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|  |  | **Approved by Resolution of**  **the Management Board of**  **JSC NC “KazMunayGas”** |

**HEALTH AND SAFETY CODE OF JSC “NATIONAL COMPANY “KAZMUNAYGAS” EMPLOYEES**

**THE GOLDEN RULES**

Astana, 2015

**1. GENERAL PROVISIONS**

Introduction

The Health and Safety Code of JSC “National Company “KazMunayGas” Employees, the Golden Rules (hereinafter the Code), complies with the safety and environmental protection policy of JSC NC “KazMunayGas” (hereinafter KMG), the corporate regulations, the health and safety laws of the Republic of Kazakhstan, and the Uniform Health and Safety Management System (hereinafter the UHSMS).

**Purposes**

KMG’s operation in compliance with the requirements of the laws of the Republic of Kazakhstan and international health and safety requirements.

Improved health and safety culture among KMG’s and contractors’ employees.

**Objectives**

This Code of KMG provides instructions for the procedure and methods of application of the Code at KMG’s facilities.

**Scope of Application**

This Code is applicable to and binding on all KMG employees. Contractors’ and service companies’ employees must comply with this Code on the basis of contracts signed with contractors and service companies.

The KMG Group managers are recommended to:

* develop and approve, in compliance with the established procedure, a similar Code or another internal document in accordance with this Code or update the existing internal document as appropriate;
* develop and approve, in compliance with the established procedure, their own additional health and safety rules with due regard to the local environment and specifics of their work, as agreed with KMG’s business unit in charge of safety and environmental protection. At this, the requirements in those regulations should not lower the standards established herein.

1. **TERMS AND ABBREVIATIONS**

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| **KMG** | — Joint-Stock Company “National Company “KazMunayGas”; |
| **KMG Group** | — KMG and legal entities with fifty or more percent of voting shares (interests) directly or indirectly owned or held in trust by KMG, as well as legal entities whose activities KMG is entitled to control; |
| **HSED** | — Health, Safety and Environment Department; |
| **HSE** | — health, safety and environment; |
| **Contractor** | — an individual or a legal entity engaged for performance of certain work under a contract signed with KMG; |
| **Facility** | — production sites, including buildings, structures, premises, roads, railways, equipment, installations, stations, hazardous production facilities, technical devices used at hazardous production facilities, vehicles, special machinery, territory and other engineering structures. |

**3. RESPONSIBILITY**

The management of KMG and functional units and the managers of KMG’s business units are responsible for ensuring that KMG’s and contractors’ employees read, understand and comply with this Code, as well as for monitoring conformity with the Code requirements. KMG’s management should demonstrate adherence to the Code through their personal example.

The management of the functional units and the managers of the business units of KMG are responsible for ensuring that contractors / service organisations familiarise themselves with the requirements of this Code when signing contracts and comply with the requirements when rendering their services.

The head of KMG’s HSE Department is responsible for updating this document.

In their working activities, KMG’s employees must comply with the requirements set forth herein.

The responsibility of contractors for compliance with this Code is regulated by the contractual obligations. At this, the head of the KMG Group is responsible for determining these obligations for a contractor when signing a work or service contract.

**4. BASIC PROVISIONS**

**4.1. KMG’s Golden Rules**

KMG’s Golden Rules are the key requirements for safe performance of work developed on the basis of the best international health and safety practices of oil and gas companies, as well as the analysis of the available information on accidents and incidents that have occurred at the KMG Group.

The requirements of the Code fully comply with the established legislative requirements of the Republic of Kazakhstan and international standards in the field of occupational health and safety.

The requirements of this Code do not supersede compliance with the basic safety rules applicable to various works and should be an addition thereto.

**4.1.1. Leadership.**

All KMG employees shall demonstrate adherence to occupational health, industrial safety and fire safety rules through their personal example.

The management of KMG and functional units recognises its leading role in maintaining occupational health, industrial safety and fire safety, including such maintenance through immediate involvement in the planning, arrangement and supervision of safe practices.

**4.1.2. General requirements for safe work practices.**

The requirements of the regulatory acts of the Republic of Kazakhstan, the internal documented procedures approved by KMG and the health and safety rules must be strictly complied with.

Any works can be performed provided that the following conditions are met:

* prior to commencement of the work, the existing hazardous and harmful factors should be analysed, necessary measures to prevent possible undesirable events and to reduce the risk and/or severity of possible consequences should be developed, communicated to the individuals engaged in the work, and implemented;
* actions in case of an accident and fire should be determined prior to commencement of the work;
* in case of hazardous work, a work permit must be issued in compliance with the established form; the territory of the work should be marked with warning tapes and/or safety signs;
* the individuals engaged in the work should receive training in safe work practices, fire and industrial safety, be medically fit to perform the work, be eligible for the work and hold the required qualifications;
* the employees should be instructed and should read and understand the instructions on safe work practices;
* personal and collective protective equipment is used with due regard to potential hazards and requirements for safe work practices at the facility;
* access for individuals intoxicated by alcohol or drugs, as well as for those who are medically unfit to perform the work, should be prohibited;
* access for individuals not engaged in the performed work should be prohibited;
* KMG’s employees should be trained to render first aid;
* equipment, mechanisms, tools and safety devices should be suitable for the given type of work and should be in faultless condition.

**4.2. Requirements for certain safe work practices.**

The requirements specified below are an addition to the general requirements for safe work practices.

**4.2.1. Preparedness for work.**

One of KMG’s core principles is maintenance of a healthy lifestyle at work place and prevention of any negative health impacts from works.

