

1. Limited Liability Company for Production of Petrochemical Products, Raw Materials and Chemicals HIP-Petrohemija Pančevo" with a head office in Pančevo, Spoljnostarčevačka 82, Company Registration Number: 08064300, TIN: 101052694 (hereinafter: the Contracting Authority), _____.

and

2. _____ with a head office in _____, at the address _____, Company Registration Number: _____, TIN: _____ (hereinafter: the "Contractor"), represented by _____.

The Contracting Authority and the Contractor are individually designated as the "Contracting Party" and jointly as the "Contracting Parties".

The Contracting Parties, on _____ 20__ conclude:

AGREEMENT ON OCCUPATIONAL SAFETY AND HEALTH, ENVIRONMENTAL PROTECTION AND FIRE PROTECTION

The Contracting Parties hereby jointly acknowledge the following:

The HSE policy of the Contracting Authority is to ensure the safety and health of people and property at all times during all business operations, as well as to protect environment, exclude injuries at work, health hazards, technological incidents and fires in production facilities, as well as to eliminate adverse effects on the work areas and environment.

The Contractor agrees to act in accordance with the law, internal rules listed in appendices of this HSE Agreement, which make its integral parts and the HSE policy of the Contracting Authority when performing work for the Contracting Authority, which will contribute to the safe and good quality implementation of the contracted activities.

The provisions of the Agreement on Occupational Safety and Health, Environmental Protection and Fire Protection (hereinafter: HSE Agreement) shall apply to the Contractor only in the part that refers to specific works / services that the Contractor performs on the basis of the concluded contract with the Contracting Authority (hereinafter: Main Contract)

1. SUBJECT

The subject of this HSE Agreement is the definition of the rights and obligations of the Contracting Authority and the Contractor, as well as the employees of the Contractor and other persons engaged by the Contractor to provide services / perform works, (hereinafter: employees of the Contractor and / or employees of the Subcontractor) in relation to occupational health and safety (hereinafter: OHS), environmental protection (hereinafter: EP) and fire protection (hereinafter: FP), (hereinafter referred to as the OHS, EP and the FS, and jointly as HSE).

2. CONTRACTOR'S HSE REQUIREMENTS AND OBLIGATIONS

2.1. GENERAL REQUIREMENTS DURING THE EXECUTION OF WORKS (PROVISION OF SERVICES) AND THE FULFILLMENT OF CONTRACTUAL OBLIGATIONS THAT THE CONTRACTOR IS OBLIGED TO PROVIDE:

- That the employees at the Contractor, or the employees of Subcontractors, comply with the obligations of all legal regulations and bylaws of the Republic of Serbia, or the state at the

territory of which services / works are being provided, and that are in the field of HSE, industrial safety, electrical safety, safety of traffic participants, as well as internal acts, as well as the requirements of the Contracting Authority in the field of HSE specified in this HSE Agreement.

