

SCHEDULE D
FOR WORK OF HIGH OR MEDIUM HSE RISK

Definitions/ Abbreviations

In the event of discrepancy between the definitions provided in this Schedule D and definitions specified in the CONTRACT, then the definitions in the CONTRACT shall take precedence.

| | |
|-----------------------|--|
| COMPANY | Karachaganak Petroleum Operating B.V. (KPO), including Karachaganak Petroleum Operating B.V. Kazakhstan Branch. |
| COMPETENT | A person who has a combination of the required practical skills, training, knowledge, experience and understanding to perform a particular task or role to a required standard, on a regular and repeatable basis. |
| CONTRACT | A legally binding agreement between KPO and another party, constituting the basis for the provision of Goods/ Services or the undertaking of WORKS whereby a legal relationship is created. |
| CONTRACTOR | Means the person or persons, firm or company named in the CONTRACT and entrusted by the COMPANY for the execution of SERVICES hereinafter defined and shall include the CONTRACTOR's legal personal representatives, successors and assigns. For the avoidance of doubt, all references to CONTRACTOR include CONTRACTOR's officers, employees and agents. Where CONTRACTORS are referenced throughout this schedule, this term also includes all SUBCONTRACTORS engaged by the CONTRACTOR to perform the WORK and to which all requirements of this Schedule D also apply. |
| CONTRACTORS PERSONNEL | Shall mean the persons to be provided by the CONTRACTOR and (or) SUBCONTRACTOR for the purpose of performing the SERVICES. |
| HSE | Health, Safety and Environment |
| HSE-MS | Health, Safety and Environment Management System |
| KPO | Karachaganak Petroleum Operating B.V. |
| KPO | Karachaganak Petroleum Operating B.V. and any of its wholly owned subsidiaries. |
| PERFORMING AUTHORITY | A person responsible for supervising or performing the WORK to be carried out under the CONTRACT. |
| RoK | Republic of Kazakhstan |

| | |
|---------------|---|
| SCOPE OF WORK | Works, services or delivery of goods performed by the CONTRACTOR under the terms and conditions of the CONTRACT and the COMPANY's requisitions for the provision of goods and (or) services, or for the execution of works specified in the CONTRACT. |
| SERVICES | Any services, the performance of which is procured by the CONTRACTOR for the COMPANY pursuant to this CONTRACT. |
| SHALL | A mandatory term, no dispensation is permitted without written permission using the formal dispensation procedure. |
| SITE | The place where SERVICES will be performed. |
| SKA | Safety Knowledge Assessment |
| SUBCONTRACTOR | <p>Persons or legal entities having contractual relationships with the CONTRACTOR, engaged by the CONTRACTOR with the purposes of compliance with the requirements of the CONTRACT made with KPO.</p> <p>All requirements in this schedule shall apply equally to SUBCONTRACTORS working on behalf of CONTRACTORS and the CONTRACTOR shall be totally accountable to ensure that their SUBCONTRACTORS comply.</p> |
| WORK | <p>All work (as defined by RoK regulation) conducted by CONTRACTOR personnel:</p> <ul style="list-style-type: none">• On COMPANY premises;• On non-COMPANY premises which are or ought to be subject to COMPANY management controls applied through contractual terms if they are executed on behalf of the COMPANY. <p>Refer to KPO-AL-HSE-BOO-00087 HSE Glossary for further examples relating to definitions.</p> |

Contents

| | |
|---|-----------|
| DOCUMENT VERIFICATION..... | 2 |
| DOCUMENT DISTRIBUTION | 3 |
| REVISION TRACKING | 4 |
| EXECUTIVE SUMMARY..... | 5 |
| DEFINITIONS/ ABBREVIATIONS | 6 |
| 1 GENERAL PROVISIONS..... | 9 |
| 1.1 OBJECTIVES | 9 |
| 1.2 SCOPE | 9 |
| 1.3 HSE MANAGEMENT SYSTEM..... | 9 |
| 1.4 HSE PLAN | 10 |
| 1.5 COMPLIANCE..... | 11 |
| 2 PROVISIONS SPECIFIC TO THE EXECUTION OF THE CONTRACT..... | 12 |
| 2.1 LEADERSHIP AND ACCOUNTABILITY | 12 |
| 2.2 POLICY AND STRATEGIC OBJECTIVES | 12 |
| 2.3 PLANNING | 12 |
| 2.3.1 HSE Legislation | 12 |
| 2.3.2 Risk Management..... | 13 |
| 2.4 IMPLEMENTATION | 13 |
| 2.4.1 Organisation..... | 13 |
| 2.4.2 HSE Advisors..... | 13 |
| 2.4.3 HSE Competence Requirements..... | 13 |
| 2.4.4 Employee Orientation Programme..... | 14 |
| 2.4.5 HSE Training..... | 14 |
| 2.4.6 HSE Promotion and Awareness..... | 14 |
| 2.4.7 HSE Communications..... | 15 |
| 2.4.8 HSE Meetings Programme..... | 15 |
| 2.4.9 HSE Procedures..... | 15 |
| 2.4.10 Equipment Maintenance and Inspection..... | 16 |
| 2.4.11 Occupational Health and Hygiene..... | 16 |
| 2.4.12 Environment..... | 17 |
| 2.4.13 Road Transport Safety..... | 19 |
| 2.4.14 PPE Requirements | 21 |
| 2.4.15 Emergency Response Plans..... | 21 |
| 2.4.16 Subcontractors..... | 22 |
| 2.5 CONTROL AND MONITORING..... | 22 |
| 2.5.1 General provisions | 22 |
| 2.5.2 Incident Reporting..... | 22 |
| 2.5.3 Hazard & Behaviour observations reporting process (HSE Observation)..... | 23 |
| 2.5.4 Environmental Reporting..... | 23 |
| 2.5.5 Incident Investigation..... | 24 |
| 2.5.6 Auditing and Review..... | 25 |
| 3 CODE OF CONDUCT AND SUBSTANCE ABUSE | 25 |
| 4 APPENDICES..... | 26 |
| APPENDIX 1: MINIMUM LIST OF KPO HSE PROCEDURES ISSUED TO CONTRACTORS | 27 |

1 GENERAL PROVISIONS

1.1 Objectives

The objectives of this document are to:

- Set out the Health, Safety and Environmental (HSE) requirements for CONTRACTORS and SUBCONTRACTORS, performing WORK for Karachaganak Petroleum Operating (hereinafter referred to as the COMPANY);
- Assure exemplary work place health, safety and environmental protection performance;
- Support contract compliance.

