and mud pumps areas will be provided with portable H2S detectors.
- The alarm setting of the detectors and system will be 10-PPM H2S
- Breathing apparatus:
- Canister masks for evacuation purpose will be provided to all personnel on board plus 20 % additional masks.
- Either Self Contained Breathing Apparatus (SCBA) with compressed air for one hour duration before recharging or a face mask connected by a hose to a compressed air system with a minimum of four hours duration shall be provided for all personnel liable to enter an H2S polluted area. Unless otherwise specified, 12 sets will be the minimum required for the unit.
- Safety Rules:
- The safety rules and the muster roll which are given to all personnel on board will be developed to include the possibility of H2S pollution and the carrying and using of canister masks.
- The operating instructions will be amended to include the use of self-contained breathing sets.

7.6 PLANT IN OPERATION - CO-ACTIVITIES

If relevant, some works will have to be done nearby or inside units in operation, tank farms, interconnecting, etc.

For all construction phases inside or nearby processes in operation, all HSE rules of considered units (including access, work permit system, etc.) will be applicable as a minimum. All HSE rules described in this document will have to be considered as additional. When Project rules and Plant in operation rules will not be consistent, the unit rules will apply except formal (written) notification

7.7 CLOTHING AND OTHER APPAREL

Without prejudice to the PPE requirements set out in Section 7.2 of this DIVISION 11 DOCUMENT, CONTRACTOR shall ensure that all personnel involved in the WORKS wear clothing suitable for the job. Long pants and shirts or coveralls shall be worn at all times by personnel during the performance of the WORK. Ragged or loose clothing and jewellery (rings, watches, necklaces, etc.) are not to be worn when operating equipment.

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CONTRACTOR shall ensure that any clothing that becomes saturated with petroleum products or hazardous chemicals should be promptly removed or changed. This obligation shall be addressed in pre-task or pre-job safety meetings and PPE evaluation requirements.

7.8 HOUSEKEEPING

CONTRACTOR shall ensure the use of good maintenance practices around the SITE, WORKSITES and anywhere else where WORKS are performed including:

- WORKS areas shall be maintained in a neat and orderly manner.
- Trash, spills, etc. shall be cleaned up as soon as possible.
- Aisles, emergency exits, and controls must be kept free of MATERIALS and obstructions at all times.
- All wastes are to be properly and safely disposed of.

CONTRACTOR shall ensure the SITE and WORKSITES are clean, orderly and in good condition as directed by the COMPANY.

7.9 PROCEDURES

CONTRACTOR shall develop and implement procedures and controls in respect of substances hazardous to life and health, including radioactive, toxic, irritant, explosive, flammable and materials stored at pressures above atmospheric or those which when mixed with other substances, are liable to explosion or spontaneous combustion.

8. ENVIRONMENTAL MANAGEMENT

8.1 ENVIRONMENTAL REVIEW

CONTRACTOR shall pay due regard to the environment and shall act responsibly in order to protect the environment from adverse effects resulting from activities performed under this AGREEMENT and to minimize any adverse impact which may arise from such activities.

CONTRACTOR shall undertake an environmental review in relation to WORKS to identify, evaluate, recommend, and apply mitigation measures to deal with the adverse consequences of any environmental impact resulting from the CONTRACTOR or its SUBCONTRACTORS' permanent and temporary activities during the WORKS.

This review shall include both direct WORK related and indirect associated activities such as CONTRACTOR Construction Camps and lay down areas. The review shall also include potential impact on local communities in terms of use of local resources and any access impediments. The findings of this review shall be discussed with COMPANY prior to SITE mobilisation.

8.2 PROJECT ENVIRONMENTAL MANAGEMENT PROCEDURES

The environmental review referred to in Section 8.1. hereof shall identify the project management procedures that are to be developed and implemented by CONTRACTOR to ensure the execution of WORKS adheres to environmental best practice(s).

As a minimum, the following matters shall be addressed (if relevant) in such procedures:

- SITE preparation.
- Drainage and erosion control.
- Impact on local communities.
- Commissioning.
- Re-instatement.
- Renewable resources policy.

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- Prevention of importation of alien species (fungi, insects, rodents).

Matters to be addressed in such procedures include:

- Size of SITE, varying width(s) of right(s) of way.
- Photographic survey.
- Requirement for fenced WORK area(s) / right(s) of way.
- Vines connecting trees to be cut in advance.
- Leaving of trees (diameter to be agreed).
- Disposal of fluids from drilling activities.
- Other activities of a similar nature and consistent with the above.

