

HEALTH, SAFETY, SECURITY AND ENVIRONMENT

SECTION V LOGIC GENERAL CONDITIONS OF CONTRACT, ON AND OFFSHORE SERVICES **EDITION 4**

SECTION VI LOGIC GENERAL CONDITIONS OF CONTRACT, MARINE CONSTRUCTION **EDITION 2**

SECTION VI LOGIC GENERAL CONDITIONS OF CONTRACT, SUPPLY OF MAJOR ITEMS OF **PLANT AND EQUIPMENT EDITION 3**

Definitions used shall be as defined within the relevant contract.

1. CONTRACTOR HSSE POLICY, ORGANISATION AND ARRANGEMENTS

- 1.1 CONTRACTOR acknowledges COMPANY's strong commitment to health, safety, security and the protection of the environment (HSSE) and warrants that it has a written HSSE policy covering these issues which is of a standard comparable to COMPANY's HSSE policy and which has been signed by the managing director or other executive director of the CONTRACTOR and is actively supported and endorsed by CONTRACTOR's management. CONTRACTOR further warrants that its HSSE policy is widely disseminated and understood among CONTRACTOR's personnel and SUBCONTRACTOR's personnel. This policy shall be in English and such other local languages as required.
- 1.2 CONTRACTOR's HSSE policy shall include a description of the CONTRACTOR organisation which is responsible for implementing that policy together with a summary of the arrangements whereby the policy is implemented including procedures and methods of communication to and from personnel.

2. LEGAL REQUIREMENT AND REGULATIONS (HSSE)

- 2.1 CONTRACTOR shall ensure that all activities undertaken in relation to the performance of this CONTRACT either by it or by its SUBCONTRACTOR comply with all applicable international, national, regional, local or other legislation and regulations particularly that relating to health, safety, security and the protection of the environment. CONTRACTOR warrants that it:
- Is familiar with the contents and implications of such applicable safety, security, health and protection of the environment legislation and regulations.
 - Has an effective system for tracking changes in health, safety and environment legislation and making necessary adjustments to its management system and employee training.
 - Will, during the WORK, bring any identified non-compliance with health, safety and environment legislation to the attention of the COMPANY's HSSE department.

3. HEALTH, SAFETY, SECURITY AND ENVIRONMENTAL (HSSE) MANAGEMENT

- 3.1 CONTRACTOR shall ensure that all activities undertaken in relation to the performance of this CONTRACT by it or by its SUBCONTRACTORS are carried out and supervised in such a manner as to:
- Protect the health and safety of all personnel of COMPANY, CONTRACTOR, SUBCONTRACTORS and all third parties who may be potentially affected;
 - Protect the WORK and the property of COMPANY, CONTRACTOR, SUBCONTRACTORS and all third parties;
 - Safeguard the environment.
- 3.2 Such activities shall be performed in line with COMPANY HSSE requirements and with the requirement of the relevant HSSE management system and interface document. CONTRACTOR shall be responsible for familiarising itself, its SUBCONTRACTORS and their personnel with these requirements.

- 3.3 Documented HSSE procedures shall exist for all potentially hazardous operations. The procedures are routinely updated and disseminated to employees. Working practices and procedures shall be consistent with the CONTRACTOR's HSSE policy and HSSE management system and the Interface Arrangements agreed for the WORK.

