

**Corporate Standard**  
**for Interaction with Contractor Organizations in the Field of Health, Safety and**  
**Environment in the JSC NC “KazMunayGas” Group of Companies**

## **1. PURPOSE AND GENERAL PROVISIONS**

1.1. The purposes of this Corporate Standard for Interaction with Contractor Organizations in the Field of Health, Safety and Environment in the NC KazMunayGas JSC Group of Companies (hereinafter – Standard) shall include:

1) establishment of uniform HSE requirements for the organization, effective management and control of Contractor/Subcontractor Organizations providing/performing/rendering goods, works or services (GWS) at Production Facilities of KMG Group of Companies;

2) identification, assessment and reduction of Risks/Industrial Hazards at all stages of providing/performing/rendering GWS by Contractor/Subcontractor Organizations at Production facilities of KMG Group of Companies;

3) compliance with the requirement of this Standard by Contractor/Subcontractor Organizations when providing/performing/rendering GWS.

1.2. This Standard is an internal KMG document developed in accordance with the Legislative Requirements, requirements of the Fund, policies and MS, international standards and recommendations of IOGP in the field of HSE.

### **Basic principles**

The basic principles of interaction with Contractor Organizations in the field of HSE of KMG Group of Companies shall include:

1) develop and promote the concept of safe work/service delivery and strive for zero injuries;

2) compliance of the Contractors' activities with the KMG Group of Companies' legal requirements and requirements in the field of HSE;

3) systematization of the approach to selection, interaction and analysis of contractors' HSE performance;

4) effective Risks/Industrial Hazards management that ensures integrity of assets of KMG Group of Companies and Contractor Organizations;

5) ensuring control and monitoring of all HSE aspects and social responsibility;

6) communication of approaches to and methods of Risks/Industrial Hazards Management to Contractor Organizations;

7) implementation of mechanisms to incentivize Contractor Organizations in the field of HSE;

8) improving the performance of KMG Group of Companies and Contractor Organizations in the field of HSE.

## **2. SCOPE OF APPLICATION**

2.1. This Standard shall be binding for the Employees and Employees of Contractor Organizations in the provision/performance/rendering of GWS at the Facilities of KMG Group of Companies.

2.2. Requirements of this Standard shall be applied to all the entities within the KMG Group of Companies in relation to all the Contractors during the provision/performance/rendering of GWS including all related works and services at the Facilities.

2.3. Application of this Standard by the entities of KMG Group of Companies may be carried out in accordance with the established procedure through the development and approval of a similar standard or bringing the internal documents of an entity into compliance with the Standard. The requirements contained in this Standard as compared to the similar standards and internal documents of entities within the KMG Group of Companies should not be reduced.

### 3. DEFINITIONS AND ABBREVIATIONS

The following definitions and abbreviations shall be used in this Standard:

<b>Fund</b>	Sovereign Wealth Fund “Samruk-Kazyna” Joint-Stock Company
<b>KMG</b>	National Company KazMunayGas Joint-Stock Company
<b>KMG Group of Companies</b>	KMG and legal entities with fifty or more per cent of voting shares (participatory interests) are owned directly or indirectly by KMG on the right of ownership or trust management, as well as legal entities whose activity KMG is entitled to control
<b>Standard of the Fund</b>	The standards of managing procurement activity of the Sovereign Wealth Fund “Samruk-Kazyna” JSC and entities with fifty or more per cent of voting shares (participatory interests) are owned directly or indirectly by “Samruk_Kazyna” JSC on the right of ownership or trust management, approved by resolution of “Samruk-Kazyna” JSC Management Board of 09 September 2019 (protocol No.31/19)
<b>Contract Administrator</b>	Structural unit of KMG/Subsidiaries and Affiliates responsible for the administration of GWS procurement and conclusion of an agreement with a Contractor Organization
<b>Questionnaire</b>	List of questions aimed to identify compliance of a Potential Contractor with eligibility criteria in the field of HSE
<b>Health, Safety and Environment (HSE) Section</b>	Responsible structural unit of KMG and owner of a business process on interaction with Contractor organizations in the field of HSE
<b>Industrial hazard</b>	A production factor that may cause an employee to become ill or incapacitated and/or have an adverse effect on the health of their offspring
<b>Contract</b>	Contractor agreement concluded between an entity of KMG Group of Companies and a Contractor (Supplier) aimed at acquisition of goods, works and services in accordance with the established procedure
<b>Environment pollution</b>	The release of pollutants, radioactive materials, production and consumption wastes into the environment, as well as the impact on the environment of noise, vibration, magnetic fields and other harmful physical influences
<b>Legislative Requirements</b>	Requirements contained in regulatory and authorization documents, including international conventions,