The procedures to which this Section 8.2 relates shall be submitted for COMPANY APPROVAL within thirty (30) days of the EFFECTIVE DATE.

CONTRACTOR shall comply with such APPROVED procedures, and shall ensure its SUBCONTRACTORS so comply, during the performance of the WORKS.

At all times, the execution of the WORKS shall be considered by CONTRACTOR in relation to the sensitivity of the surrounding environment.

8.3 WASTE MANAGEMENT

CONTRACTOR shall develop and implement a waste management plan (the "**Waste Management Plan**"). The Waste Management Plan shall identify each waste stream associated with the WORKS. It shall assess the handling, treatment and disposal method of each waste stream.

The disposal of waste shall comply with APPLICABLE LAWS, COMPANY Guidelines and the HSE Requirements and this DIVISION 11 DOCUMENT and shall take account of GOOD ENGINEERING PRACTICE. CONTRACTOR shall keep detailed records of waste generation and transfers.

A key aspect of the Waste Management Plan is effective recycling.

CONTRACTOR shall immediately report any oil, produced water or chemical spills to COMPANY.

All unused chemicals not consumed in operations or maintenance shall be kept in stock, returned to the VENDOR if applicable, recycled, or disposed of by CONTRACTOR at its sole cost and expense

Tanks or vessels for fuel, and lubricants storage shall be properly closed, installed at ground level and be contained inside an impermeable dike technically designed for this purpose, with a retention capacity equal to the one hundred and ten percent (110%) of the largest tank. Tanks or vessels shall comply with all technical and safety requirements to avoid excessive evaporation, contamination, explosion or fuel spill. The CONTRACTOR shall inspect tanks on a daily basis and any accumulation of fuel/oil shall be removed to preclude eventual overflows and seepage into the ground

All wash down water and other water derived from execution of the WORK or maintenance is to be controlled and managed in such a manner as to prevent direct discharge to land or inland rivers and lakes

8.4 MONITORING

CONTRACTOR shall on a constant basis monitor the effects of the WORKS on the environment and shall take corrective actions on nonconformity with the norms adopted during HSE risk evaluation in respect of the WORKS pursuant to this DIVISION 11 DOCUMENT. The effects to be considered by CONTRACTOR include:

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- Emissions to the atmosphere.
- Discharges into water.
- Soil contamination.
- Domestic and industrial waste production.
- Use of energy and natural resources.
- Other local environment effects such as noise, vibration, odour and visual impact.
- Vegetation clearance.
- Redirection of flow of water (culverts, etc.).

CONTRACTOR shall ensure that accidental discharges are reported through the incident reporting system.

CONTRACTOR shall establish and submit to COMPANY a set of measurable KPIs for environmental management in accordance with this DIVISION 11 DOCUMENT and reporting of any environmental incidents.

9. COMPETENCE AND TRAINING

9.1 COMPETENCE

CONTRACTOR shall ensure that personnel performing specific assigned HSE-critical activities and tasks are competent on the basis of:

- Personal abilities.
- Skills developed through experience and relevant training.
- Demonstrated knowledge.

CONTRACTOR's procedures for competence assurance shall apply to both CONTRACTOR's personnel and SUBCONTRACTORS' personnel. Competence of personnel to perform their duties shall be regularly reviewed and assessed by CONTRACTOR during the performance of the WORK.

9.2 TRAINING

CONTRACTOR shall ensure HSE competence through appropriate training for its personnel and its SUBCONTRACTORS' personnel (and COMPANY personnel where relevant).

CONTRACTOR's HSE training procedures shall include an HSE training matrix covering the level of participants, the course levels, the refresher courses and periods. The matrix shall include but is not limited to following subjects:

- Risk identification and assessment (unsafe act auditing, job risk analysis, cause tree analysis, WORK permit, and environment awareness).
- General operation safety (stepping-handling-lifting, personal protective equipment, working at height).
- Logistics safety (lifting gear, crane, forklift, container, motor vehicle transportation, personnel lifting,).
- Mechanical safety (welding, cutting, sand blasting, painting).
- Pressure safety (compressed air, high-pressure circuits, pressure vessels, pressurised operations).
- Electricity safety (earth, lock out-tag out, hazardous area classification).

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- Hazardous Materials safety (fuels, acetylene, oxygen, hydrogen sulphide, explosives, radioactive materials, toxics, chemicals, hot products, treatment products, drugs and alcohol).
- Pollution control and environmental protection.
- Life saving and escape techniques (first aid, fire fighting, emergency response/preparedness).
- Simultaneous Operations and start-up awareness (to cover as a minimum, hazards associated with Simultaneous Operations activities, H₂S awareness, identification and instruction on temporary escape routes and temporary emergency procedures, and other issues as applicable).
- Well control (IWCF or equivalent)

CONTRACTOR shall emphasise the training needed for personnel performing critical activities related to HSE, such as crane drivers and operators, truck and bus drivers, fire team members, electricians, scaffolders and medics / first aiders.