Unless a different action, rule, or standard is required by RoK legislation, each requirement of this Schedule D shall apply in respect of HSE, where relevant to the SERVICES provided by the CONTRACTOR and their SUBCONTRACTORS.

1.2 Scope

This schedule shall be applied to all CONTRACTS that have been defined as being of a high or medium HSE risk level using KPOs Contract HSE Risk Assessment Methodology (KPO-AL-HSE-GLS-00006).

The CONTRACTOR shall be obliged to apply this Schedule to all the WORKS carried out under the CONTRACT.

WORK is defined as all WORK (as defined by RoK regulation) conducted by CONTRACTOR personnel:

- On COMPANY premises;
- On non-COMPANY premises which are or ought to be subject to COMPANY management controls applied through contractual terms if they are executed on behalf of the COMPANY.

All other activities performed by the CONTRACTOR which do not fall under the definition of WORK are not subject to the requirements set out in this Schedule.

Where CONTRACTORS are referenced throughout this schedule, this term also includes all SUBCONTRACTORS engaged by the CONTRACTOR to perform the WORK and to which all requirements of this Schedule D also apply. It is the responsibility of the CONTRACTOR to ensure that their SUBCONTRACTOR complies fully with the requirements of this schedule.

1.3 HSE Management System

The CONTRACTOR shall establish a HSE Management System (HSE-MS).

A copy of the CONTRACTOR'S HSE-MS manual shall be issued to the COMPANY upon request and include the following elements:

- Leadership and Accountability;
- Policy and strategic objectives;
- Planning;
- Implementation;
- Control and monitoring.

Each element of the CONTRACTORS HSE MS must meet the relevant minimum requirements specified in Section 2 of this Schedule.

Prior to mobilisation, the CONTRACTOR shall describe in its HSE Plan how its HSE-MS will interface with the HSE Management System and procedures of the COMPANY and its SUBCONTRACTORS.

1.4 HSE Plan

The CONTRACTOR shall develop a Health, Safety, Environment (HSE) plan in accordance with the template provided by KPO (Guideline for Preparation of Contractor HSE Plan KPO-AL-HSE-GLS-00176) which is in proportion to the risk of the CONTRACT determined by KPO. The CONTRACTOR HSE plan shall be relevant to the specific SCOPE OF WORK.

The HSE Plan shall address the risks specific to the WORK and the management and implementation of control measures to eliminate, reduce or mitigate these risks throughout the full lifecycle of the CONTRACT.

As a minimum, the HSE Plan shall include the following:

- A description of the interface between the CONTRACTOR HSE Management System and the HSE Management System and procedures of the COMPANY and its SUBCONTRACTORS;
- A list of HSE deliverables along with a schedule for their completion;
- Leading and lagging HSE Key Performance Indicators relevant to the WORK to be undertaken;
- A training plan for CONTRACTOR (and SUBCONTRACTOR personnel) in KPO procedures and Life-Saver requirements;
- A description of the HSE risks of all phases of the WORK through mobilisation, execution and demobilisation at each location where the work will be performed (office, unit, well-site, construction site etc.), and shall demonstrate how risks to all personnel have been identified and have been reduced to As Low As Reasonably Practicable (ALARP);
- Details of the Occupational Health Programme (if relevant) including occupational exposure monitoring arrangements;
- A waste management plan identifying the volume and type of waste to be generated and managed under the contract scope (if relevant);
- A specific description relating to compliance with KPOs road safety standards and procedures and proposed improvement plans;
- CONTRACTOR In Vehicle Monitoring System (IVMS) implementation plan;
- Where relevant, an interface document agreed between the CONTRACTOR and the COMPANY which clearly defines the roles and responsibilities in the event of an emergency;
- An overview of the arrangements for the monitoring of contractor's HSE performance in relation to the COMPANY'S HSE expectations and procedures and the interfaces/ communication arrangements between the COMPANY and CONTRACTOR (CONTRACTOR HSE Performance Monitoring Programme and Audit Schedules).

Following contract award and prior to mobilisation, the HSE Plan shall be submitted to the COMPANY for review and approval.

The COMPANY reserves the right at all times for the duration of the CONTRACT to audit and review CONTRACTOR facilities, services and/or performance of its services and / or work in respect of compliance against the accepted HSE Plan for the WORK.

The COMPANY reserves the right to suspend the WORK or any part thereof if the CONTRACTOR does not comply with the approved HSE Plan. Before work is suspended, the COMPANY shall liaise with the CONTRACTOR to allow the CONTRACTOR the opportunity to rectify any non-conformances within an acceptable timescale.

The HSE Plan shall be reviewed and updated on an annual basis, upon CONTRACT extensions or in the event that the HSE Risk of the CONTRACT is deemed, by KPO using the CONTRACT HSE risk assessment process, to have changed.

1.5 Compliance

The CONTRACTOR shall comply and ensure compliance with the requirements of this Schedule.

It is the responsibility of the CONTRACTOR to ensure that CONTRACTOR PERSONNEL and all SUBCONTRACTORS engaged by the CONTRACTOR to perform the WORK fully comply with the requirements of this Schedule.

The CONTRACTOR shall ensure safe working conditions for its PERSONNEL during the WORK.

Any breach of the requirements specified in this Schedule shall be deemed by the COMPANY to be a material breach of the terms of the CONTRACT and the COMPANY shall be entitled to take appropriate action including instructing the CONTRACTOR to a) remedy the breach, b) suspend the WORK or c) terminate the CONTRACT without compensation for costs incurred by the CONTRACTOR (SUBCONTRACTOR).