- Updated / valid HSE documentation at the worksite/service provision location (at least Form No. 6, Employment Contract, Medical Examination Report, and other documentation) in accordance with the agreement and the Minutes from the Kick-off Working Meeting.
- Compliance with the prohibition for the Contractor or a Subcontractor hired by the Contractor, to engage additional employees and machinery without the prior consent of the Contracting Authority.
- Incorporation of the conditions contained in this HSE Agreement into contracts with legal entities (natural persons) and organizations engaged by the Contractor in order to fulfil obligations under the Main Contract with the Contracting Authority (hereinafter – the Subcontractor). The requirements of this HSE Agreement must be applied to all persons engaged by the Contractor or Subcontractors
- At the request of the Contracting Authority, to remove from the place of service provision / execution of works, the employees of the Contractor / employees of the Subcontractor who fail to act in line with legal regulations and the bylaws of the Republic of Serbia or the requirements of the Contracting Authority in the field of HSE.
- The Contractor, employees of the Contractor, and / or the employees of the Subcontractor and all other persons engaged by the Contractor, shall, from the moment of declaring on the territory of the Republic of Serbia an emergency, state of emergency, imminent war danger, natural disaster, epidemic, and during the preparation for the provision of services / execution of works / while the works are ongoing and during the elimination of defects in the warranty period in their operations during the period of such situations – implement decisions, measures and recommendations of the Government of the Republic of Serbia. Contractor and Subcontractor shall adapt their operations to all the requirements of the new situation in order to reduce / eliminate the risk to the safety and health of their employees, and all the persons engaged by the Contractor, who perform the contracted activities linked to the fulfilment of the Main Contract, at the location of the Contracting Authority, comply with all the provisions of the HSE Agreement, as well as all internal acts of the Contracting Authority.
- Employees of the Contractor and / or the employees of Subcontractors shall immediately report to the authorized representative of the Contracting Authority (Technical Supervision / Site Host / HSE officer) any dangerous occurrence, situation or HSE event that, under certain circumstances, does or could:
 - Endanger one's safety, health or life;
 - Cause the fire or explosions;
 - Cause a negative impact on the environment;
 - Cause a material damage;
 - Cause a negative impact on the reputation of the Contracting Authority
- During the pre-contractual and contractual activities, to ensure compliance with the requirements of the Contracting Authority in the field of HSE incident information, and during the period of validity of the (Main contract) to submit to the Contracting Authority the necessary data listed in Appendix 2: Information on the results of work in the field of HSE. The data from Annex 2 to this Agreement shall be submitted by the 5th of the month for the previous month. The requested information shall be submitted to the designated responsible persons from the Main contract (HSE Officer and the Person in charge of Contractor Supervision).
- The Contractor is obliged to participate in the investigation of the cause of the HSE events at the request of the Contracting Authority, and to appoint a responsible person from their staff for cooperation and submission of all necessary data. The aim of investigating the causes of HSE events is to improve the management system of the Contracting Authority and cannot be the basis for sanctioning the Contractor.
- The Contractor shall appoint a person who will be responsible for the implementation of provisions of this HSE Agreement and communication with the Contracting Authority's authorized persons (SRP / HSE Officer) during the performance of work activities or stay at the

Contracting Authority's locations;

- Key HSE Rules
- 1. It is **FORBIDDEN** to perform works in confined space in the absence a standby person and without the prescribed rescue equipment;
- 2. It is **FORBIDDEN** to perform works at unsecured height, including climbing and descending, without using fall protection equipment;
- 3. It is **FORBIDDEN** to perform works, stand and / or move under suspended loads;
- 4. It is **FORBIDDEN** to work in excavations (1 m deep or more) without protective systems in place to prevent their collapse - shoring and/or sloping;
- 5. It is **FORBIDDEN** to perform maintenance activities in the Ex zone without continuous monitoring of the atmosphere;
- 6. It is **FORBIDDEN** to perform high-risk work activities without a previously issued Work Permit (high-risk work activity that poses a potential threat, i.e., the occurrence of hazards that can lead to immediate negative consequences for the health and safety of employees (multiple injuries at work, injuries at work with a fatal outcome, disability, damage to work equipment, environmental pollution, etc.)

High Risk Activities are the following:

- Activities in zones where flammable (EX zones) and / or toxic gases may appear
 - Work in confined space
 - Work at height
 - Digging and excavation works
 - Machine lifting and moving of loads
 - Hot works (welding, cutting, grinding, soldering)
 - Works in high-voltage plants, works near high-voltage lines, as well as works on live installations and equipment (high and low)
 - Work with dangerous chemical substances.
- If the above high-risk work activities are carried out during the execution of works / provision of services, the Contractor and the Subcontractor must observe and implement the existing system of work permits.
 - The authorized persons of the Contracting Authority (its Representative or competent person) shall be provided with the access to the facilities, equipment, materials, documents and recordings in order to carry out the control of the fulfilment of the obligations that are the subject of this HSE Agreement, at any time during the provision of services / execution of works. Should any deficiencies be detected during the above-mentioned HSE control, the Contractor shall, at its own expense, draw up and implement a Plan for Improving the Implementation of HSE Measures within the time limit set by the Contracting Authority. The above-mentioned Plan must be approved by the Contracting Authority's authorized persons, who shall have the authority to review it and require modifications to ensure its full compliance with the safety legislation or internal standards of the Contracting Authority in the HSE field. In the event that the Contractor fails to comply with this provision, i.e., does not perform or commence elimination of the identified defects in line with the received order, the Contracting Authority shall be entitled to hire a third party to eliminate the defects at the Contractor's expense.

