

COMPLIANCE WITH “LAWS ON OCCUPATIONAL SAFETY, INDUSTRIAL SAFETY, FIRE SAFETY, ENVIRONMENTAL PROTECTION” REQUIREMENT

Wording 0

For posting on the website <http://ecolant.net>

1. The Seller (a person being a supplier of goods, services according to the Contract) or attracted by them to fulfill the commitments the third person (the carrier, freight forwarder) (hereinafter - the representative) is obliged to provide safe working conditions and compliance with ecological requirements when organizing the works being executed by him at Buyer's facilities in accordance with concluded Contract.

The Seller's Health, Safety and Environment (HSE) management has the right to visit and examine the work location prior to the commencement of the Supervision services. If the Seller's employees were placed in situations that are in conflict with HSE regulations mentioned below, they have the right to adopt any remedy including the suspension of the supervision services and report them to Buyer's management and Seller Safety Department.

2. Signing the Present Contract the Seller intends and undertakes to use all available material, technological, human and other resources and follow effective from ecology and economy as well as occupational safety respective procedures, rules and instructions in order to exclude or minimise potential damage to environment, health of the Buyer's employees, visitors and the third parties.

3. The Seller is obliged to get vision of Buyer's Occupational and Environmental Safety Policy and adhere to its fundamental principles and values when executing the Contract.

The Seller also undertakes to carry out Critical rules of safe conduct, standard "Procedure for the organization of the investigation and registration of accidents," Standard "Management of contractors in the field of occupational safety and environmental" Regulation "Interaction with contractors in the field of occupational safety and the environment", Standard "Requirements for the organization and equipment of temporary accumulation of waste production and consumption", the Regulation "procedure for the organization and crossing intrabuilding regimes".

4. The Seller is obliged to ensure person responsible according to the Contract and assigned by the Buyer and the other parties taking part in Contract obligations fulfilment to be briefed for basis of Environmental Management System and Occupational and Health Safety Management System of the Company on its territory within agreed period.

5. To comply with HSE related legislative requirements the Seller:

5.1. Puts into practice Occupational safety standards (OSS), interindustry rules on labour safety; ensures the use of the equipment and protective means subject to compulsory certification; arranges for personnel training and development; ensures that the procedure for investigation and record-keeping of job-related accidents is followed and the workers are compensated for any harm resulting from maiming, occupational illness or any

other injury to health related to fulfilment by such workers of their employment duties; facilitates regular contacts with and consults state authorities for health and safety control and supervision.

5.2. Ensures compliance of its company personnel with health, safety, environment and fire safety requirements set by current legislation of the Russian Federation. The Seller undertakes the responsibility for fulfilment of HSE, fire and other kinds of occupational safety requirements during work execution on Buyer's territory and outside it, provided, that the work provided in the interests of the Buyer.

5.3. Ensures within one hour sending-off from Buyer's territory the employees violated occupational, HSE and fire safety rules or appeared on Buyer's territory being alcoholic, drug intoxicated and having any other intoxication.

5.4. Provides participation in the performance of works and services of the Seller personnel from the engineering and technical personnel, certified in accordance with the rules and regulations on industrial safety documents in the field of environmental protection and ecological safety in accordance with Article 73 of the Federal Law number 7- FZ from 10.01.2002. "On Environmental Protection", as well as having a certificate of advanced training in the field of performed work.

The Seller shall undertake to perform a specialized assessment of the conditions in the workplace in a timely manner. At the Buyer's request, the Seller shall provide documentation sufficient to serve as evidence of such specialized assessment of workplace conditions and of employee certification as well as personnel skill upgrade certificates.

5.5. When using hoisting devices the Seller shall appoint by order technical officers—to oversee the safe operation of hoisting cranes, lifting devices and packaging, engineering and technical personnel who is responsible for the maintenance of cranes and working order, and the person who is responsible for the safe operation of cranes, indicating the certificate number. A copy of the order is transmitted to the Buyer.

5.6. Ensures compliance of Seller's personnel with traffic safety rules at the territory of the Buyer and outside it, provided, that the work provided in the interests of the Buyer.

Ensures technical serviceability and completeness of the vehicles used in the interests of the Buyer at the Buyer 's premises and outside it.