The COMPANY reserves the right to suspend the WORK or any part thereof without compensation if the CONTRACTOR or their SUBCONTRACTORS do not comply with the provisions of this Schedule. Before any work is suspended, the COMPANY shall liaise with the CONTRACTOR to allow the CONTRACTOR the opportunity to rectify any non-conformances within an acceptable timescale.

The CONTRACTOR may at any time suspend the work for HSE reasons; in such event however the CONTRACTOR shall immediately inform the COMPANY in writing of those reasons and details of actions to be taken before WORK can be resumed.

Should any individual CONTRACTOR or SUBCONTRACTOR personnel or SUBCONTRACTOR company not comply fully with the HSE requirements of the CONTRACT then the CONTRACTOR shall be expected to apply the accountability / disciplinary process to the individual/ SUBCONTRACTOR company in accordance with KPO-AL-HSE-GLS-00004 Guidance on Use of Behavioural Analysis Model and advise the COMPANY of the sanction implemented. The COMPANY at its sole discretion may request any CONTRACTOR or SUBCONTRACTOR personnel to be removed from the provision of SERVICES on the grounds of failure to comply with KPO HSE requirements.

2 PROVISIONS SPECIFIC TO THE EXECUTION OF THE CONTRACT

The CONTRACTOR shall ensure that, as a minimum, the provisions set out in this Section are met during the execution of the CONTRACT with the supporting arrangements set in the CONTRACTORS HSE Plan which shall interface with the HSE Management System and procedures of the COMPANY and of SUBCONTRACTORS appointed by the CONTRACTOR.

2.1 Leadership and Accountability

CONTRACTOR shall ensure that all CONTRACTOR'S PERSONNEL are briefed in, understand and strictly adhere to the COMPANY policies, directives and code of conduct on health, safety and environment.

CONTRACTOR's management shall demonstrate leadership and commitment to HSE policies through frequent active participation in all aspects of HSE including regular site visits, supporting open dialogue and by allocating sufficient and competent resources to the CONTRACT.

CONTRACTOR's management shall ensure that HSE responsibilities, authorities, accountabilities and competencies are clearly defined, documented, communicated and exercised at all levels within their organisation.

CONTRACTOR's management shall ensure that individual and team contributions to HSE performance are recognised and considered during performance appraisals.

CONTRACTOR's management shall set clear goals, objectives and targets for HSE and evaluate performance against them.

CONTRACTOR shall formally and regularly review HSE performance in relation to the KPIs set for the work.

2.2 Policy and Strategic Objectives

The CONTRACTOR shall ensure that its own Health, Safety & Environment Management System, its HSE Policy and its HSE Plan are compatible with the COMPANY's HSE Policy, objectives, HSE-MS and procedures.

The CONTRACTOR shall ensure that its HSE Policy is available in the languages spoken by its PERSONNEL and they comply fully with the requirements specified.

2.3 Planning

2.3.1 HSE Legislation

The CONTRACTOR shall comply, and be able to demonstrate compliance with all the requirements of the current legislation of the Republic of Kazakhstan relating to HSE, industrial safety and labour in the performance of works and (or) services at WORK sites and facilities.

2.3.2 Risk Management

The CONTRACTOR shall ensure that, for all its activities, a documented risk assessment procedure and risk register is developed and implemented. This shall be included in the CONTRACTOR HSE Plan.

The CONTRACTORs risk assessment procedure shall be suitable and sufficient to appropriately assess the HSE risks associated with each activity and a copy shall be issued to COMPANY.

The CONTRACTOR shall, as a minimum, meet the COMPANY's standards for undertaking risk assessments as defined in procedure KPO-AL-HSE-PRO-00017-E Task Risk Assessment.

The CONTRACTOR shall conduct risk assessments for all work or services without exception. No work activity shall commence until the risk assessment has been completed and all risk reduction measure fully implemented.

2.4 IMPLEMENTATION

2.4.1 Organisation

The CONTRACTOR shall provide sufficient and COMPETENT manpower and supervision within the organisation; with clear responsibilities and reporting structure to ensure that HSE performance is not compromised in any way.

2.4.2 HSE Advisors

The CONTRACTOR shall provide dedicated HSE advice and supervision throughout the duration of the CONTRACT for all phases of WORK and respond to HSE issues when required. The CONTRACTOR shall ensure that:

- Sufficient HSE supervisors are provided by the CONTRACTOR on all WORK undertaken to fulfil the CONTRACT to manage and control the level of HSE risk posed by the SCOPE OF WORK to a level which is ALARP;
- HSE Supervisors shall be given an appropriate level of authority to be able to effectively manage HSE;
- The level of competence of all HSE supervisors shall be fully verified and demonstrated by the CONTRACTOR.

2.4.3 HSE Competence Requirements

The CONTRACTOR shall ensure its PERSONNEL:

- Possess, as a minimum, the qualifications required by RoK legislation for the specific work activities that they will be required to undertake;
- Are technically COMPETENT and experienced in the tasks assigned to them.

If specific PERSONNEL are proposed and approved during the tender stage of the CONTRACT process then the CONTRACTOR shall only provide those specific PERSONNEL or PERSONNEL with equivalent qualifications and experience to perform WORK. Changes from original proposed PERSONNEL must be agreed with the COMPANY prior to the commencement of WORK.

The COMPANY reserves the right at all times for the duration of the CONTRACT to request copies of CONTRACTOR PERSONNEL qualifications and CVs.

At own expense, the CONTRACTOR shall ensure that PERSONNEL, where required, undertake and pass a RoK examination of Safety Knowledge Assessment (SKA) and carry their SKA certificate with them whilst at work.

2.4.4 Employee Orientation Programme

The CONTRACTOR shall ensure that to all CONTRACTOR's and SUB-CONTRACTOR's PERSONNEL involved in the WORK have passed through the HSE induction / orientation programme at the relevant COMPANY work locations.

2.4.5 HSE Training

The CONTRACTOR shall be responsible for, and implement, competency based HSE training of CONTRACTOR PERSONNEL.