2.2. OCCUPATIONAL SAFETY AND HEALTH REQUIREMENTS

The Contractor shall:

- Stop and report any unsafe activity, i.e. it has the right to refuse to perform the activity if there is a threat to the life and health of its employees and / or the employees of the Subcontractor.
- Report to the Corporate Security Department and the responsible HSE officer of the Contracting Authority every its employee and / or an employee of the Subcontractor that is engaged in work with the Contracting Authority;

- Submit for inspection personally or in electronic format, the proof of mandatory registration of Contractor's and Subcontractor's employees to the competent compulsory social security funds: MA/M-3A forms (pension and disability insurance fund), the list of employees, and other documentation required by the Contracting Authority at the Kick-off Working Meeting (or in the Technical Assignment);
- Submit to the Contracting Authority – organizer of the kick-off meeting the necessary documentation needed for the organization of the HSE Induction training by the Contracting Authority's HSE Officer;
- Provide qualified workforce for which it is necessary to provide proof / assurance that the employees of the Contractor and also of the Subcontractor if they are engaged, have received appropriate training and knowledge checks in accordance with the job description and the Risk Assessment Act, that all employees of the Contractor and / or persons engaged to provide services / perform works receive the HSE Induction Training of the Contracting Authority, as well as any other training that the Contracting Authority organizes when it assesses that it is necessary for the safe provision of services/performance of works;
- Inform its employees and / or the employees of Subcontractor about the obligations under this HSE Agreement;
- Ensure the implementation of operational (working) meetings immediately before the commencement of works at the Contracting Authority's location between the members of the working group involved in the execution of works and the responsible person of the Contractor, in order to identify the risks during the execution of works / provision of services and the application of safety measures.
- Ensure that training of employees and/or the employees of subcontractors has been carried out for the safe performance of the high-risk work activities and verification from point 2.1 of this HSE Agreement and the verification of their competence. The Contractor shall submit the evidence thereof to the Contracting Authority.
- Ensure the implementation of mandatory previous / periodic medical examinations and evidence / certificate / report on the performed medical examination of Contractor's and Subcontractor's employees whose workplace has been defined as workplaces with increased risk (in accordance with the Contractor's and Subcontractor's Risk Assessment Acts), as well as mandatory health insurance for each employee before organizing the HSE Induction training.
- In accordance with the statutory obligation to submit to the Contracting Authority the evidence for employees who perform works on the Contracting Authority's facilities, that they are qualified to provide first aid and the ways of releasing the employee in the event of an electric shock.
- To provide, at its own expense, the adequate personal protective equipment (hereinafter: PPE) for all its employees including the employees of Subcontractors, in accordance with the defined site rules. The minimum PPE requirements include wearing protective anti-static working suits with long sleeves, reinforced safety shoes (in accordance with SRPS EN ISO 20345:2013), safety helmet (in accordance with SRPS EN 397:2014), safety goggles (in accordance with SRPS EN 166:2008, SRPS EN 170:2008, SRPS EN 172:2008). The use of highly visible / reflective markers/vests is mandatory at the sites prescribed by the internal rules of the company. If additional PPE is prescribed, its use is mandatory. The Contractor's employees will use PPE all the time during their stay in the zones of mandatory PPE use, as well as during the provision of services / execution of works, all in accordance with the assessed risks for the performance of a specific activity and in accordance with the requirements of the Contracting Authority;
- In the event that the Contracting Authority requires the preparation of the HSE Activity Plan, the Contractor shall actively participate in the preparation and act in accordance with it;
- If the Contractor, including engaged Subcontractors, performs high-risk activities at the Contracting Authority's site, it is obliged to ensure the presence of one employee for the performance of HSE, EP and FP activities. If there are more than 30 employees at one site, the Contractor is obliged to ensure the presence of one employee for the performance of OSH, EP and FP activities for every 30 employees, whose obligation will be constant monitoring of the implementation of OSH, EP and FP measures during the fulfilment of obligations from the Main Contract. Exceptionally, with the prior consent of the HSE Officer of the Contracting Authority,

the Contractor may have a smaller number of persons in charge of HSE, EP and FP, if the subject of the specific work and the site where the activities are performed enable it;