Provides driving personal protective equipment (suit for protection against common contaminants, protective helmets, shoes with a hard toe cap, gloves, high visibility vest).

The Buyer shall not be liable for accidents that are the result of non-compliance of the provisions of this paragraph by the Seller's personnel.

The Buyer may not pass the vehicle at a checkpoint in case of absence of the of the Seller's driver protective equipment listed above (PPE).

5.7. The Seller is obliged to inform the drivers that they shall never:

- violate Traffic regulations of the Russian Federation, road signs, arrows, road markings, traffic diagrams of move and stop;
- exceed the 40 km/h speed limit within the Buyer's territory, and exceed 5 km/h speed limit when entering, leaving and moving within production premises;

- come in and drive in the production shops without PPE and escort by the representatives of the Buyer;
- stay at a dangerous area, inside the cab and body (container) during loading-unloading of lifting mechanisms. A driver shall stay in a safe area while controlling the progress of loading-unloading operations. The Buyer has a right not to conduct loading-unloading operations if the driver does not follow this requirement.
- initiate the vehicle movement in case of finding insecure load fastening and positioning. A driver shall inform responsible persons at shipment areas about cases of insecure load fastening and positioning.
- park a vehicle on curbs, lawns, in front of shop gates, on railways and rail crossings, on crossroads, in industrial or other premises (excluding the technological need), at buildings' and facilities' walls, as well as at other areas not specially allotted to this effect;
- leave a vehicle in industrial premises without permissions of the shop representative and with engine on;
- refuse to show the documents (cargo and authorization documents etc.) upon demand of representatives Buyer's subsidiary operatives.

5.8. When delivering the Goods, being dangerous cargo, vehicles of the Seller the Seller shall:

- follow the requirements of "European Contract on the International carriage of dangerous goods by road" (hereafter referred to as ADR).

The Buyer has a right not to allow a vehicle to enter the checkpoint in the case of finding violations of ADR, namely:

- as per provisions of chapter 5.3. ADR information board and markings like orange plates have not been placed on each transport unit that carries dangerous cargo;
- as per item 8.1.2.2. ADR certificate allowing carrying dangerous cargo has not been submitted;
- as per item 8.2.1.1. ADR driver does not have a certificate on preparation of drivers of the vehicles carrying dangerous cargo;
- provide for cargo markings on transport units as per requirements of GOST 19433-88 «Dangerous cargoes. Classification and marking»;
- ensure the compliance of transport package and cargo packing with requirements of GOST 26319-84 "Dangerous cargoes. Packing»;
- in transport documents provide for the information on each dangerous substance, material, article as per item 5.4.1. ADR (Annex №4 to the Cargoes transportation rules by motor transport approved by the RF Government decree № 272 dd.15.04.2011)

5.9. The Buyer has a right not to allow a vehicle to enter the checkpoint in case of finding spill, leakage, dispersal of dangerous cargo from the transportation package.

5.10. Critical rules of safe behaviour

In order to exclude dangerous actions of the Seller's personnel that can cause heavy consequences (industrial accidents, fires, etc.), and enhance the responsibility of the Seller's personnel when arranging works performed by the Seller's within the Buyer's territory, as per the concluded Contract, it is strictly prohibited:

5.10.1. To enter the territory of the Buyer being alcoholic, drug intoxicated or having any other intoxication, drink alcohols or take drugs at the Buyer's territory.

5.10.2. To smoke outside of designated places at the territory of the Buyer.

5.10.3. To stay at the production sites without prescribed PPE.

5.10.4. To enter a dangerous zone of working equipment, moving machines and mechanisms without authorization or any special written permits.

5.10.5. To perform operations of heightened danger without permits to work.

5.10.6. Not to fasten seat belts (if vehicle is equipped with them) in a vehicle moving.

5.10.7. To hide information on violations of Cardinal rules of safe behaviour, on accidents, fires, ignitions, incidents happened, troubles in railroad transport operations, facts of technological regimes violations and near miss incidents for personnel's and visitors' life and health.

5.10.8. To use cell phones when driving the cars or operating the equipment.

5.10.9. To work in disabled machines, equipment.

5.10.10. To perform disposal of industrial waste waters into storm water drain and soil system, to throw wastes (rubbish) outside of specially arranged places, to clutter up the territory of the plant, to perform parking of vehicles in grass, to hack green planting.