CONTRACTOR shall maintain records and certificates of all training and shall provide them upon COMPANY request.

10. EMERGENCY PREPAREDNESS

10.1 EMERGENCY SYSTEM

CONTRACTOR shall develop and maintain an emergency response plan (the "**Emergency Response Plan**") to deal with the potential emergencies associated with WORKS including INTERIM OPERATIONS. Contractor's Emergency Response Plan shall be documented and provided to COMPANY upon request for review and approval prior to COMMENCEMENT date. . The Emergency Response Plan shall be regularly updated during the progress of the WORKS and shall be communicated to:

- Emergency services.
- Employees and SUBCONTRACTORS who may be affected.
- COMPANY REPRESENTATIVE.
- THIRD PARTIES likely to be impacted by the WORKS.

The Emergency Response Plan shall address:

- Organisation, responsibilities, authorities and procedures including the maintenance of internal and external communications.
- Systems and procedures for providing personnel refuge, evacuation, rescue, medical treatment and repatriation.
- Systems and procedures for preventing, mitigating and monitoring environmental effects of emergency actions.
- Procedures for communicating with GOVERNMENTAL AUTHORITIES, relatives, the media and other relevant THIRD PARTIES.
- Arrangements for training response teams and for testing emergency systems and procedures.

The Emergency Response Plan shall address the following scenarios as a minimum:

- SITE and WORKSITE injury, outbreaks of disease and particularly contagious disease, need for medical evacuation.
- Motor vehicle, aviation and/or marine accidents.
- Fire and explosion.

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- Blowouts
- Loss of power or communications.
- Loss of containment.
- Damage to oil and gas treatment facilities or pipelines if relevant.
- Environmental emergencies, spills and unplanned releases of produced fluids, gases and all HAZARDOUS WASTE.
- Loss of radioactive material or explosive material.
- Missing person, or man overboard, as relevant.
- Security breaches and sabotage, civil disorder, war.
- Earthquakes, hurricanes, dust storms, and other natural events.
- Hazards associated with SIMOPS.

CONTRACTOR shall provide and enforce alarm signals on the SITE and WORKSITES to inform of various emergency situations in accordance with HSE Requirements.

CONTRACTOR shall declare its system for providing medical support on SITE and WORKSITES and highlight differences from the 2003 Report 343, "Managing Health for Field Operations in Oil and Gas Activities" by the OGP" which should be considered as the minimum standard required.

CONTRACTOR's initial Emergency Response Plan shall be reviewed with COMPANY to co-ordinate, facilitate and ensure the mobilisation of the following resources into a global emergency response plan:

- The community (firemen, hospitals and doctors, police force, coast guards, the military, local GOVERNMENTAL AUTHORITIES).
- Specialised SUBCONTRACTORS (medical evacuation, security measures, environmental emergency response).
- COMPANY resources.
- Contractor could have an emergency team (on duty) prepared to crisis management cell, including also a crisis cell as well.

10.2 DRILLS

CONTRACTOR shall conduct regular drills to verify the effectiveness of the Emergency Response Plan and train personnel to execute emergency procedures (including crisis cell drills).

Mustering and evacuation drills for personnel shall be conducted by CONTRACTORS and SUBCONTRACTORS on a weekly basis at the SITE and WORKSITES and Accommodation Camps.

11. INCIDENT AND UNSAFE SITUATION SYSTEM

CONTRACTOR shall have and implement a system to report, analyse and remedy HSE related events.

HSE related events shall be classified in terms of:

- Occupational events or chains of events (accidents, incidents) which have caused injury/illness and/or environmental damage and/or material/production loss.
- Occupational events (near miss incidents) or unsafe situations (anomalies) having the potential to cause injury or major environmental damage or major material loss.

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For definition of words "accident" and "incident", refer to "Guidelines for the development and application of health, safety and environmental management systems", OGP reference 6.36/210 and "Glossary of HSE terms".