- To compensate the Contracting Authority for material and/or non-material damage/costs caused by the Contractor's failure to fulfil legal or contractual obligations related to HSE, especially in cases of injury to the Contracting Authority's employees or third parties, damage to above-ground/underground and/or air installations of all types, construction and production facilities, infrastructure and road facilities, as well as equipment, means, devices and tools without delay (no later than 5 working days from the day when the damage was inflicted), in accordance with Appendix 1: Sanctions due to violation of HSE requirements, which makes an integral part of this HSE Agreement. The Contractor's obligation in respect of damage compensation also implies mitigation of any effects of such damage irrespective of the penalties procedure initiated by the Contracting Authority. The payment of indemnity does not release the Contractor from the obligation to meet the requirements defined by the subject Agreement;
- The Contractor shall be solely responsible for the implementation of HSE measures by its employees, as well as by all other persons engaged to provide services/perform works, and in the event of injuries at work or damage to health, the Contractor shall be responsible;
- Submit a list of equipment, means and tools to the Sector for Corporate Security and the sole responsible person of the Contracting Authority (SRP), which cannot be brought into the site of the Contracting Authority without an entry permit. The list of equipment, means and tools must be submitted on the Contracting Authority's appropriate template that has been submitted to the Contracting Authority;
- Together with the supporting documentation / check list, Contractor shall mark its own equipment, which is subject to monitoring and colour coding in accordance with the Contracting Authority's requirements, communicated at the Kick-off working meeting, and which have been entered in the record from Kick-off working meeting. Contractor shall apply color-coding for manual tools powered by electricity, portable electric devices, jacks and rigging and slinging equipment. Material / markings for marking the equipment will be delivered by the Contracting Authority to the Contractor before the start of the works;

• Quarter (three-month period)	• Colour
• First (January, February, March)	• WHITE
• Second (April, May, June)	• YELLOW
• Third (July, August, September)	• BLUE
• Fourth (October, November, December)	• ORANGE

- If the Contracting Authority prohibits the use of equipment that does not comply with the HSE requirements, the Contractor shall replace the equipment and bear all direct and indirect costs associated with the replacement of this equipment;
- Users of equipment, means and tools must be trained for their safe use and have experience in working with equipment/ means/ tools, and have appropriate licenses/certificates of professional competence;
- At its own expense, at the site where the equipment/ means/ devices/ tools are used to provide services/perform the works, to provide and submit all the necessary evidence of the performed inspections, expert findings, technical documentation/equipment passport, certificates and permits. If the Contracting Authority establishes that the equipment, resources, devices and tools are not supported by necessary certificates and/or permits and/or inspection report and/or technical documentation/equipment passport, they shall not be permitted in the Contracting Authority's premises and the record shall be made thereof;
- If there is a risk of mechanical contact with moving / rotating parts of the work equipment, to ensure that such equipment is equipped with: guardrails, guards /interlocking devices provided by the manufacturer (physical protection and factory interlocks must not have defects/damage that allow contact with moving/rotating parts of the equipment) that prevent access to the hazard area or that stop the movement of moving/rotating parts before access to the hazard zone;

- Not use in its operation the equipment, means and tools that are not factory manufactured or those that have been modified.

2.3. ENVIRONMENTAL PROTECTION REQUIREMENTS

The obligations of the Contractor in the field of environmental protection (EP) are to:

- Fully comply with the legal regulations governing the EP and bears full responsibility for any non-compliance with the legal regulations made during the provision of services/execution of works.
- Adhere to the established environmental management system with the Contracting Authority, i.e. all internal rules and general bylaws that have been enacted and apply with the Contracting Authority, and which are known to Contractor.
- Carry out any activity that may have a negative impact on the environment exclusively in the manner defined by the project technical and contractual documentation, with prior notification and approval of the Contracting Authority (any possible changes to the documentation/procedures must be previously agreed with the Contracting Authority).
- Not to use, in any case, the Contracting Authority's infrastructure (such as sewage, torches, protective pipes, waste and chemical warehouses, containers, green areas, etc.) without the Contracting Authority's consent (or contrary to the Contracting Authority's instructions)
- In the event that by its activities it causes any environmental pollution to the Contracting Authority or third parties, the Contractor, to notify immediately the Contracting Authority thereof and to remedy the environmental damage by bringing it into the previous state and/or by paying monetary compensation in accordance with the order and within the time limit set by the Contracting Authority. Such obligation of the Contractor shall also be effective if the Contracting Authority identifies pollution caused by the Contractor on leaving the place of service/work delivery;
- Manage and remove all industrial, commercial and municipal waste arising from the provision of services/execution of works, whereby it is strictly forbidden to mix hazardous and non-hazardous waste at the place of its origin;
- Collect, classify and store waste belonging to the Contracting Authority in a place designated by the Contracting Authority;
- Unless otherwise defined in the Main Contract, dispose at its own expense of all waste independently and fully in line with applicable regulations on waste management, generated during fulfilment of obligations from the Main Contract, by using any type of equipment or consumables procured by the Contractor, regardless of whether they are procured for its own need or for the implementation of activities for which it is engaged (e.g. sand after sandblasting, waste oils, oily cloths and accumulators, waste from maintenance of the Contractor's equipment, waste chemicals and packaging of consumed chemicals and materials procured by the Contractor, etc.);
- Collect and separately dispose of all municipal waste in a legally prescribed manner, generated by the Contractor's and Subcontractor's employees if there are no municipal waste collection containers on the Contracting Authority's facilities where the work is performed. In locations where there are containers for municipal waste collection, the Contractor may use them for the disposal of all municipal waste with the consent of the Contracting Authority;
- Submit to the Contracting Authority a safety data sheet for hazardous chemical (SDS list) in Serbian and English and to inform the operator of the SDS list content, if the contracted work activities involve the use thereof and to act in accordance with the regulations of the Republic of Serbia in the field of chemical management.

2.4. FIRE PROTECTION REQUIREMENTS

The obligations of the Contractor in the field of FP shall be in accordance with the legal regulations and bylaws of the Republic of Serbia, the rules and internal bylaws that are issued and applicable to the Contracting Authority, and known to the Contractor:

- Ensure the implementation and control of smoking ban except in the area designated for that purpose;
- Ensure that all defined FP measures are applied. All Contractor's employees must have appropriate training in the field of FP and handling of mobile fire extinguishing equipment;
- If the contracted obligations from the Main Contract involve the use of flammable substances, the Contractor is obliged to manage and store such substances in accordance with the applicable technical regulations of the Republic of Serbia with the approval of the Contracting Authority's organizational unit in charge of HSE;
- To keep all accesses to fire hydrants, fire extinguishers and fire routes free, and to use fire hydrants and extinguishers exclusively for their intended use. The use of flames and performing hot works is allowed only with the prior obtaining of a work permit

3. FINAL PROVISIONS

- 3.1 This HSE Agreement shall be deemed concluded on the date of its signature by authorised representatives of both Contracting Parties, and if authorised representatives have not signed it on the same day, HSE Agreement shall be deemed concluded on the date of second signature i time sequence.
- 3.2 On the date of signing this HSE Agreement, the previously signed versions of the HSE Agreement with the Contracting Authority shall cease to be valid.
- 3.3 This HSE Agreement is concluded for the period of the validity of Main Contract.
- 3.4 This HSE Agreement was made in ___ identical copies, ___for each Contracting Party.
- 3.5 The Contracting parties jointly declare that they have read and understood this HSE Agreement, and that its provisions fully reflect their true will.
- 3.6 This HSE Agreement is an appendix and an integral part of the Main Contract concluded by the Contracting Authority and the Contractor. In the event that the standard form of the HSE Agreement changes during the implementation of contracted activities, the Contracting Parties shall sign an Annex to the HSE Agreement.
- 3.7 The following documents also constitute an integral part of this Agreement: Appendix 1: Sanctions for violation of HSE requirements, Appendix 2: Requirements to the contractor during the implementation of VRA.

**For Contractor
Authority**

Signature

Name and surname, title

Date

For Contracting

Signature

Name and surname, title

Date