5.10.11. To perform any type of work if the order of safety works carrying out is unknown.

5.11. The Seller shall submit corresponding safety data sheets (dated not later than 5 years ago) on supplied products, hazardous substances, used in work on the territory of the Buyer. Seller's personnel shall be provided with PPE, CSS, means of containment for hazardous substances leakage and shall be trained how to use them.

5.12. The Seller undertakes not to use in the process of work materials containing asbestos.

The Buyer warrants that areas and components to be serviced by Seller employees are free from asbestos.

Should the components not be free from asbestos, Seller shall inform the Buyer about the need of de-polluting the components and put them in an asbestos-free condition, before starting the services.

In this event, the Buyer will arrange at its costs the disposal of asbestos; Seller shall be entitled to an adjustment of the Time schedule which shall be extended for a period equal to the duration of the disposal of asbestos plus a resetting period to be decided by the Parties after mutual consultation.

5.13. The Seller shall reimburse the Buyer for fines as against the presentation of official documents evidencing that such had been assessed by Government authorities, to reimburse in full for any pecuniary damage resulting to the Buyer, in particular damage to the environment, Buyer employees, or third parties, from any act

or omission of the Seller, its employees when provided with official documentation, evidencing such damage, up to a maximum of 3% of the total Contract Price.

5.14. The Seller undertakes to inform the Buyer about all the incidents and accidents happened at the territory of the Buyer during Contract execution by the Seller within no more than 24 hours from the accident, to investigate indicted accidents in accordance with requirements of the Russian Federation law.

6. Seller's responsibility for violation of rules and regulations on occupational and environmental protection, fire and industrial safety.

6.1. The Buyer reserves the right for unilateral suspension and further termination of the Contract in case of confirmed evidence of systematic (two or more) severe violations of the Seller's obligations represented in this Appendix and ignoring the environmental protection principles, the priority of which is recognized by the world community, the requirements for the occupational safety, industrial safety, fire safety and other technical security. Before termination of the Contract the Buyer shall use its Contract suspension right as per above at least for 2 (two) times. Contract termination shall be called by means of a written notification of the Buyer addressed to the Seller.

6.2. The Buyer reserves the right to exclude the Seller's representatives from work site because violations of HSE including Cardinal rules of safe behavior with confiscation of pass, prohibition of the Company's site attendance in future and with possible including of the Seller to the list of undesirable Sellers.

6.3. The Buyer reserves the right to perform the control of the Seller's Contract execution for the compliance with current legislation for occupational, industrial and fire safety and other technical security, environmental safety and sanitary.

Representative of the Buyer has a right at any time to call the representative of the Seller for verification

In case of the Seller's representative absence on a call of Company at a specified time and place the unilateral act is drawn-up and the mark of absence is inserted.

6.4. The Buyer has a right to suspend the Seller's operations when finding violations that can cause an accident, an emergency or a fire and/or to request from the Seller/Contractor to exclude any worker involved in the Contract execution at the Buyer's Plant.

6.5. Based on revealed violations, made by the Seller draw up the Act in duplicate (it is allowed to fill in a form by handwriting) and hand in to the Seller's representative (supervisor, site manager) for signing. The following shall be specified in the act: date, place, the type of violation, the name of the Seller's employee, who made a violation, the number of his pass, violator's signature. The Buyer's representative after drawing up and handing in the act for signing to the Seller's representative sends the Act to the address of the Seller.

The Seller performs investigation of the causes of violation and sends the results to the Buyer within the dates specified in the Act. The Buyer has a right to take part in the investigation of causes of revealed violations specified this request in the Act. If the Seller's representative does not agree with the facts specified in the Act, he shall explain in written form a differing view which is attached to the Act.

6.6. The Act is the basis for application of penalty in accordance with conditions of the Contract and the present Appendix.

In case of detecting violations not posing a visible threat for occurrence of an accident, an emergency or a fire, elimination of those by the Seller in the dates, specified in the Act, and if these violations are not repetitive, penalty as per the contract conditions of the present Appendix can be not applied.

