

SCHEDULE D
FOR WORK OF LOW HSE RISK

Definitions/Abbreviations

All definitions are as specified in the Model Contract.

HSE	Health, Safety and Environment
KPO	Karachaganak Petroleum Operating
RoK	Republic of Kazakhstan

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1 GENERAL PROVISIONS

The COMPANY reserves the right to undertake at anytime during the term of this CONTRACT, a HSE risk assessment of the CONTRACT, services provided, and the CONTRACTOR's work policies and procedures. Such an assessment may be undertaken without the consent of the CONTRACTOR.

Should the COMPANY determine, in its sole discretion that the results of the HSE risk assessment indicates insufficient HSE risk exposure, the CONTRACT shall be amended to incorporate the requirements of Schedule D for Work of High or Medium HSE Risk and the CONTRACTOR shall comply with the same.

1.1 Scope

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

The CONTRACTOR shall be obliged to apply the requirements specified in this schedule to all the WORKS carried out under the CONTRACT when performing WORK at COMPANY premises or on non-COMPANY premises which are or ought to be subject to COMPANY management controls applied through contractual arrangements.

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 for WORK of Low HSE Risk also apply. It is the responsibility of the CONTRACTOR to ensure that their SUBCONTRACTOR complies fully with the requirements of this schedule.

1.2 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.

1.3 HSE Legislation and Procedures

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 WORK and (or) SERVICES at WORK sites and facilities.

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 which are specific to a work activity must also be complied with.

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.

1.4 Risk Management

The CONTRACTOR shall ensure that a risk assessment is completed for all its activities performed at WORK sites and facilities and ensure that all PERSONNEL engaged in the activity are aware of the control measures and full implement them.

1.5 HSE Training

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 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 training in the HSE procedures and risk control measures relevant to his WORK.

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

1.6 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.

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.

1.7 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 SUB-CONTRACTOR activities under the CONTRACT.

1.8 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 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 1.3 Compliance of this Schedule if intimidation is thought to occur during the provision of SERVICES for the COMPANY.

1.9 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 APPENDICES

Appendix 1: Minimum List of KPO HSE Procedures Issued to Contractors (in addition to any other KPO procedures 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-GLS-00004	Guidance on the Use of the HSE Behavioural Accountability Model
KPO-AL-HSE-SYS-00001	HSE Management System Manual
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-00002	Travel Management Procedure During Extreme Weather Conditions
KPO-AL-HSE-PRO-00017	Task Risk Assessment
KPO-AL-IAS-PRO-00009	Load Haulage Safety Procedure
KPO-AL-IAS-PRO-00001	Transport HSE Procedure
KPO-AL-HSE-PRO-00048	Personal Protective Equipment
KPO-AL-HSE-PRO-00112	Specification Requirements for PPE
KPO-AL-HSE-PRO-00049	Hazardous Chemical Substances Management Procedure
KPO-AL-HSE-PRO-00052	Work Authorization
KPO-AL-HSE-PRO-00130	HSE Internal Communication Procedure
KPO-AL-HSE-PRO-00069	H2S Management Controls
KPO-AL-HSE-GLS-00252	Specification Requirements for H2S Respiratory Protective Equipment
KPO-AL-HSE-PRO-00095	Safety Knowledge Assessment Procedure
KPO-AL-HSE-PRO-00099	Control of Temporary Portable Equipment