	standards and treaties, as well as interstate agreements
<b>Qualification Authority</b>	A legal entity performing prequalification of potential Contractors in accordance with the Standard of the Fund, determined by the Management Board of the Fund
<b>Contract Supervisor</b>	A designated employee of HSE Service, responsible for organizing the work and interacting with the Contractor Organization on HSE issues under this Standard
<b>Line Managers</b>	Managers and specialists of Subsidiaries and Affiliates carrying out direct supervision of work performance
<b>Pre-mobilization Audit</b>	Audit of the readiness of equipment, machinery, property and Contractor's employees before starting work performance/service rendering. Such audit is important from the point of view of health, safety and environment and aims to identify and prevent potential Risks
<b>Facility</b>	Buildings, structures, premises, technological equipment – oil refining units, drill rigs and drilling equipment, oil and gas pumping stations and pipelines, tank farms, engineering structures and landfills, other technical devices, transport means and special machinery used in production activity and located in the territories (contract territories) of KMG Group of Companies
<b>Industrial Hazard</b>	A production factor impact of which on an employee may lead to temporary or persistent loss of occupational capacity (occupational injury or occupational disease) or death
<b>HSE</b>	Occupational health and safety and environmental protection, which includes such areas as: occupational health and safety, industrial, fire and transport safety, emergency situations, compliance management, environmental protection (management of emissions, discharges and wastes), rational use of natural resources (water, animal and plant life, energy efficiency)
<b>Risk assessment</b>	Determining the quantitative and/or qualitative index of an identified risk by assessing the likelihood of its occurrence and possible damage to KMG
<b>Contractor Organization (Contractor)/Supplier</b>	An individual or legal entity providing/performing/rendering GWS under a contractor agreement concluded with an entity of KMG Group of Companies
<b>Potential Contractor/Supplier</b>	An individual performing entrepreneurial activity, a legal entity (except for government institutions unless otherwise established for them by the laws of the Republic of Kazakhstan), temporary association of legal entities (consortium), seeking to conclude a GWS procurement contract
<b>HSE Action Plan</b>	An action plan aimed at organization and control of works/services performed by the Contractor/Subcontractor in accordance with the Legislative Requirements and requirements of this Standard, HSE Risk Management
<b>Prequalification</b>	The process of assessment of potential Contractors for