The CONTRACTOR shall ensure and verify that CONTRACTOR PERSONNEL are competent for the occupations and tasks to which they are assigned.

The CONTRACTOR shall provide HSE training in the COMPANY's HSE requirements and all requirements of the CONTRACTORS HSE plan to all CONTRACTOR's and SUB-CONTRACTOR's PERSONNEL involved in the WORK.

The CONTRACTOR shall ensure that no individual in his employment performing WORK does so unless he has received full training in the HSE, procedures and risk control measures relevant to his WORK.

Prior to commencing WORK all CONTRACTOR PERSONNEL are required to attend a KPO induction course and all other KPO mandatory training courses relevant to the activity and location where the WORK will be performed.

2.4.6 HSE Promotion and Awareness

The CONTRACTOR shall establish a mechanism for the communication and feedback of HSE issues and HSE performance to its PERSONNEL and to the COMPANY.

The Contractor shall communicate its HSE Plan to personnel and Subcontractor's personnel in the language that is fully understood by all attendees.

2.4.7 HSE Communications

The CONTRACTOR shall, where applicable, ensure before commencing WORK pursuant to the CONTRACT that all companies, organisations and communities that could potentially be affected by such WORK or SERVICES have been notified. The CONTRACTOR shall also inform the COMPANY that the necessary notifications have been made.

At the worksite the CONTRACTOR shall ensure that effective toolbox talks are undertaken at the start of each shift to every member of the working team in the appropriate language. The toolbox talks shall communicate the HSE risks and required control measures relevant to the work activity and SCOPE OF WORK to be undertaken, emergency response arrangements and a reminder of pertinent COMPANY rules, procedures and Life-Savers for the task to be undertaken.

Where shift work occurs, clear communication between shift PERSONNEL involving a face to face handover of the WORK and current status shall be implemented.

The CONTRACTOR shall ensure that all supervisory PERSONNEL in charge of work or acting as PERFORMING AUTHORITY can communicate effectively in English, Russian or* Kazakh (*relevant to the predominant language used by the work force).

Refer also to Section 2.5.2 Emergency Response Plans.

2.4.8 HSE Meetings Programme

The CONTRACTOR shall establish an effective structure and schedule for HSE meetings involving all CONTRACTOR and SUBCONTRACTOR PERSONNEL assigned to the WORK, to promote communication and involvement in HSE matters. The COMPANY reserves the right to attend such meetings.

Regular meetings will also be held between the CONTRACTOR and the COMPANY, the schedule of meetings shall be specified in the CONTRACTOR HSE Plan. Additional meetings may be requested by the COMPANY.

2.4.9 HSE Procedures

The CONTRACTOR shall comply with, and shall be able to demonstrate full compliance with:

- COMPANY policy, procedures and standards;
- COMPANY Life-Savers Rules;
- CONTRACTORS own corporate and project specific HSE policies and procedures.

The CONTRACTOR shall comply with the current version of the COMPANY's HSE procedures. The minimum list of COMPANY HSE procedures to be complied with is attached in Appendix 1. COMPANY may, at its own discretion, add procedures to such list, or update the existing ones from time to time, provided that CONTRACTOR shall be informed of

such changes by COMPANY. If any change is applied, the latest revision shall be the one applicable.

Additional KPO procedures may also be listed in risk assessments which are specific to a work activity and must also be complied with.

2.4.10 Equipment Maintenance and Inspection

The CONTRACTOR shall ensure that all hand tools, power tools, appliances, machines, vehicles, emergency response equipment and other equipment such as tanks and vessels, lifting equipment etc, are in a safe working condition at all times and comply with current RoK regulations and COMPANY requirements.

A register of temporary equipment on site shall be maintained and all equipment logged within this register together with the date of last inspection plus date when an inspection next due. Any equipment found to be defective shall be removed from service immediately and quarantined until repaired or destroyed.

Equipment shall only be used for the purpose for which it is constructed and by authorised and competent persons.

All relevant equipment shall meet the requirements defined in COMPANY Procedure KPO-AL-HSE-PRO-00099 Control of Portable and Temporary Equipment.

In accordance with RoK Legislation and KPO Procedures, emergency response equipment should only be used for its intended purpose. The use of emergency equipment is prohibited for use by any person not trained in its use, and in any case shall only be used for emergency situations.

2.4.11 Occupational Health and Hygiene

CONTRACTOR shall ensure that all its PERSONNEL:

- Are at least 18 years old when employed for work with hazardous conditions;
- Have passed a statutory medical examination and are declared “fit” to perform their duties in accordance with RoK legislation, and undergo periodic medical examinations whenever these are required by RoK legislation in order to determine fitness for work and for early detection of occupational illness.

For expatriate employees relevant international fitness to work standards shall apply; these must be as a minimum as stringent as the RoK requirements. Guidance on the medical assessment standards is contained in Medical Fitness to Work in Kazakhstan – Expatriate Employees procedure (KPO-AL-MDL-PRO-00003).

For national employees guidance is contained in Fitness to Work Procedure – National Employees (KPO-AL-MDL-PRO-00005).

COMPANY has the right of access to Fitness to Work Certificates of CONTRACTOR PERSONNEL for auditing purposes, ensuring medical confidentiality.

CONTRACTOR shall ensure that:

- Women are not allowed to perform physical toil tasks, as well as to work in extremely hazardous conditions;
- Women are not allowed to perform manual handling exceeding statutory limits;
- Restrictions are followed as to work of pregnant women in accordance with RoK law.

CONTRACTOR shall, depending on legislation, establish a Health and Safety Department or appoint a Health and Safety specialist or authorise another specialist with Health and Safety responsibilities in accordance with RoK regulations.

CONTRACTOR shall ensure that arrangements are in place for provision of medical support to its employees in accordance with RoK regulations.

CONTRACTOR shall ensure that arrangements are in place for provision of potable water, personal protective equipment and sanitation to its employees in accordance with RoK regulations.

CONTRACTOR shall, when conducting any work within the Karachaganak Field, have all the necessary permitting documentation in accordance with RoK regulations.