In case of major violations of occupational safety requirements, the Buyer has a right not to allow the person who made a violation to the territory for date to 3 month with confiscation of pass before the official document submission confirmed the passing of the re-checking of requirements knowledge, which were violated.

6.7. For violation of the Seller's/Contractor's Personnel Critical rules of safe behavior, as well as the violation of labor protection norms, industrial, fire safety, environmental protection, violation of technologies of conducting works, traffic regulations, rules of admission and intrabuilding regime and related to their compliance with treaty obligations Supplier/ Contractor shall pay to the Company a fine for a first offense in the amount of 10,000.00 Rubles (Without VAT), for each subsequent case – 20,000.00 Rubles (Without VAT).

6.8. In case of application of fines on the basis of the violation Act, the Buyer shall send to the Seller an invoice with complete calculation and indication of the total amount, which shall be paid by the Seller within 10 (ten) working days on the bank account of the Buyer, provided under the Contract.

6.9. The penalty is not a subject to recovery from Seller in case if Seller shall provide to the Buyer within the limit specified in the Act the documents (copy of the contract documents, payment orders, commercial invoices and other documents) confirming the direction / use of cash in the amount, equivalent (or more) than the amount of the fine for the violation referred to in the Act of the labor protection, environmental protection, fire and industrial safety, including, but not limited to:

- implementation of occupational health and safety management system, environmental management system, quality management system;

- purchasing of additional personal protective equipment;
- smoking area outfit;

- outfit the area of additional extinguishing facilities;

- outfit of the places for work performance area by additional fences, information boards;

- extraordinary staff coaching prevented violations;

- other similar events.

Activities carried out by the Seller shall be agreed with the Buyer.

6. The Buyer shall assure the safety of the personnel involved in the project with particular reference to interferences among the Seller's supervisors, the Buyer's personnel and Buyer's subcontractor. Basic principles to assure a safe working place are listed below:

1. Basic requirements

1.1. Plant risk assessment provided in advance prior to the commencement of supervision services and safety orientation for the Seller's personnel (including specific safety and operative procedures to be implemented at site);

1.2. Site emergency and evacuation plan in force;

1.3. First-aid and fire fighting staff and equipment always available at site;

2. Work area conditions:

2.1. Fenced-in work area during site activities.

2.2. Good house-keeping and waste control systematically performed;

2.3. Protections to prevent the risk of fall, life-line installed where required;

2.4. Pits and trenches properly covered or protected;

2.5. Access route, walkways and routes protected and secured;

2.6. Excavation works highlighted through suitable safety signs;

2.7. No overhead works in progress in the area where Seller services are required;

2.8. Scaffolds and ladders stable and fasten to the structures made accordingly to the international standards (ISO/OHSA or equivalent);

2.9. Areas where the Seller's services are required must be always free from chemicals or dangerous substances;

2.10. In the event of access in confined or narrow spaces, international safety standards must be envisaged and fulfilled;

2.11. Offices, areas for eating and toilets identified and equipped outside the construction area.

3. Means and tools conditions:

3.1. Electrical panels, cables and extension leads regularly checked, free from defects, protected from adverse weather conditions and manufactured according to international safety standards;

3.2. Heavy vehicles and means (e.g. EOT cranes, trucks, mobile elevating working platforms, forklifts) maintained in good conditions according to basic international safety standards (ISO/OHSA or Russian equivalent);

3.3. Lifting chain, slings and tackles regularly inspected and used if in good conditions according to basic international safety standards (ISO/OHSA or Russian equivalent);

3.4. Electrical and hydraulic tools maintained in good conditions according to basic international safety standards (ISO/OHSA or Russian equivalent);

3.5. Gas cylinders used in accordance with international standards (ISO/OHSA or Russian equivalent);

In any case, during erection, commissioning works, and performance tests in accordance with the applicable provisions of the law, the Buyer shall assure the accomplishment of the international safety standards and regulations (ISO/OHSA/BSI and the equivalents: GOST R 12.0.230-2007 "Corporate Labour Protection Management System. General Requirements"; GOST R 12.0.007-2009 "Corporate Labour Protection Management System. General Requirements for development, application, estimation and updating"; GOST R 12.0.008-2009 "Corporate Labour Protection Management System. Inspection (audit)") or local standards if more restrictive.