	compliance with eligibility criteria in the field of HSE established by the Standard of the Fund carried out through questionnaires and audit
<b>Incident</b>	Any unplanned event that occurred as a result or in the process of operations of an entity within KMG Group of Companies that led or could lead to an accident related to work activity, fire, explosion, breakdown, traffic accident or any other event that affects the business and reputation of KMG Group of Companies
<b>Employee</b>	An individual who has an employment relationship with an entity of KMG Group of Companies and performs works under the employment agreement
<b>Employee(s) of a Contractor Organization (Contractor)</b>	Any employee(s) of a Contractor (Subcontractor) Organization providing/performing/rendering GWS under a contractor agreement for KMG Group of Companies
<b>Workplace</b>	A place of permanent or temporary stay of an employee in the performance of his/her employment duties during work activity
<b>Register of qualified potential suppliers</b>	A list of qualified potential GWS suppliers to be generated by the Qualification Authority in accordance with the Standard of the Fund
<b>Risk</b>	Probability of occurrence of an adverse event that will have a negative effect: within the quality management system – on the capacity to ensure proper quality; within the risk management system – on the capacity to successfully achieve the strategic goals; within the HSE system – on the health of KMG employees
<b>KMG Management (Senior Officials)</b>	Chairman and members of the Management Board
<b>Head of Business Line/Division</b>	Deputy Chairman of the Management Board in charge of the relevant Division: Exploration of Raw Hydrocarbons; Production of Hydrocarbons, Non-Operating Assets, Service Infrastructure of Production Assets; Gas Transportation and Marketing; Oil Transportation. International Oil-Refining and Marketing Projects; Oil Refining and Petrochemistry, Oil Marketing and Sales
<b>Head of Activity Area</b>	Deputy Chairman of the Management Board – financial director/managing directors/head of structural area, in charge of the relevant activity area: Economy and Finance; Strategy; Human Resource Management; Corporate Security; Health, Safety and Environment; Legal Support; Risk Management; Transformation
<b>HSE Service</b>	Structural unit of a subsidiary or affiliate in charge of activity area in the field of HSE, in the absence of such area – a specialist coordinating activity of structural units of subsidiaries or affiliates in the field of HSE
<b>MS</b>	HSE management system within the KMG Group of Companies
<b>Subcontractor Organization (Subcontractor)</b>	An individual or a legal entity performing certain work under an agreement with the Contractor in discharge of

## 4. RESPONSIBILITY

**4.1. KMG Management, Heads of Business Lines/Divisions, heads of Activity Areas, Top Managers of Entities of KMG Group of Companies** shall be responsible for:

- 1) protection of Employees and Employees of Contractors against Risks/Industrial hazards related to the provision/performance/rendering of GWS at the Facilities;
- 2) compliance of the Contract Supervisor with the competencies in the field of HSE;
- 3) selection and approval of a Contract with the Contractor Organization in accordance with the requirements of this Standard;
- 4) approval of the HSE plan with the Contractor Organization.

**4.2. Line Managers** shall be responsible for:

- 1) control and monitoring of compliance by Contractor Organizations with the requirements of this Standard at the Facilities under their management and control;
- 2) approval and fulfillment of the requirements of the HSE Action Plan by a Contractor Organization;
- 3) assessment of the Contractor's HSE activities;
- 4) raising awareness among Employees of their subdivisions and the Employees of the Contractor Organizations about the requirements of this Standard; implementation, execution and control over observance of those requirements during the works/providing of services.

**4.3. HSE Section** shall be responsible for:

- 1) control and monitoring of compliance with the requirements of this Standard in KMG Group of Companies;
- 2) provision of methodological assistance in organizing the process of interaction with Contractor Organizations in the field of HSE;
- 3) development and update of the database of Contractor Organization and informing the Fund of compliance or non-compliance of the Contractor with the HSE requirements based on the performance results;
- 4) update and improvement of this Standard.

**4.4. HSE Service** shall be responsible for:

- 1) appointment of a Contract Supervisor for critical HSE GWS;
- 2) support in Risk/Industrial Hazard Assessment and determining the extent of the Risk for the Contract;
- 3) assessment of the ability and capacity of a Contractor Organization to manage HSE Risks within the scope of GWS under the Contract;
- 4) organizing and holding awareness-raising events for the Contractors in the field of HSE in order to improve their performance (meetings and forums).
- 5) control and monitoring of compliance with the requirements of this Standard.

**4.5. Contract Supervisor** shall be responsible for:

- 1) inclusion in the contractor agreement of all the HSE requirements applicable to the Contractor's activity;
- 2) approval of the Plan of HSE activities presented by the Contractor at the Contractor selection stage;
- 3) preparation and inclusion in the contract of proposals for the motivation of the Contractor to the safe conduct of production activity;
- 4) collection, analysis and presentation of information on the Contractor's performance in the field of HSE including implementation by the Contractor of remedial actions based on the results of inspections and audits in the field of HSE;
- 5) coordination of interaction in the field of HSE between an entity of KMG Group of Companies and the Contractor;
- 6) conduction of Contractor's HSE activity assessment.