11.1 INCIDENT OR UNSAFE SITUATION REPORTS

CONTRACTOR shall promptly report to COMPANY all HSE related events in accordance with the following provisions:

CONTRACTOR shall submit to COMPANY without delay, a written report per occurrence, for each of the following safety and environmental-related events:

- Any incident with a lost time injury and/or fatality (preliminary report to be provided in less than twenty-four (24) hours and a final report within seven (7) days).
- Any incident where more than 50 litres of hydrocarbon or chemical product was released into the environment.
- Any incident causing a loss of COMPANY's or CONTRACTOR asset or CONSTRUCTION EQUIPMENT of more than five thousand (5,000) USD value.
- Any incident causing a production loss to COMPANY of more than one (1) hour.
- Any incident with the potential to cause a serious injury with or without disability or a fatality.

CONTRACTOR shall promptly report to COMPANY in writing the potential consequences on people, the environment and MATERIALS in addition to the real consequences of incidents.

CONTRACTOR shall promptly report to COMPANY in writing the potential consequences on people, the environment and MATERIALS of near misses and unsafe situations.

CONTRACTOR shall assist COMPANY in any incident investigation launched by the COMPANY either as a joint investigation team with CONTRACTOR or separately.

CONTRACTOR shall include in the HSE section of the weekly and monthly reports required the following statistical information (for the elapsed period and the cumulative since the start of the WORK and if relevant for the last twelve (12) cumulative months):

- Number of workers (employees and contractor personnel) at SITE, WORKSITES and anywhere else where WORKS are performed.
- Number of worked man hours against each SITE, WORKSITES and anywhere else where WORKS are performed.
- Number of fatalities in relation to the WORKS from the EFFECTIVE DATE.
- Number of lost work day cases including fatalities (also called "Lost Time Injury" ("LTI")).
- Number of workdays lost (number of days, beyond the first 24 hours, during which the injured party is not able to work; the count is stopped on the basis of a medical certificate authorizing the injured party to resume its work). Days lost will be both calendar days lost and working days lost (depends on country regulation and COMPANY rules)
- Number of work-related injuries other than fatalities or lost work day cases also called "Restricted Work Day Case" ("RWDC"), "Medical Treatment Case" ("MTC") and "First Aid Case".
- "Lost Time Injury Frequency" ("LTIF") means the number of LTI per 1,000,000 man hours worked.
- "Severity Rate" means the average number of lost days per LTI.

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- Number of material damages over (five thousand) 5,000 USD value.
- All spills greater than 50 litres of hydrocarbon or chemical product.
- Environmental incidents.

The reports shall also include all positive actions undertaken over the elapsed time from the previous report, such as:

- Number of induction courses attended and by how many.
- Number of training courses per category and attended by how many.
- HSE audits performed.
- HSE awards schemes.
- HSE penalties.
- Any positive action promoting/improving HSE awareness amongst CONTRACTOR/SUBCONTRACTOR personnel.
- Remedial actions implemented by CONTRACTOR resulting from audits, near-miss, incident and accident analysis.
- Other pertinent safety and environment-related information.

In case of injuries (LTI's or fatalities), CONTRACTOR shall promptly report in writing to COMPANY the following data, as applicable:

- Injured party: family and first names, date of birth.
- Employer's name (CONTRACTOR or any SUBCONTRACTOR).
- Date of the first full day of incapacitation to work.
- Date of return to the same work capability as before the incident (confirmed by a medical doctor or by actual return to work) or the date of death.
- Date that the injured party started working at the SITE, WORKSITES and anywhere else where WORKS are performed.
- Level of seniority and experience of injured party and tenure in current position.

The lost work days of each victim shall be determined by the number of calendar days separating the first full day of incapacitation to work and the date of return to the same work capability. A lost day will not be considered to have occurred if associated with a fatality.

11.2 INCIDENT OR UNSAFE SITUATION RECORDS

CONTRACTOR shall record for its own preventive action plan all safety and environmental-related events other than those required to be reported to COMPANY. (See Section 11.2 of this DIVISION 11 DOCUMENT).

These safety and environmental-related events records shall be available to COMPANY.

11.3 HSE MEETINGS

HSE statistical information shall be presented by CONTRACTOR for discussion at each regular progress meeting between COMPANY and CONTRACTOR.

11.4 ANALYSIS AND CORRECTIVE ACTIONS

CONTRACTOR shall report to COMPANY its analysis of the causes of incidents, near misses and unsafe situations requiring a report as described in Section 11.2 of this DIVISION 11 DOCUMENT.

CONTRACTOR shall maintain procedures for investigation and corrective action with the following objectives:

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- Notify the relevant parties.
- Determine the root causes and sequence of events using adequate analyse tools.
- Establish a plan of action or an improvement plan.
- Initiate preventive actions commensurate with the nature of non-compliance.
- Apply controls to ensure that any preventive actions taken are effective.
- Revise procedures to incorporate actions to prevent reoccurrence and communicate changes to personnel.