4. HSSE PROGRAMME

- 4.1 The CONTRACTOR shall establish an HSSE programme which covers the elements of the HSSE management system.
- 4.2 This programme shall form an integral part of the overall HSSE programme for the respective WORKSITE, project or activity, and cover specific activities with a description of what is to be delivered. The HSSE programme shall be proactive and shall be kept updated throughout the WORK. The HSSE programme shall cover occupational health and the working environment, safety, security, the environment and emergency response. Separate objectives shall be defined for each of these main areas.
- 4.3 In addition, the HSSE programme should:
- Identify statutory rules and regulations, and other specific requirements relating to HSSE which apply to the WORK;
 - Define activities which shall be initiated to meet prevailing requirements;
 - Define applicable risk acceptance criteria;
 - Define the hazards which shall be addressed, how these are to be controlled, and which methods should be used if necessary to regain control;
 - Identify procedures to be developed under the CONTRACT;
 - Define COMPANY/CONTRACTOR responsibilities and interfaces, and the CONTRACTOR's strategy for supervising SUBCONTRACTORS;
 - Identify and schedule the CONTRACTOR's training requirements.
- 4.4 The HSSE programme shall be submitted to the COMPANY and COMPANY's HSSE department for review in accordance with agreed milestones. The COMPANY shall be notified of possible changes to the programme.

5. TRAINING & COMPETENCE

- 5.1 CONTRACTOR shall at its own expense ensure that all its personnel and SUBCONTRACTOR's personnel have been given the necessary HSSE, survival and job related training recommended or required by law, COMPANY regulations, industry standards and good practice, prior to the start of the WORK, and will provide evidence to that effect if so required. Such evidence will include copies of current training matrices and certificates.
- 5.2 All personnel going offshore shall have valid certificates covering:
- Emergency safety training to an appropriate standard representative of good industry practice; and
 - Minimum Industry Safety Training (MIST).
 - DONUT personal escape descent device training
- 5.3 CONTRACTOR shall ensure that all its personnel are subject to an effective system for managing their competence for activities undertaken in relation to the performance of this CONTRACT and shall ensure its SUBCONTRACTORS have corresponding arrangements.

6. HEALTH, SAFETY, SECURITY AND ENVIRONMENT (HSSE) AWARENESS

- 6.1 CONTRACTOR shall be responsible for maintaining and enhancing the safety awareness of its personnel and SUBCONTRACTOR's personnel, including:
- Arranging project inductions.
 - Arranging HSSE meetings.
 - Tool box talks.
 - Participation in risk assessments.

- Safety observation systems.
- Participating in training / emergency drills.

6.2 CONTRACTOR's and SUBCONTRACTOR's personnel are required to actively contribute to HSSE meetings and to identify topics for inclusion in the agenda for an HSSE meeting.

7. ACCIDENT, INCIDENT AND NEAR MISS REPORTING

7.1 CONTRACTOR shall have an accident, incident and near miss reporting system which shall be compatible with COMPANY's reporting system. Any such hazardous occurrence involving or potentially involving COMPANY's, CONTRACTOR's, SUBCONTRACTOR's or any third party's personnel injury or damage to plant or equipment or unplanned release of materials to the environment shall immediately be reported to COMPANY using this system irrespective of whether injury to personnel, damage to plant or equipment or unplanned release resulted. This report must clearly indicate the worst credible outcome of the event as well as its actual outcome. The COMPANY reserves the right to have a direct involvement in the investigation of high potential events where it deems this to be appropriate.

7.2 Where the occurrence has affected COMPANY personnel, plant or equipment, or occurred on a COMPANY facility or installation, then COMPANY reporting and investigating procedures shall apply. COMPANY REPRESENTATIVE shall be notified immediately of all such occurrences and the written notification report shall follow within 24 hours of such occurrence.

7.3 The CONTRACTOR shall:

- Maintain an action register to track completion of all actions identified as a result of investigations into incidents associated with the WORK.
- Provide the COMPANY with access to this register at any reasonable time.

7.4 The CONTRACTOR shall prepare and issue to COMPANY a summary report of its HSSE performance on a monthly basis. The report will be in an agreed format and will be based on a suitable set of leading and lagging Key Performance Indicators.

7.5 On completion of the WORK the CONTRACTOR will provide a summary health, safety, security and environment report. This report will cover:

- Overall HSSE performance in terms of leading and lagging indicators.
- Statistical analysis covering the type of incidents, outcomes, potential outcomes, immediate causes, root causes, times to close out actions etc.
- HSSE lessons learned.