**4.6. Employee of KMG Group of Companies** shall be responsible for:

- 1) compliance with the HSE Legislative Requirements and the requirements of this Standard during preparation and execution of works/services;
- 2) timely informing on the Risks/Industrial hazards in GWS provision/performance/rendering by the Contractor.

## **5. DESCRIPTION**

### **5.1. General approach to interacting with Contractors**

5.1.1. The effectiveness of interaction with contractors in the field of HSE depends on step-by-step implementation of all measures stipulated by this Standard in order to exclude and avoid HSE risks/hazards and harmful production factors.

5.1.2. General model of interaction with Contractor Organizations in the field of HSE is provided in (KMG-F-3535.1-13/ST-3524.1-13) to this Standard.

### **5.2. Planning the work with the Contractor**

5.2.1. After the decision by the Chief Executive Officer of an entity of KMG Group of Companies on the need to engage a Contractor Organization for GWS provision/performance/rendering, the head of the HSE Service shall appoint the GWS procurement Contract Supervisor from among the Service employees.

5.2.2. The Contract Supervisor shall do the following at the planning stage:

- 1) clarify the amount of resources required for the provision/performance/rendering of HSE critical GWS (categories);
- 2) assess the conditions of GWS provision/performance/rendering:
  - a) for works and services – season, climatic conditions, site accessibility, location etc.;
  - b) for goods – safety, quality, warranty, transportation conditions etc.
- 3) formulate HSE requirements to equipment, transport, machinery, property and Employees of the Contractor to be involved in GWS provision/performance/rendering.

### **5.3. Prequalification of the Contractor**

5.3.1. The Qualification Authority of the Fund defined the GWS that are HSE critical for the safety of production processes, specified in (KMG-F-3534.1-13/ST-3524.1-13) to this Standard.

5.3.2. Prequalification of Potential Contractors under HSE criteria includes questionnaire and technical (verification) audit (availability, quality and condition of machinery and equipment; competence of employees, compliance with documentation, etc.). The list of standard questions on assessment of Potential Contractors' HSE qualification criteria is specified in (KMG-F-3525.1-13/ ST-3524.1-13) to this Standard;

5.3.3. Potential Contractors included in the Fund's Register of Qualified Potential Vendors shall be permitted to bid for qualified Contractors.

5.3.4. Purchases of GWS that are not critical in the field of HSE shall be conducted on a routine basis, in accordance with the provisions of the Fund Standard. In so doing, contracts with Contractors are subject to requirements of sections 5.4, 5.5, 5.6 and 5.7 of this Standard.

#### **5.4. Tender, Contractor Selection and Conclusion of Contractor Agreement**

5.4.1. The tender conduction and the Contractor selection from among the qualified Contractors of the Fund shall be regulated by the Standard of the Fund.

5.4.2. The Contract Supervisor within the formation of tender documents shall ensure the development of requirements to the HSE measures for the technical specification section of the Contract specified in (KMG-F-3527.1-13/ ST-3524.1-13) to this Standard;

5.4.3. If necessary, the Contractor shall provide the necessary clarifications of HSE requirements in response to requests from qualified Contractors or requests from potential Contractors when purchasing GWS on a routine basis..

5.4.4. A Contract with the Contractor shall contain a separate HSE section and Contractor's HSE obligations specified in (KMG-F-3528.1-13/ ST-3524.1-13) to this Standard, as well as the HSE agreement attached to the Contract specified in (KMG-F-3529.1-13/ ST-3524.1-13) to this Standard being an integral part thereof. An HSE Contract may be supplemented or modified taking into account the specific nature of the works performed/services rendered by the Contractor, as well as local peculiarities and internal requirements of KMG Group of Companies.

5.4.5. The Contract shall contain the terms and conditions of the Subcontractors, and the Contractor shall ensure that the subcontracting process meets the requirements of this Standard.

5.4.6 The Contractor shall develop an HSE Action Plan within five (5) business days after the Contract was signed as specified in (KMG-F-3530.1-13/ ST-3524.1-13) to this Standard to properly ensure that all internal HSE requirements of the Employer are met.