If there is the potential for personnel to be exposed to substances hazardous to health or other factors that may have adverse impacts on health e.g. dust, radiation, noise, ergonomic, biological hazards etc, then the CONTRACTOR shall implement an appropriate level of control measures, monitoring and health surveillance in accordance with RoK regulations, relevant KPO procedures and the findings of a risk assessment.

CONTRACTOR shall inform the COMPANY of all cases of work-related injuries, occupational illness and intoxication in accordance with the regulations for investigation of incidents and occupational illness and intoxication.

COMPANY has the right to carry out regular audits of CONTRACTOR aimed to evaluate compliance with the requirements set herein.

2.4.12 Environment

The CONTRACTOR shall protect environmental resources and eliminate or minimise any direct or indirect impact from WORK performed in the execution of the CONTRACT. The CONTRACTOR shall minimise environmental impact while undertaking works as well minimise nuisance, disturbance or interference to the community, their activities, and other users of the environment.

The CONTRACTOR shall ensure that all activities are planned in a manner that will not create a negative impact upon the environment or other users.

The CONTRACTOR shall ensure that fishing, hunting and gathering of flora and fauna or any other environmental resources are strictly prohibited within the area where WORK is being undertaken.

The CONTRACTOR shall impose a strict ban on washing vehicles and equipment outside of the areas designated for such purposes.

CONTRACTOR shall, where applicable, be responsible for the restoration of any land used or affected by CONTRACTOR's activities under the CONTRACT. This will include removal of CONTRACTOR's equipment, surplus materials and waste to the satisfaction of the COMPANY. After completing activities the operational site shall be submitted to the COMPANY representative in a proper condition.

The CONTRACTOR shall hold all necessary environmental permits, approvals and licences unless otherwise specified in the CONTRACT.

If relevant, prior to the commencement of WORKS the CONTRACTOR shall provide the COMPANY with a copy of the following:

- Environmental emissions permit (and any other environmental emission related permits);
- Waste Management Plan approved by the COMPANY representative;
- Contracts for water consumption and disposal and waste removal and disposal (storage);
- Passport for major items of equipment indicating pollutant concentrations
 - in exhaust gas;
- Certificate of vehicle inspection for pollution and toxicity level.

The CONTRACTOR is responsible for safe handling and disposal of any waste produced or occurring as a consequence of its WORK pursuant to the CONTRACT. All activities associated with waste management, handling and disposal shall be in accordance with RoK legislation, COMPANY standards and best practice.

The CONTRACTOR shall not deviate from the approved waste management plan (if required to be in place) without prior approval from the COMPANY.

The CONTRACTOR is responsible for making payments (taxes) for any environmental emissions generated (if any) when performing the WORK from the sources owned by the CONTRACTOR unless otherwise stated in the CONTRACT.

Any CONTRACTOR found to be illegally generating environmental emissions (air emissions, water discharges and disposing waste) will be subject to an investigation performed by the COMPANY and may have their CONTRACT terminated. If the CONTRACTOR is found by the COMPANY to be in breach of RoK law, the CONTRACTOR will be reported to the regulatory authorities.

In the event of an oil spill, discharge of hazardous substances or waste into the environment, the CONTRACTOR shall take all required measures to eliminate the damage caused.

In case of breach of the requirements specified in this schedule the COMPANY will seek to recover all costs from the CONTRACTOR relating to all expenditures, payments of fines and claims served by the authorities.

Waste Management

If a Waste Management Plan is required (refer to Waste Management Procedure KPO-AL-HSE-PRO-00212), the CONTRACTOR shall prepare and present it prior to mobilisation and it shall be incorporated into the Contractor HSE Plan. If this requirement is relevant, the CONTRACTOR will also appoint a 'Person responsible for Waste Management' who will be responsible for the delivery of monthly waste reporting data as required by KPO procedures.

The COMPANY will not tolerate the illegal disposal of waste particularly within the boundary of the Karachaganak field. The COMPANY will take action against the CONTRACTOR in accordance with Section 1.6 Compliance of this Schedule if, upon investigation, illegal disposal of waste is associated with the CONTRACTOR or its SUBCONTRACTORS.

2.4.13 Road Transport Safety

General Requirements:

The CONTRACTOR will follow the Oil Gas Producers (OGP) Land Transportation Safety Recommended Practice (Report No. 365 April 2005).

The CONTRACTOR shall comply with RoK legislation at all times and implement and maintain equivalent road transport safety controls to those employed by the COMPANY as set out in KPO-AL-IAS-PRO-00001-E Transport HSE Procedure.

A specific description relating to compliance with KPOs road safety standards and procedures and proposed improvement plans shall be included in the CONTRACTOR HSE Plan.

Specific Requirements:

Heavy Vehicles – Reversing Alarms

All heavy vehicles (in excess of 3.5 tonne) shall be fitted with reversing alarms. These alarms shall be:

- Audible alarms of the horn, claxon or high-pitched tone type;
- Capable of generating sound of at least 90 decibels within a distance of 1 metre;
- Of robust design to cope with on-site conditions;
- Fitted by a competent technician;
- Checked for operation during COMPANY periodic vehicle inspection checks.

Heavy Vehicles – Reversing Marshal

The CONTRACTOR shall ensure that a reversing marshal will be employed whenever any heavy vehicle is manoeuvring using reverse gear in an area

where it may come into contact with personnel, buildings or equipment. The reversing marshal shall:

- Ensure that the area is free of pedestrians;
- Remain in view of the driver/operator at all times;
- Provide clear and agreed hand signals to the driver/operator;
- Wear a high visibility vest.

In-vehicle Monitoring Systems (IVMS)

The implementation of the In-Vehicle Monitoring System (IVMS) is a COMPANY initiative aimed at improving road safety. Such systems monitor vehicle speed, acceleration, braking and engine revs and are an aid to monitoring driver performance. Modern IVMS devices are also fitted with a GPS device, so the vehicle location can be monitored plus the device can be programmed to alert the driver when he exceeds the maximum speed limit of the road.