8. SAFETY EQUIPMENT

8.1 CONTRACTOR shall at its own expense provide adequate safety equipment of an approved type and amount, as may be specified (or expected in accordance with good working practice), in connection with this CONTRACT and shall maintain this equipment in a professional manner as indicated by legal and industry standards. In addition, CONTRACTOR shall keep up-to-date records of all said equipment. In this context safety equipment includes but is not limited to:

- Fall protection equipment;
- Gas detection equipment;
- Firefighting equipment;
- Breathing apparatus;
- First aid equipment etc.

8.2 The CONTRACTOR shall have documented systems in place which ensure proper inspection, maintenance and calibration as well as suitability of safety equipment used by its personnel when performing the WORK at its premises, WORKSITE or at any other location.

8.3 Free access to all fire extinguishing and safety equipment at the WORKSITE shall be maintained at all times.

9. PERSONAL PROTECTIVE EQUIPMENT

- 9.1 CONTRACTOR shall, at its own expense, supply its personnel and SUBCONTRACTOR's personnel with adequate protective clothing and other protective equipment, required in connection with the safe performance of the WORK, which shall be maintained in good condition, stored appropriately, and shall be worn on all relevant occasions, as indicated by risk assessments, notices, instructions and good practice.
- 9.2 Additionally CONTRACTOR shall ensure that:
- Personal protective equipment is not used as the sole means of managing a health and safety risk when other options from the risk control hierarchy would be more appropriate.
 - The personal protective equipment supplied meets recognised standards for such equipment.
 - The personal protective equipment is suitable and sufficient to protect those supplied with it from the expected risks.
 - Users of the personal protective equipment are provided with suitable and sufficient training that will enable them to understand the correct use of the equipment, its limitations and when it should be replaced.
 - Replacement personal protective equipment is readily available to all their employees in the event of issued equipment becoming damaged or worn.
 - Where different items of personal protective equipment are used in combination the individual items are compatible with each other.

10. EQUIPMENT CONTROL AND MAINTENANCE

- 10.1 CONTRACTOR shall have documented systems in place which ensure proper maintenance and calibration as well as suitability of tools and equipment used by its personnel when performing the WORK at its premises, on site or at any other location.

11. HEALTH AND FITNESS

- 11.1 CONTRACTOR shall ensure that all its personnel and SUBCONTRACTOR's personnel engaged in the WORK are medically fit and healthy. All CONTRACTOR personnel who may be required to work offshore for the performance of the WORK shall have a valid medical certificate evidencing that they have been medically examined and pronounced fit for offshore duties.
- 11.2 The CONTRACTOR shall have a system in place which documents systematic health monitoring as specified by applicable regulations and good professional practice. Monitoring shall lead to action plans, which are regularly followed up. The system shall provide for identification, evaluation and reporting of work related illnesses and corrective measures, follow-up of employees on sick leave, and prevention and treatment of alcohol and drug abuse. Data on sickness absence shall be used proactively. Provisions shall be made for the employees' return to work, or that alternative work is offered within the CONTRACTOR's organisation.
- 11.3 The CONTRACTOR shall systematically follow up incidents of possible work related illness. Employees shall be encouraged to propose countermeasures, and to prevent new incidents from occurring.
- 11.4 Any medical disabilities including such disabilities which CONTRACTOR may consider will not adversely influence the individual's ability to perform his role in the WORK shall be reported to COMPANY prior to the start of the applicable section of the WORK in which the employee is to be involved.

12. MEDICAL WELFARE

- 12.1 CONTRACTOR shall at no cost to COMPANY be responsible for the medical welfare of its own and SUBCONTRACTOR's personnel and shall take care of periodical medical examinations, arrangements for medical attendance, treatment or hospitalisation if and when necessary and will arrange suitable insurance coverage for such contingencies.
- 12.2 In the event that any CONTRACTOR personnel require to be evacuated from an offshore installation because of sickness or injury, COMPANY shall provide at its cost transportation to

such onshore location as shall appear most convenient to COMPANY for the purpose of obtaining prompt medical attention for the evacuee. CONTRACTOR shall provide transportation from such onshore location to such medical practitioner or hospital that shall appear to CONTRACTOR most appropriate and convenient in the circumstances.