5.4.7. The HSE Action Plan developed by the Contractor should describe HSE issues related to the work performance/service rendering, as well as measures to be taken for solving such issues before the Contractor and/or Contractor's Employee gets access to the place of work performance/service rendering. The Contractor should develop the HSE Action Plan taking into account and in accordance with the Legislative Requirements, policies, programs and requirements of KMG group of Companies as well as common international business practice in the sector where the works will be performed/services will be rendered. In case of inconsistency or



discrepancy between the components of the above requirements and practice, the Contractor should make all efforts to comply with the most stringent of them to the extent provided by the Legislative Requirements.

5.4.8. The Contractor shall submit the HSE Action Plan to the Contract Supervisor for endorsement. The HSE Action Plan shall be considered and endorsed by the Contract Supervisor and the Line Manager and approved by the chief executive of KMG Group of Companies within three (3) business days or returned to the Contractor with indication of its shortcomings. The Contractor shall eliminate any shortcoming of the HSE Action Plan and submit it again for consideration. The Contractor shall develop the HSE Action Plan in such a manner that the entity of KMG Group of Companies approves it before the Contractor starts work performance/service rendering under the Contract. Consideration of HSE Action Plan by the entity of KMG Group of Companies shall not release the Contractor from the obligation to improve and implement a plan that meets the Legislative Requirements and the requirements of this Standard. If there are any changes in the work/service delivery project affecting the nature of work/service delivery, such changes shall be made to the HSE Action Plan in the manner prescribed by this Standard.

5.4.9. The conditions for encouraging the Contractor in the field of HSE shall be determined by a separate document of an entity of KMG Group of Companies.

5.4.10. The mechanism for imposing and the amount of penalties for violations of HSE requirements shall be determined upon conclusion of the Contract, depending on the specifics of the regions, Facilities, the nature and scope of works performed/services provided. The standard list of punitive sanctions and the amount of penalties in monetary terms for violation by the Contractor of the established HSE requirements are specified in (KMG-F-3531.1-13/ ST-3524.1-13) to this Standard, which is a mandatory appendix to the Contract.

## **5.5. Contractor mobilization and work authorization** (for works and services)

5.5.1. The Contractor at least 10 days prior to the expected date of mobilization of equipment, machinery, property and Contractor's Employees to the site of work performance/service rendering shall be obliged to provide the following to the Contract Administrator, Contract Supervisor and Line Manager:

- 1) work production/service rendering project;
- 2) HSE Action Plan;
- 3) the order for the appointment of persons responsible for the organization and safe conduct of works including copies of orders for the appointment of persons responsible for the preparation of high-threat work sites and production of high-threat works, as well as other orders for the appointment of persons responsible for the safe conduct of works, maintenance of equipment, structures, technical devices in good condition and for their safe operation, appointment of persons responsible for production and consumption waste management and other appointments regulated by HSE standards and regulations;
- 4) the list of persons responsible for HSE issues with the description of their powers, duties and areas of responsibility and their contact details including details of a person responsible for the HSE situation at the work production site;
- 5) documents to confirm the qualification of engineering and technical personnel and workers, copies of HSE knowledge review protocols and certificates;

6) information on certificates, access permits and authorizations for transport means, equipment, machinery and tools.

5.5.2. Upon receipt of information specified in p. 5.5.1 from the Contractor, the Line manager shall organize a kick-off meeting with the Contractor where:

1) the key Contractor's Employees learn in detail about the objectives of the work production/service rendering project;

2) the key HSE performance indicators of the proposed works/services are communicated to the Contractor;

3) all the Risks of the proposed works/services and measures to prevent them are clarified;

4) the HSE Action Plan for the given work production/service rendering project is communicated to the Contractor;

5) the schedule of mobilization audit of the Contractor's equipment, machinery and Employees is coordinated;

6) the Contractor's authorized representative responsible for control and compliance of the Contractor's Employees with the requirements of the Contract and HSE standards in the work performance/service rendering shall be approved.