CONTRACTORS are required to ensure that all vehicles capable of travelling in excess of 30km/h and used for rendering services to KPO are fitted with in-vehicle monitors with the following minimum specifications:

- a. Electronic driver Identification for each driver.
- b. Online tracking of driver's performance and location.
- c. Speed control.
 - i. 3 pre-set speed zones to record violations (City, Field, and Highway).
- d. Lights monitoring.
- e. Driver's and passengers' seat belt monitoring (if vehicle is equipped with seat belt sensor).
- f. Ability to generate daily reports on drivers performance, including:
 - i. Speeding
 - ii. Headlights
 - iii. Seatbelts
- g. Tacho data (second-by-second data records, which normally include speed and revolutions per minute (RPM) in a graphical format). This function is required only if it is included in a standard configuration of the IVMS).
- h. Any other options required by the CONTRACTOR.

CONTRACTORS reserve the right to select the supplier of the IVMS.

CONTRACTORS are required to develop a plan for the installation of the IVMS in their vehicles which must be approved by the Company (Contract Owner and KPO Infrastructure and Services HSE Department) prior to the start of work. IVMS installation should be prioritised as follows:

- Priority 1 – Contractor Buses and Minibuses (Category D vehicles)
- Priority 2 – Contractor light vehicles/passenger vehicles (Category B vehicles)
- Priority 3 – Contractor heavy vehicles/specialized vehicles (Category C vehicles) capable of driving in excess of 30 km/h

The IVMS implementation plan shall be included into CONTRACTOR HSE Plan.

The COMPANY reserve the right to request IVMS reports from CONTRACTORS (and their SUBCONTRACTORS) at any time.

2.4.14 PPE Requirements

The CONTRACTOR shall ensure that all CONTRACTOR PERSONNEL working at KPO operational process site locations shall wear the following general PPE as a minimum: safety helmet, steel toe safety boots, eye protection and flame retardant coveralls.

The CONTRACTOR shall conduct risk assessments for all activities requiring the use of PPE and the specification of the required PPE and additional and/ or specialist PPE shall be provided by the CONTRACTOR to its PERSONNEL as required.

The specification of PPE shall be in accordance with KPO's Specification Requirements for PPE procedure (KPO-AL-HSE-PRO-00112).

CONTRACTOR PERSONNEL failing to use the appropriate PPE will be asked to use the appropriate equipment or stop work immediately. Upon repeated failure by CONTRACTOR PERSONNEL to use PPE, the COMPANY may request them to leave the SITE immediately. Persistent repeated failures by CONTRACTOR PERSONNEL to use PPE may result in the COMPANY requiring the CONTRACTOR to remove the relevant CONTRACTOR PERSONNEL from the SITE and replace them without delay and at no extra cost to the COMPANY.

2.4.15 Emergency Response Plans

Emergency Response Plans are established by the COMPANY.

The CONTRACTOR shall consult with the COMPANY to ensure appropriate interfaces with COMPANY emergency response procedures. An interface document shall be agreed between the CONTRACTOR and the COMPANY which clearly defines the roles and responsibilities in the event of an emergency. This shall include interfaces between:

- CONTRACTOR and COMPANY;
- CONTRACTOR and its SUBCONTRACTORS;
- CONTRACTOR and COMPANY's other Contractors working at the Site.

Where applicable, the CONTRACTOR's arrangements for emergency communications shall be integrated with the requirements of the COMPANY's Emergency Response Plan for the Unit or Site.

The CONTRACTOR shall identify and assess all reasonably foreseeable incidents that could occur as a result of its WORK, and identify control measures which will prevent or minimise the consequences of the incident. In addition the CONTRACTOR shall satisfy itself that all of its workforce know what action to take in the event of an emergency.

Emergency response and rescue drills will be performed by the COMPANY on a regular basis. CONTRACTOR PERSONNEL are required to participate in drills unless specifically instructed otherwise by the COMPANY. The CONTRACTOR shall, in addition, carry out its own emergency response drills in the areas given over to the control of the

CONTRACTOR. These shall be performed in cooperation with the COMPANY. All drills shall be recorded by the CONTRACTOR and any deficiencies noted.

The CONTRACTOR shall ensure that training and instruction is provided to PERSONNEL to ensure that they are aware of their responsibilities and are COMPETENT to carry out their allocated duties in the event of an emergency.

The CONTRACTOR shall ensure that a means of communication between remote work locations and the CONTRACTOR office is maintained at all times.

2.4.16 Subcontractors

Prior to mobilisation, the CONTRACTOR shall ensure that its SUB-CONTRACTOR(S) receive a copy of, and comply with the requirements of the CONTRACTOR's HSE Plan submitted to and accepted by the COMPANY and a copy of this Schedule.

It is the responsibility of the CONTRACTOR to ensure that all its SUB-CONTRACTORS comply with the requirements specified in this Schedule, the CONTRACTORS HSE Plan and the HSE rules and procedures of the COMPANY, plus full compliance with the laws of the RoK.

2.5 Control and Monitoring

2.5.1 General provisions

The CONTRACTOR shall develop a HSE performance monitoring programme which shall be incorporated into the HSE Plan.

2.5.2 Incident Reporting

The CONTRACTOR shall report incidents and near misses immediately to the designated CONTRACTOR REPRESENTATIVE or nearest COMPANY supervisor.

All incidents shall be reported in accordance with the KPO Incident Notification Procedure KPO-AL-HSE-PRO-00011 and the definitions described in KPO HSE Glossary KPO-AL-HSE-BOO-00087. The CONTRACTOR shall ensure that for all incidents involving their PERSONNEL, the relevant notifications are made to RoK authorities as deemed necessary by RoK legislation.

The COMPANY reserve the right for a COMPANY doctor to interview or examine any CONTRACTOR PERSONNEL who are reported to be injured.