13. HYGIENE

- 13.1 CONTRACTOR shall ensure that its personnel and SUBCONTRACTOR's personnel shall maintain the highest standards of hygiene in connection with the performance of this CONTRACT.

14. HOUSEKEEPING

- 14.1 CONTRACTOR shall ensure that good housekeeping is maintained continuously throughout the duration of the WORK with due regard being paid to:
- Safe storage of project materials;
 - Clear access ways and emergency exits;
 - Segregation of incompatible materials and substances;
 - Disposal of scrap material and waste.

15. ENVIRONMENT

- 15.1 The CONTRACTOR shall have an Environmental Management System developed to a level comparable to a recognised international standard, e.g. ISO 14001 or EMAS. The system shall be well known by CONTRACTOR's personnel, and actively adhered to.
- 15.2 CONTRACTOR and COMPANY shall pay due regard to the environment by acting to preserve air, water, animal and plant life from adverse effects of COMPANY's and CONTRACTOR's activities and to minimise the adverse impact upon the environment arising from COMPANY's and CONTRACTOR's activities, and also minimising any nuisance which may arise from such operations, in accordance with the COMPANY's policy statement.
- 15.3 CONTRACTOR shall identify the relevant environmental aspects and impacts, minimising any discharges resulting from the performance of the WORK and on all occasions shall ensure that discharge limits set by existing national or international regulations are not exceeded.

16. INDUSTRIAL & STAKEHOLDER RELATIONS

- 16.1 From a health, safety, environmental and social point of view, it is essential that CONTRACTOR maintains at all times good relations with its personnel and the local population including special interest groups such as fisheries. CONTRACTOR shall promptly take such steps as are necessary to maintain such good relations to the extent that such requirements are consistent with sound business practice.
- 16.2 Whenever required, CONTRACTOR shall consult with COMPANY on all matters pertaining to relations with personnel and / or local population.

17. ALCOHOL AND DRUGS

- 17.1 CONTRACTOR and COMPANY shall each ensure that personnel under their respective control and authority do not at any time, during the performance of the WORK, partake of or be under the influence of any alcoholic liquor, drug or other intoxicating substance, while on duty or whilst present on any offshore installation other than for bona fide medical reasons or other proper reasons which must first be approved by COMPANY.
- 17.2 Any such personnel using prescribed drugs as a regular aid to normal health shall report this fact to the medic so that he is aware of the usage of such drugs. If there is no medic present then this shall be reported to the COMPANY REPRESENTATIVE.

18. CONTROL OF SUBSTANCES HAZARDOUS TO HEALTH

18.1 CONTRACTOR shall ensure that it fully meets all the requirements of the applicable Control of Substances Hazardous to Health regulations in respect of the activities for which it or its SUBCONTRACTORS are responsible and that it has in place all necessary arrangements to ensure the safe packaging, labelling, transportation, storage and use of all hazardous materials which may be involved in such activities. The CONTRACTOR shall arrange for:

- The relevant material safety data sheets to be transported with the hazardous substance.
- Risk assessments to be carried out prior to any work with Substances Hazardous to Health.

In particular, CONTRACTOR shall ensure that all necessary information in relation to hazardous substances identified by CONTRACTOR or its SUBCONTRACTORS is transmitted to any individuals or organisations that may be affected by them.

18.2 CONTRACTOR shall carry out the safe and environmentally sound disposal of any surplus hazardous materials, together with any packaging which may remain after the activities have been completed for which it, or its SUBCONTRACTORS are responsible.