5.5.3. After the kick-off meeting, the Line Manager and the Contract Supervisor, within the period agreed with the Contractor, shall conduct Premobilization Audit of the Contractor's equipment, machinery, property and Employees subject to mobilization to the work performance/service rendering site.

5.5.4. Based on the results of Premobilization Audit assessment the Customer shall make a decision to start the Contractor mobilization to the site of work performance/service rendering.

5.5.5. Upon delivery of the Contractor's equipment? Machinery, property and Employees to the site of work performance/service rendering as well as performance of necessary equipment assembly and setup works, pre-start assessment of the Contractor's readiness for the work in conducted and the certificate of the Contractor's admission to the work performance/service rendering is signed as per the template specified in (KMG-F-3532.1-13/ST-3524.1-13) to this Standard. In cases where replacement of the Contractor's equipment, machinery, property and Employees is needed, such replacement shall be allowed only with the Contractor's equipment, machinery, property and Employees that previously underwent Premobilization Audit.

5.5.6. Admission of the Contractor Organization to the performance of works is provided on condition that all the Legislative Requirements and internal requirements of KMG Group of Companies are met, and for the projects implemented outside the Republic of Kazakhstan – in accordance with the local legislation and internal requirements of KMG Group of Companies.

5.5.7. Admission of the Contractor's Employees to the performance of work performance/service rendering at the Facilities is provided only after the HSE induction training with the Contract Supervisor or other Employee of the HSE Service and check for availability of all necessary documents for the Contractor's Employees ensuring the right to perform works/render services. The conduction of the induction training shall be recorded by the HSE Service in the induction training record log.

5.5.8. All the Contractor's Employees including work managers shall undergo induction training within the HSE Service.

5.5.9. In case the Contractor's Employee for any reason did not undergo induction training within the Customer's HSE Service, he/she shall not be admitted to the work at the Facility.

5.5.10. The HSE Service may request in writing for banning from work of any Contractor's Employee who in the Customer's opinion does not properly perform works/render services or meet the requirements of this Standard and the Contract or damages the proper work performance/service rendering. The Contractor must immediately and at its own expense replace such an employee.

## **5.6. Performance of works by the Contractor**

5.6.1. The Contractor should ensure work performance /service rendering by the Contractor's Employees in strict compliance with the Legislative Requirements, rules, instructions, regulations and standards in the field of HSE and the relevant HSE conditions of the Contract.

5.6.2. The Contractor shall be obliged to immediately, within one (1) hour, notify the HSE Service and the Line Manager of any Incidents involving the Contractor's Employees and the necessity of their transfer to the other work with the provision of the first aid and/or secondary medical care. Compliance with this requirement shall be a prerequisite for the proper performance by the Contractor of its obligations under the Contract.

5.6.3. The Line manager, Contract Supervisor or other employee of the HSE Service shall participate in the investigation of Incidents involving the Contractor's Employees and/or equipment during the work performance/service rendering for the entity of KMG Group of Companies. The HSE Service shall receive from the Contractor the copies of Incidents investigation certificates as well as information (reports) on the implementation by the Contractor of remedial actions developed based on the results of investigations conducted.

5.6.4. In the course of work performance/service rendering the Contractor shall organize and conduct regular checks for compliance of its activity with the HSE requirements. In such a case, the conduction of two (2) types of checks – internal and external – is required.

5.6.5. Internal checks shall be organized and conducted within the Contractor Organization by the Contractor's HSE personnel (to be provided for in the Contractor's HSE Action Plan). The Contractor shall be entitled to independently determine the checks conduction procedure with further issuance, of the relevant certificates based on the check results that shall be forwarded to the HSE Service.

5.6.6. Internal inspections/audits of sites where a Contractor performs their work or renders their services shall be organized and conducted by the representatives of the entity of KMG Group of Companies. The frequency of such inspections/audits shall be at least once a month. HSE Service Employees, Line Manager responsible for the site of work performance/service rendering shall participate in the check. The Contractor's representatives shall be obliged to ensure easy access of the inspectors to the materials and/or the facility to be checked and be present during the checks as accompanying persons. The following should be reviewed during the check:

- 1) implementation of the Contract requirements;
- 2) HSE Action Plan;
- 3) compliance with the Legislative Requirements in the field of HSE;
- 4) implementation of remedial actions based on the previous check.