CONTRACTOR shall use the “cause tree analysis” method or equivalent methods when the incident has caused lost workdays or a fatality and/or when the potential consequences could have generated several fatalities.

12. AUDITS AND INSPECTIONS

12.1 AUDITS AND INSPECTIONS BY COMPANY

COMPANY shall have the right to carry out technical HSE review audits at the SITE, WORKSITES and anywhere else where WORKS are performed during all phases of the WORK. CONTRACTOR shall communicate in time to COMPANY its audits and inspections plan, in order to allow COMPANY to participate in its audits and inspections if COMPANY wishes so.

In addition COMPANY may wish to carry out its own HSE audits to assess CONTRACTOR compliance with the HSE Requirements and this DIVISION 11 DOCUMENT.

CONTRACTOR shall provide all relevant resources, documentation and assistance as required by COMPANY to perform such audits.

12.2 AUDITS AND INSPECTIONS BY CONTRACTOR

CONTRACTOR shall have and implement a system of periodic audits and inspections to verify implementation and compliance with this DIVISION 11 DOCUMENT and the HSE Requirements during the whole period of execution of the WORKS:

Such audits shall be scheduled as soon as possible after the EFFECTIVE DATE on the basis the HSE Management Plan.

CONTRACTOR shall establish procedures for audits of HSE Requirements and DIVISION 11 DOCUMENT compliance which shall address the following points:

- Allocation of resources to the auditing process.
- Personnel requirements to make up the audit team in order to ensure expertise and adequate independence.
- Methodology for conducting and documenting the audits.
- Reporting of audit findings.
- Implementation of audit recommendations.
- Distribution of audit reports.

Weekly HSE inspections shall be performed by CONTRACTOR in the form of a SITE or WORKSITES tour. The CONTRACTOR REPRESENTATIVE or its delegate shall perform this inspection accompanied, if so required by COMPANY, by the COMPANY REPRESENTATIVE or its delegate.

Note: some audits will be carried out with both COMPANY and Contractor participation (crossed audits)

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12.3 PLANNED MAINTENANCE, INSPECTION, CERTIFICATION

CONTRACTOR shall maintain available at the SITE, WORKSITES and anywhere else where WORKS are performed for the duration of the WORKS valid inspections / audits and test certificates of its DRILLING, or CONSTRUCTION EQUIPMENT (power shovels, bulldozers, trucks, forklifts, lifting equipment and slings/shackles, tools including portable power tools and other electrical equipment, structures, scaffolding, warehouses, docks, workshops, etc.), including MARINE SPREAD (vessels, crane vessels, barges and tugs, under water vessels together with their captains and full crews).

12.4 PREMISES AND HOUSING

CONTRACTOR shall inspect before occupation, and thereafter on a regular basis the accommodation Camp and facilities supplied to its personnel, SUBCONTRACTORS' personnel and COMPANY personnel.

A separate health and hygiene inspection of any such Construction Camp shall be performed and followed up. Objective will be to be aligned on country Regulation (e.g. number of showers per persons)

These inspections will include safety aspects as Emergency escape, fire extinguisher, electrical system, siren, evacuation meeting points, safety information, health aspects, HACCP in catering facilities, etc.)

12.5 REFERENCE DOCUMENTS

CONTRACTOR shall use, as reference documents for HSE audits and inspections hereunder, the latest edition of all relevant standards, codes and norms referred to in the AGREEMENT, and in particular the relevant HSE documents issued by any organisations such as:

- OSHA, the Occupational Safety and Health Administration (USA).
- Workplace (Health, Safety and Welfare) Regulations 1992 UK
- ISO, the International Standards Organisation.
- OGP, the International Association of Oil and Gas Producers.
- Control of Substances Hazardous to Health Regulations (amended) 2004, UK

12.6 RECORDS AND CORRECTIVE ACTIONS

CONTRACTOR shall keep the record of HSE audits and inspections in the appropriate logbooks or equivalent.

CONTRACTOR shall integrate its corrective actions report into the HSE Improvement Plan (as defined in Section 14 of this DIVISION 11 DOCUMENT).

13. HSE IMPROVEMENT PLAN

In order to improve its performance in respect of HSE, CONTRACTOR shall establish an HSE improvement plan in respect of the WORKS (the "**HSE Improvement Plan**"). An HSE Improvement Plan shall be submitted to COMPANY for APPROVAL within thirty (30) days of the EFFECTIVE DATE. CONTRACTOR shall review its HSE Improvement Plan periodically during the WORKS with COMPANY. The schedule for such reviews and any updated HSE Improvement Plan shall be subject to COMPANY APPROVAL. The HSE Improvement Plan shall address as a minimum the following:

- HSE performance compared to objectives.
- Corrective actions "to do" and "done" as defined by the following categories of HSE evaluations: risk assessments, drills, reviews, incidents and near misses analysis, audits, inspections and environmental monitoring.