18.3 CONTRACTOR shall at its own expense provide competent personnel who have been trained in the requirements of handling and identifying substances hazardous to health. This shall be in accordance with the relevant HSSE management system. In particular:

- a) **CONTRACTOR with Personnel on WORKSITE**
Site personnel carry sufficient copies of documentation and labels to cover the return of any substances hazardous to health on completion of their offshore duties. The site personnel shall ensure that all such material is satisfactorily documented and stored, with material and containers identified in an acceptable condition for transportation. All documentation pertaining to this material shall be handed to the COMPANY designated responsible person prior to the site personnel's departure for the shorebase;
- b) **CONTRACTOR with no Personnel on WORKSITE**
When substances hazardous to health are dispatched from the CONTRACTOR's premises, attached to the delivery note shall be an appropriately identified envelope, containing sufficient documentation and labels for the return of any of the delivery of substances hazardous to health to offshore operations. The delivery note will also identify that this documentation is provided.

19. TECHNICAL / SAFETY AUDIT

19.1 CONTRACTOR shall allow COMPANY and the COMPANY REPRESENTATIVE, or designee, access at any time to plant, equipment, personnel and records when requested, to enable COMPANY to inspect or audit any aspect of CONTRACTOR's operations relevant to safety, security, health and the protection of the environment.

19.2 Copies of all relevant documentation relating to HSSE shall be sent to COMPANY on request for review.

20. CERTIFICATION OF EQUIPMENT & MATERIALS

20.1 The CONTRACTOR shall ensure that all equipment and materials supplied by the CONTRACTOR or its SUBCONTRACTORS is accompanied by all necessary documentation, including certificate of conformity, confirming that the equipment is suitable for its intended use. This shall as a minimum, cover all certifications required by legislation, certification authority or classification society.

20.2 In particular where equipment is to be used on an offshore installation, or subsea, the CONTRACTOR shall ensure that the certification documentation along with a site drawing identifying the equipment's intended operational location has been stamped by the installation certifying authority.

21. WASTE

21.1 CONTRACTOR shall ensure that all waste produced as a result of the activities for which it or its SUBCONTRACTORS are responsible is disposed of in a manner which is safe and protective of the environment and complies with all relevant legislation. In particular the CONTRACTOR shall ensure:

- They have implemented a system for identifying, classifying and handling waste.
- Hazardous waste shall be handled in accordance with applicable statutory rules and regulations.
- Consumer and production waste shall be sorted.
- Records are available to demonstrate the disposal of waste has been in compliance with legal requirements and best oilfield practice.

22. INCAPACITY OF PERSONNEL

22.1 In the event of absence or incapacity of CONTRACTOR or SUBCONTRACTOR's personnel, then COMPANY personnel, or personnel belonging to other contractors, of the COMPANY may, in an emergency, use the equipment to avoid disaster.

23. SECURITY MANAGEMENT

23.1 The CONTRACTOR shall at all times have implemented security measures which protect the COMPANY against relevant threats related to the WORK. The level of security shall be flexible and adapted to the relationship between the threat and activities on-going at any given time.

23.2 A system shall be in place for the handling of classified documents and electronic data.

23.3 The CONTRACTOR shall be able to verify the identity of personnel who are to do WORK for the COMPANY at bases, on installations, on vessels and at land-based plants, and in premises employed by the COMPANY. When the CONTRACTOR uses hired personnel, references from earlier employment shall be verified.

24. EMERGENCY PREPAREDNESS

24.1 The CONTRACTOR shall be capable of proper notification and be able to establish and maintain contact with next-of-kin, media, unions, and authorities in co-operation with COMPANY, unless otherwise agreed.

24.2 The CONTRACTOR shall have a system in place ensuring that updated and relevant personnel data for CONTRACTOR's personnel and SUBCONTRACTOR's personnel are easily available in CONTRACTOR's office in case of an emergency. The data shall include relevant personal data for next-of-kin. The CONTRACTOR shall have a documented organisation for providing immediate and long-term care for employees and relatives in the event of a hazardous condition or an accident.

24.3 The COMPANY and CONTRACTOR shall collaborate, as outlined in the agreed Interface document to provide an effective emergency response to foreseeable emergency situations. This collaboration extends to arranging joint exercises to test and confirm emergency response capabilities.