By the 5th day of each month, the CONTRACTOR shall provide the COMPANY (with copy to the Company Designated Representative) with a report which contains the following information:

- Incident reports for the previous calendar month which includes lost time injuries (LTI), restricted workday cases (RWDC), fatality, medical treatment cases (MTC), asset damage incidents, medical evacuations, first aid cases (FAC), near misses and frequency of hazardous occurrence (numbers of hazardous situations without details),

environmental releases, quantity of road transport vehicles, subcontractors, quantity of employees for all PERSONNEL engaged in the WORK;

- The total number of man-hours worked, both during the month and cumulatively. Man hours that are required to be reported are the hours worked by the CONTRACTOR (and SUBCONTRACTOR) personnel whilst performing WORK during the execution of a CONTRACT for the COMPANY;
- The number of kilometres driven by Contractor's vehicles during the month. The number of kilometres reported shall be those driven by vehicles mandated by the CONTRACTOR (and SUBCONTRACTOR) as being necessary to execute WORK under the CONTRACT;
- Any road traffic incidents of any kind.

The data provided shall include all SUBCONTRACTORS.

CONTRACTOR shall make available to COMPANY on request copies of any correspondence received from or sent to any person concerning health, safety or environmental matters relating to CONTRACTOR and SUBCONTRACTOR activities under the CONTRACT.

2.5.3 Hazard & Behaviour observations reporting process (HSE Observation)

The CONTRACTOR shall ensure that all its PERSONNEL are aware of the hazard reporting procedure within KPO and encourage their personnel to report all hazards and near misses.

The COMPANY have in place an HSE Observation, Hazard Reporting and suggestion programme with an associated 'HSE Card' which any employee or contractor can complete to report 'Conditions' - hazards, safe or unsafe 'Acts' - behaviours, or make suggestions for the improvement of HSE. Training can be provided by the COMPANY in the process. All CONTRACTORS shall fully participate in this process with awards being given for best submissions within KPO.

Specifically, CONTRACTORS shall support and promote the COMPANY'S HSE culture that all PERSONNEL shall feel empowered to intervene in all unsafe behaviour and stop work if an unsafe condition exists. Any person who stops work on the grounds of safety shall be congratulated for their intervention. The COMPANY will not tolerate the intimidation of PERSONNEL who stop work due to a genuine HSE concern and the COMPANY will take action against the CONTRACTOR in accordance with Section 1.6 Compliance of this Schedule if intimidation is thought to occur during the provision of SERVICES for the COMPANY.

2.5.4 Environmental Reporting

If environmental emissions generated by sources owned by the CONTRACTOR are included on the COMPANY's Environmental Emissions Permit, then the CONTRACTOR shall provide the COMPANY with the following reports:

1. Volume of sweet gas and diesel fuel consumption;

2. Number of equipment operation hours;
3. Volume of water used for operational and domestic needs;
4. Volume of water disposed;
5. Volume of water re-used;
6. Report on volumes of waste transported, disposed or handed over for reprocessing/ recycling along with all associated documentation.

If relevant, reports frequency, dates and forms shall be submitted in accordance with the following COMPANY procedures:

- Waste Management Procedure KPO-AL-HSE-PRO-00212;
- Air Emissions Management Procedure KPO-AL-ENV-PRO-00138;
- KPO Water Consumption and Discharges Management Procedure KPO-AL-ENV-PRO-00137.

CONTRACTORs providing services to the COMPANY in waste management, handling and disposal shall submit all required reports to the COMPANY as specified in the Waste Management Procedure KPO-AL-HSE-PRO-00212.

2.5.5 Incident Investigation

The CONTRACTOR shall comply with the COMPANY's incident investigation requirements which are described in KPO-AL-HSE-PRO-00007-E Incident Investigation Procedure.

The CONTRACTOR shall conduct a full investigation / review (unless a RoK State Commission is appointed) to determine why the incident occurred, identify root causes and implement actions to prevent a recurrence. COMPANY reserve the right to join such an investigation team or conduct their own investigation. CONTRACTOR will cooperate fully with any investigation process and implement recommendations identified by the COMPANY within agreed timeframes.

CONTRACTOR's personnel shall provide statements or written evidence immediately upon request for any incident investigation.

The CONTRACTOR shall provide the COMPANY with a copy of any report concerning any incident, medical condition, dangerous event or near miss which occurs during the performance of the work within seven (7) days of the incident.

The CONTRACTOR shall document and report immediately to the COMPANY any incidents of environmental damage, any unforeseen activity or event which could have led to environmental damage, uncontrolled release of hydrocarbons, violations or potential violations of environmental laws and regulations, or complaints by organisations, local state authorities' requirements, including law enforcement agencies, or citizens.

2.5.6 Auditing and Review

The CONTRACTOR shall develop and implement a schedule for HSE audit / inspection for its activities and those of its primary SUBCONTRACTORS, and provide a copy of the schedule to the COMPANY in its HSE Plan. The audit schedule should also include joint contractor management and KPO audits and be based upon the level of risk associated with the activities being undertaken.

The CONTRACTOR shall provide all input and support as the COMPANY deems necessary to ensure all HSE activities that the COMPANY initiates are successfully carried out and the actions arising are closed out to the COMPANY's satisfaction. CONTRACTOR's PERSONNEL shall be available for interview as part of COMPANY audits and reviews.

Before commencement of the WORK, the COMPANY may, conduct an audit to satisfy itself of the CONTRACTOR's arrangements regarding HSE management and control. The CONTRACTOR shall co-operate fully with the audit team and correct any agreed deficiency noted without undue delay and in any event before work commences or within an agreed time frame for more minor issues.

The COMPANY reserves the right to undertake at any time during the term of the CONTRACT a HSE inspection and risk assessment of the CONTRACTOR's work policies, procedures and practices. Such assessment may be undertaken without the consent of the CONTRACTOR.

Should the COMPANY determine that the results of the HSE assessment indicate sufficient risk exposure, the COMPANY reserves the right to request HSE improvements within a reasonable time period or in the event of significant risk to HSE, suspend the WORK or any part thereof without compensation until the risk is controlled.

Upon request, the CONTRACTOR shall supply the COMPANY with copies of all reports and documents regarding HSE matters that it is required by RoK legislation to be maintained together with such other reports and information as the COMPANY may require.