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- Response to HSE comments from local inhabitants, GOVERNMENTAL AUTHORITIES and COMPANY.

The proposal from CONTRACTOR for the HSE Improvement Plan shall cover as a minimum the following areas:

- HSE training of CONTRACTOR's and SUBCONTRACTOR's personnel and/or competence.
- Modification of safety procedures.
- Renewal of worn out or damaged safety equipment.
- Up-grading of CONTRACTOR yard or MARINE SPREAD facilities and any other areas where problems are frequently encountered.
- Electrical / power distribution facilities.
- Consumable gas storage, segregation, handling and use.
- Inspection of cranes and other lifting appliances.
- Implementation of colour code system for lifting slings and apparatus.
- Up-grading of medical facilities / medical supplies.
- Up-grading of waste management system.
- Up-grading of scaffolding material.
- Similar matters to the above.

CONTRACTOR shall integrate in its HSE Improvement Plan the following information on incidents and anomalies:

- The monthly man-hours worked by CONTRACTOR and SUBCONTRACTOR personnel in performance of the WORKS.
- The review of all incidents and anomalies associated with the performance of the WORKS.
- The corresponding corrective actions done and planned.

14. PROJECT SPECIFIC REQUIREMENTS

14.1 HSE MANAGEMENT PLAN

CONTRACTOR shall comply with the requirements of the HSE Management Plan document.

14.2 SAFETY CASE (If Relevant)

In addition to the HSE studies, which have been carried out during the FEED, COMPANY intends to prepare a safety case (the "**Safety Case**") before the start of the detailed design by the CONTRACTOR. COMPANY shall use the services of a consultant for preparing such Safety Case.

CONTRACTOR shall update the Safety Case regularly during the WORKS to ensure that the Safety Case remains valid for the duration of the WORKS.

CONTRACTOR shall demonstrate that target risks criteria as set out in the HSE Management Plan are met, and that safety risks are as low as is reasonably practicable ("ALARP").

14.3 HSE STUDIES (If Relevant)

CONTRACTOR shall update all the associated studies relating to the Safety Case, and all the HSE related studies which are identified are to reflect the detailed design information,

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and to demonstrate that the HSE design and construction issues are properly addressed. In particular any design changes shall be subject to a HAZOP or risk assessment study.

14.4 HAZARD AND RISK REGISTER (If Relevant)

CONTRACTOR shall review the hazard and risk register contained in the Safety Case, and shall update these registers during each phase of the WORK, e.g., construction, Simultaneous Operations, to ensure that it has identified the specific hazards, assessed the risks, and provided measures to eliminate or control the hazards, or mitigate their consequences. These registers shall be made available to the COMPANY.

14.5 SAFETY CRITICAL SYSTEMS AND PERFORMANCE STANDARDS

CONTRACTOR shall review, at an early stage during detailed design, the list and contents of the safety critical system, and their performance standards to ensure design compliance. CONTRACTOR shall update the safety critical systems and their performance standards to reflect the detailed design information and submit them to COMPANY for APPROVAL.

Each safety critical system is provided with performance standards that as a minimum define the essential measures provided to manage major accident hazards and events requiring escape, mustering, evacuation, and rescue. Verification of these performance standards during each phase of the WORKS ensures that the safety critical systems continue to be able to prevent, control and mitigate the identified major incidents.

The high level objects for the safety critical systems, which are used to define the functional goals for each system, are:

- Functionality – what function must the system perform to meet the overall system goals?
- Reliability/availability – how often is the system required to be available to operate in the event of a hazardous or abnormal incident.
- Survivability – under what circumstances is it required to continue operating and/or be available.
- Dependence/interactions – which other systems are required to operate / be available at the same time to ensure the overall system functions as intended.

14.6 PERFORMANCE STANDARDS ACHIEVEMENT (If Relevant)

14.6.1 Design

CONTRACTOR shall engage the services of a qualified SUBCONTRACTOR to verify that performance standards of safety critical systems have been achieved. Such SUBCONTRACTOR shall be subject to COMPANY APPROVAL.

CONTRACTOR shall implement and comply with the written scheme of examination (the "WSE") prepared by COMPANY and updated and submitted to CONTRACTOR from time to time.