5.6.7. During the work performance/service rendering by the Contractor the meetings aimed at analyzing the compliance by the Contractor of the Legislative Requirements in the field of HSE and requirements of this Standard shall be conducted.

The meetings should be conducted on a regular basis in the course of work performance/service rendering, but no less than once a month. The frequency of the meetings shall be determined in the Contractor's HSE Action Plan. Participation in the meetings of the relevant responsible persons of both parties shall be mandatory.

5.6.8. The list of responsible persons participating in the meetings on the side of the entity of KMG Group of Companies shall be prepared by the HSE Service and approved by the chief executive or other authorized executive of the entity of KMG Group of Companies who signed the Contract.

## **5.7. Post-performance assessment**

5.7.1. Upon completion of works/services under the Contract, the Line Manager of the site where the works were performed/services were rendered jointly with the Contract Supervisor shall complete the assessment list based on the results of the Contractor's HSE performance, as per the template specified in (KMG-F-3533.1-13/ST-3524.1-13) to this Standard.

5.7.2. The completed assessment list shall be forwarded to the Contract Administrator and Contract Supervisor. The Contractor assessment results shall be entered by the Contract Supervisor in the database of Contractors on GWS (categories) of KMG Group of Companies with assigning the 'compliant' or "non-compliant" status to such a Contractor for the purpose of further cooperation.

5.7.3. Depending on the assessment presented by the entity of KMG Group of Companies, the relevant measures to control the Contractor Organization shall be taken for the involvement in further GWS procurement and for further cooperation. In case the Contractor obtains less than 50% compliance (red zone) on the assessment list of the Contractor's HSE performance, such a Contractor is given the "non-compliant" status.

5.7.4. The Contractor's performance in the field of HSE shall be taken into account when making a decision on the continuation of work performance/service rendering under the Contract, prolongation of the Contract or termination thereof. Repeated non-compliance of the works performed/serviced rendered with the HSE requirements established by the Contract shall form the basis for refusal to conclude any Contracts with such a Contractor in future.

5.7.5. The database of Contractors on GWS of KMG Group of Companies shall be updated on a regular basis (quarterly) by the HSE Section, and the details of "non-compliant" Contractors shall be forwarded to the qualification Authority of the Fund within the GWS procurement reports provided for by the Standard of the Fund. The Qualification Authority of the Fund within its powers and the provisions of the Standard of the Fund, shall exclude such Contractors from the Register of Qualified Potential Contractors.

## **6. EFFECTIVENESS CRITERIA**

The effectiveness criteria shall include:

7.1. Implementation of GWS contracts by level of HSE criticality in compliance with the Legislative Requirements and the requirements of this Standard.

7.2. Improvement of key performance indices of Contractor Organizations in the field of HSE.

7.3. Generation of a database of Contractor Organizations by key performance indices in the field of HSE.

## **8. REFERENCES**

The following documents are used in this Standard:

1.	Version 1	Guidelines on the HSE Management System in KMG Group of Companies
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## **10. FORMS OF RECORDS**

1.	Appendix 1	General model of interaction with Contractor Organizations in the field of HSE
2.	Appendix 2	List of GWS by level of criticality in the field of HSE
3.	Appendix 3	Form of questionnaire for the assessment of a Contractor Organization for compliance with HSE requirements
4.	Appendix 4	Requirements to HSE measures for the Technical Specification section
5.	Appendix 5	“HSE Obligations of Contractor” Contract Section
6.	Appendix 6	HSE Agreement to the Contract
7.	Appendix 7	HSE Action Plan
8.	Appendix 8	List of punitive sanctions for the violations in the field of HSE
9.	Appendix 9	Certificate of Contractor admission to work performance/service rendering at the Facility
10.	Appendix 10	List of Contractor’s HSE performance assessment