Upon request by the COMPANY, the CONTRACTOR shall maintain and make available for inspection all registers, records and any other documentation on environmental aspects of the activities being carried out or on the environmental management system implemented by the CONTRACTOR.

The CONTRACTOR shall provide a summary report on HSE performance during the term of the CONTRACT as part of the CONTRACT close-out documentation and for HSE performance review meetings which will be held on a schedule specified in the HSE Plan, upon contract extension and as a minimum, on an annual basis.

3 CODE OF CONDUCT AND SUBSTANCE ABUSE

All CONTRACTOR's PERSONNEL shall adhere to the COMPANY's policy KPO-AL-GOV-PHL-60001-E (Code Of Conduct) which sets out standards of behaviour expected of the CONTRACTOR, SUBCONTRACTORS and their PERSONNEL. In particular but without derogation to the generality of the foregoing CONTRACTOR shall develop and or participate in a written substance abuse program acceptable to the COMPANY. The CONTRACTOR shall ensure all PERSONNEL under their direction are aware of the zero tolerance policy.

While on COMPANY business any person who is or appears to be under the influence of alcohol or a controlled substance shall be immediately removed from the premises and shall be required to undertake a medical examination. The COMPANY requires the employing company to take appropriate disciplinary action against any person showing positive results from such medical examination. Any such persons will not be permitted to continue to perform work for COMPANY and their assignment shall be terminated forthwith.

The use, possession, distribution, or sale of illegal drugs, controlled substances, or alcohol by any person while on COMPANY premises or while engaged in performing services for the COMPANY is absolutely prohibited. However, prescription medication that is obtained by a valid prescription and that does not impair work performance or fitness for duty is exempted from this prohibition. COMPANY should be advised of any such prescribed medication being taken by CONTRACTOR personnel.

COMPANY specifically reserves the right to carry out reasonable searches of individuals, their person, effects and vehicles when entering on, or leaving from, COMPANY premises. Individuals found in possession of prohibited substances or stolen goods shall be removed from COMPANY premises immediately, and, when warranted, individuals will be reported to the appropriate law enforcement agencies. Submission to a search is strictly voluntary; however refusal to allow a search is grounds for refusal onto COMPANY premises.

4 APPENDICES

Appendix 1: Minimum List of KPO HSE Procedures Issued to Contractors
 (in addition to any other KPO procedures which are listed in risk assessments which are specific to a work activity)

| Number | Title |
|----------------------|---|
| KPO-AL-HSE-PHL-00001 | HSE Policy |
| KPO-AL-HSE-PHL-00002 | Life Savers Rules |
| KPO-AL-HSE-SYS-00001 | HSE Management System Manual |
| KPO-AL-HSE-GLS-00004 | Guidance on the Use of the HSE Behavioural Accountability Model |
| KPO-AL-HSE-GLS-00176 | Guideline for preparation of Contractor HSE Plan |
| KPO-AL-HSE-GLS-00184 | Tool Box Talk Guideline |
| KPO-AL-HSE-PRO-00004 | Permit-to-Work Procedure |
| KPO-AL-HSE-PRO-00007 | Incident Investigation Procedure |
| KPO-AL-HSE-PRO-00011 | Incident Notification Procedure |
| KPO-AL-HSE-BOO-00087 | HSE Glossary |
| KPO-AL-IAS-PRO-00009 | Load Haulage Safety Procedure |
| KPO-AL-HSE-PRO-00009 | Abnormal Load Transportation |
| KPO-AL-IAS-PRO-00002 | Travel Management Procedure During Extreme Weather Conditions |
| KPO-AL-HSE-PRO-00017 | Task Risk Assessment |
| KPO-AL-OPN-SYS-10008 | Simultaneous Operations |
| KPO-AL-MEC-GLS-00001 | Flexible Hose Management Guidelines |
| KPO-AL-HSE-WKI-00164 | HAZID/ HAZOP Work Instruction |
| KPO-AL-IAS-PRO-00001 | Transport HSE Procedure |
| KPO-AL-HSE-PRO-00025 | Rigging Operations |
| KPO-AL-HSE-PRO-00026 | Safe Use Of Cranes |
| KPO-AL-HSE-PRO-00029 | Excavating Procedure |
| KPO-AL-HSE-PRO-00044 | Confined Space/ Vessel Entry |
| KPO-AL-HSE-PRO-00047 | Mechanical Isolation Procedure |
| KPO-AL-HSE-PRO-00042 | Electrical Isolations Procedure |
| KPO-AL-HSE-PRO-00048 | Personal Protective Equipment |
| KPO-AL-HSE-PRO-00112 | Specification Requirements for PPE |

| Number | Title |
|----------------------|---|
| KPO-AL-HSE-GLS-00252 | Specification Requirements for H2S Respiratory Protective Equipment |
| KPO-AL-HSE-PRO-00049 | Hazardous Chemical Substances Management Procedure |
| KPO-AL-HSE-PRO-00051 | Working At Heights |
| KPO-AL-HSE-PRO-00052 | Work Authorization |
| KPO-AL-HSE-PRO-00058 | Protective Systems Isolation Procedure |
| KPO-AL-MDL-PRO-00003 | Medical Fitness to Work in Kazakhstan – Expatriate Employee Procedure |
| KPO-AL-MDL-PRO-00005 | Fitness to Work Procedure – National Employees |
| KPO-AL-MDL-PRO-00013 | First Aid Provision Procedure |
| KPO-AL-HSE-PRO-00130 | HSE Internal Communication Procedure |
| KPO-AL-HSE-PRO-00069 | H2S Management Controls |
| KPO-AL-HSE-PRO-00248 | Restricted Access to Hazardous Buildings |
| KPO-AL-HSE-PRO-00095 | Safety Knowledge Assessment Procedure |
| KPO-AL-HSE-PRO-00099 | Control of Portable Temporary Equipment |
| KPO-AL-HSE-PRO-00212 | Waste Management Procedure |
| KPO-AL-ENV-PRO-00137 | KPO Water Consumption and Discharges Management Procedure |
| KPO-AL-ENV-PRO-00138 | Air Emissions Management Procedure |