For the avoidance of doubt, the issue and updating of the WSE shall not constitute a VARIATION.

CONTRACTOR shall submit to COMPANY monthly progress reports on this activity as well as copies of all correspondence issued by SUBCONTRACTOR.

14.6.2 Compliance

CONTRACTOR's compliance with WSE requirements shall be evidenced by appropriate inspection and testing at all phase of the WORKS. CONTRACTOR shall ensure that COMPANY is able to witness any such inspection and testing.

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14.7 HSE DELIVERABLES

Within thirty (30) days of the EFFECTIVE DATE of the AGREEMENT, CONTRACTOR shall submit to the COMPANY a complete list of HSE Deliverables together with the associated schedule, based on the requirements of this DIVISION 11 DOCUMENT for COMPANY review and APPROVAL.

15. ADDITIONAL REQUIREMENTS

CONTRACTOR shall ensure that any WORKS carried out by CONTRACTOR and/or its SUBCONTRACTOR's, which are performed in any periods of SIMOPS, interim operations and production start-up, fully satisfy the requirements of this DIVISION 11 DOCUMENT and that CONTRACTOR complies with the obligations set out herein, including the HSE Requirements.

CONTRACTOR shall be fully responsible for ensuring that such WORKS relating to Simultaneous Operations, Interim operations and production start-up are fully consistent and compatible with the HSE requirements and procedures of any COMPANY CONTRACTOR performing any work on behalf of COMPANY in the vicinity of CONTRACTOR's WORKS.

15.1 MEETINGS

Regular HSE meetings shall be held between COMPANY and CONTRACTOR personnel as per a regular meeting schedule to be agreed upon, and upon reasonable COMPANY request. CONTRACTOR shall also hold regular HSE meetings involving line management and employees representatives. The minutes of all the meetings shall be recorded and be available promptly for review by COMPANY upon written request.

In addition to these regular meetings, ad-hoc meetings shall be organized by CONTRACTOR, for specific design, drilling, construction or installation issues, to address risk identification and risk assessment related to the activity and/or related to the potential consequence on COMPANY assets.

On arrival at the SITE, any WORKSITES and anywhere else where WORKS are performed (including VENDOR works), all individuals shall attend an HSE induction program (presented by the CONTRACTOR or VENDORS as applicable) addressing CONTRACTOR's HSE obligations under this AGREEMENT and specific to the relevant location, which shall also include environmental issues, industrial relations and health issues.

Individuals shall be provided with an HSE booklet, by CONTRACTOR or VENDORS as applicable, addressing the HSE obligations under this AGREEMENT, which shall complement information provided verbally by CONTRACTOR or VENDORS. This provision applies to all personnel including those of COMPANY, SUBCONTRACTORS, service providers and VENDORS. The induction will be ended with "QMC" (Questions with Multi Choices) in order to demonstrate people understood information. One booklet where all main HSE aspects are summarised will be given to each participant.

Note: Induction program will be submitted to COMPANY for approval of the content.

The above requirement shall apply to all locations including engineering offices of CONTRACTOR, and SUBCONTRACTOR and VENDOR's premises.

Prior to commencement of the WORK at SITE, WORKSITES or anywhere else where WORKS are performed (including VENDOR works), a kick-off meeting shall be set up between COMPANY and CONTRACTOR to review HSE compliance procedures, and to ensure that CONTRACTOR HSE approach will meet the obligation to comply with HSE Requirements and this DIVISION 11 DOCUMENT .

Prior to commencement of the day activities on SITE, CONTRACTOR line management, or his delegate, shall conduct daily safety and environmental talks. Topics shall be relevant to

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the near term work and shall be supported by HSE officers and training personnel. All the safety and environmental talks' dates, subjects and attendance shall be recorded. These talks shall be registered (subject – animator – participants)

15.2 SIMULTANEOUS OPERATIONS

For the avoidance of doubt, CONTRACTOR's obligations pursuant to this DIVISION 11 DOCUMENT shall apply to all Simultaneous Operations elements of the WORKS, including the impact of production elements of the WORKS on non-production elements of the WORKS and vice versa.

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Attachment 1 a

**ATTACHMENT 1 A
MANAGEMENT POLICY STATEMENTS
RAK PETROLEUM LIMITED
(ACN 067 777 440)**

STATEMENT ON HEALTH AND SAFETY AT WORK

At RAK PETROLEUM we believe all occupational injuries, diseases and property loss are preventable. To practically achieve this at your workplace RAK PETROLEUM will provide you with:

A safe working environment and safe working systems which reduce the risk to personnel as low as is reasonably practicable.

Initial and continuing training in the recognition of hazards and the appropriate means to maintain or restore a safe working environment.

Information on potential risks and hazards and the experience of others to promote a pre-emptive approach to health and safety.

Clearly written, user friendly occupational and health and safety standards to apply at our workplaces.

Emergency response plans for foreseeable events.

RESPONSIBILITIES

The Regional Manager of RAK PETROLEUM is responsible for the local development and implementation of this policy.

Each of us has a responsibility to ourselves, our fellow workers and to RAK PETROLEUM to:

Identify and eliminate physical and health hazards.

Prevent injury to ourselves and others.

Actively participate in training programs.

Follow Company Safety and Health Policy Procedures when at Company operated sites.

All contractors who work at RAK PETROLEUM sites must fully satisfy their employees' health and safety policies which in turn must be fully consistent and compatible with this policy.

APPLICATION

This policy applies to all RAK PETROLEUM Limited operated sites.

**ALAIN DUPORT
GENERAL MANAGER**

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Attachment 1b

ATTACHMENT 1 B
RAK PETROLEUM PETROLEUM LIMITED
(ACN 067 777 440)

ENVIRONMENTAL POLICY

At RAK PETROLEUM we are committed to the protection of the environment in which we work. To exemplify that commitment we will:

1. develop and maintain management systems to identify, control and monitor risks and compliance with government regulations and industry guidelines;
2. enable employees through adequate training and require contractors to adopt environmentally responsible work practices and to be aware of their stewardship responsibilities;
3. communicate openly with government, non-government bodies and the public in a timely manner on environmental issues which relate to the RAK PETROLEUM operations.
4. at a minimum, comply with applicable laws, regulations, standards and guidelines for the protection of the environment and in their absence adopt the best practicable means available to prevent or minimise adverse environmental impacts;
5. develop emergency plans and procedures so that incidents can be responded to in a timely and effective manner;
6. ensure that adequate waste management practices are carried out based on the prevention, minimisation, recycling, treatment and disposal of wastes;
7. monitor environmental effects and assess environmental performance at all stages of exploration, development, production and rehabilitation;
8. in Joint Ventures, where we do not operate, we will actively work to achieve an environmental protection performance that is in harmony with the above.

RESPONSIBILITIES

The Regional Technical Manager of RAK PETROLEUM is responsible for the local development and implementation of this policy.

APPLICATION

This policy applies to all RAK PETROLEUM Limited areas of activity.

ALAIN DUPORT
GENERAL MANAGER

COMPANY HSE REQUIREMENTS FOR CONTRACTORS
High Value and High Risk Activity Contracts

Appendix 2

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- List of COMPANY SPECIFICATIONS (the "HSE Management Plan")

Document	Reference Number
RAK - Corporate Level Documents (Lvl 00)	
RAK – Environmental Health & Safety Management System (EHSMS)	RAK-EHSMS-MS-00
RAK – Corporate Emergency Response Plan (CERP)	RAK-RIMP-ERP-00
RAK – Corporate Security Plan (CSP)	RAK-CSP-ERP-00
RAK - Drilling Department - MS / HSE (Lvl 01)	
RAK – Drilling Management System (DSM)	RAK-DMS-MS-00
RAK - Waste Management Plan (WMP)	RAK-WMP-HSE-01
RAK - Driving and Journey Management (DJM)	RAK-DJM-HSE-02
RAK - Drilling Department - ERP	
RAK – Drilling Emergency Response Plan (DERP)	RAK-DERP-ERP-03
RAK – Medical Emergency Response Plan (MERP)	RAK-MERP-ERP-04
RAK – Flight Watch & Emergency Res. Plan (FLERP)	RAK-FLERP-ERP-06
RAK – Drilling Environmental Spill Plan-ON (DESP)	RAK-DESP-ERP-07-ON
RAK – Drilling Environmental Spill Plan-OFF (DESP)	RAK-DESP-ERP-07-OFF
RAK – Emergency Phone Book (EPB)	RAK-REPB-ERP-08
RAK - Drilling Department - OPS (Lvl 02)	
RAK – Drilling Operations Manual (DOM)	RAK-DOM-OPS-01
RAK – Well Control Procedures Manual (WCPM)	RAK-WCPM-OPS-02
RAK – H2S Manual (H2S)	RAK-H2S-OPS-03
RAK - Offshore Operations Manual	
RAK - Onshore Operations Manual	
RAK - Engineering & Equipment Inspection Procedure	
Dubai & Oman Laws / Legal Requirements (Lvl 03)	
Drilling Legal Requirements Register	
Environmental Protection Act	