All employees must:

* Notify their supervisor of any health problems related to an apparent functional illness or overexertion, which means they are not capable (not ready) to work, before the commencement of the work.
* Inform their supervisor of any medication used that may influence the ability to perform the work. In case of any doubts, medical advice should be sought.
* Avoid excessive exposure to vibration when using any vibrating tools, loud noise or noise for long periods of time, regularly have rest, follow preventive procedures and use personal protective equipment.
* Avoid exposure to adverse weather conditions. Comply with the working hours, limits established by the protective barriers and use suitable protective equipment.
* Not use, keep, sell or distribute alcohol, drugs or psychotropic substances.
* Immediately interfere and make a reprimand if they witness consumption of alcohol, drugs or psychotropic substances.

**4.2.2. Staying safe when driving.**

Always remember about safety when driving.

All vehicles must be operated only if the following conditions are met:

* The vehicle has undergone a pre-trip inspection and regular maintenance.
* The number of passengers and the nature of the transported goods correspond to the manufacturer’s technical specifications for the vehicle.
* The drivers have undergone a pre-trip medical examination and have no medical contraindications to drive, are not alcohol- or drug-intoxicated, not affected by medication and do not feel tired.
* Seat belts are installed, used by the driver and all passengers and are functional.
* The driving speed corresponds to the road signs and weather conditions.

The following is prohibited when driving:

* To use mobile communication devices (mobile phones, pagers, etc.).
* Not to use dipped-beam headlamps, navigation lights or fog lamps.
* Exceed the prescribed speed limits.

**4.2.3. Hazardous work permit.**

Hazardous work must be performed only if there is an effective work permit. A work permit specifies the procedures required to ensure your safety.

All employees must:

* Read and understand the work permit and comply with the requirements specified therein.
* Ensure that the work permit has not expired.
* Receive a confirmation of all necessity safety measures being applied from the immediate supervisor or the person responsible for the work.

The supervisors or persons responsible for the work must:

* Verify whether a permit is required to perform certain works.
* Ensure that the work place is inspected prior to commencement of the work.
* Explain how a work permit ensures safety during work.
* Ensure that the work permit is signed.
* Ensure that the work is performed safely.
* Obtain a new work permit in case the assignment or the environment changes.
* Ensure that the work is completed.

**4.2.4. Insulation of energy sources.**

Prior to repair or maintenance of equipment, it is necessary to ensure that any energy sources (electrical, thermal, hydraulic, pneumatic, mechanical, etc.) have been insulated, and the required protective equipment and personal protective equipment have been applied.

All employees must:

* Understand what kind of protective equipment is needed in each case.
* Receive a confirmation from their immediate supervisor or the person responsible for the work regarding the required shut-downs and locking.
* Receive a confirmation of all the necessary safety measures being applied from the immediate supervisor or the person responsible for the work.

The supervisors or persons responsible for the work must:

* Ensure that all energy sources have been insulated with the appropriate locking and tagging in all shut-down points.
* Ensure that there is no residual energy in the equipment.
* Ensure that the work is performed safely.

It should be prohibited to remove locks, warning signs or energize the equipment before completion of all work on the equipment.

**4.2.5. Working in a confined space.**

A confined space is a space limited from all sides, where entries and exits are either complicated or limited and prevent prompt movement through them. An example of a confined space: a tank, vessel or pipeline. A confined space may contain explosive and poisonous gases or other hazardous substances, such as lack of oxygen, as well as objects that can create a fall or trip hazard. A work permit must be issued prior to commencement of any work in a confined space.

All employees must:

* Receive a confirmation of all the necessary safety measures being applied from the immediate supervisor or the person responsible for the work.
* Get an approval from the person performing the work prior to entering a confined space.
* Comply with all the requirements specified in the work permit.

Persons performing the work must:

* Allow and control access to the confined space.
* Be equipped with communication devices to maintain contact with the workers in the confined space.

The supervisors or persons responsible for the work must:

* Ensure that the requirements specified in the work permit have been applied on site.
* Ensure that the gas and air analysis has been completed and is specified in the work permit.
* Ensure that the work is safe to perform.

**4.2.6. Working at height.**

Fall protection measures should be applied during work at height. For your safety, use fall protection equipment when working beyond the protected area if there is a risk of falling from heights greater than 1.3 meters. The protected area includes scaffolding, stairs with handrails and man lifts.

All employees must:

* Obtain a permit to work at height beyond the protected area.
* Know the types of safety equipment used for working at height and know how to use it.
* Check the equipment before using it.
* Always use a safety harness when working at height beyond the protected area.

The supervisors or persons responsible for the work must:

* Ensure that the work at height is safe to perform.

**4.2.7. Moving equipment and energised equipment.**

Employees should maintain a safe distance from moving and energised equipment. Working in the “hazardous zone” of moving equipment (for example, cranes and other transportation equipment) or energised equipment (for example, rotating mechanisms, electrical or pressurised equipment) is unsafe.

All employees must:

* Ensure, together with their immediate supervisor or the person responsible for performance of the work, that all precautions have been considered.
* Follow the instructions of the signalman or the person responsible for the equipment operation.
* Receive a confirmation from the responsible person that it is safe to enter and work in the restricted area.
* Ensure that the driver/operator sees them.

The supervisors or persons responsible for the work must:

* Ensure that the required information plates, barriers and guards are installed at the entrance to the hazardous zone.
* Ensure that only authorised personnel are working in the restricted area.
* Ensure that the signalling methods and communication equipment used by the employees have been coordinated and are understood by everyone.
* Ensure that the lighting in the working area is sufficient and/or high-visibility clothing is available for the employees.

**4.2.8. Lifting operations.**

Lifting operations involving use of cranes, hoists, mechanical lifting devices and slinging equipment are potential sources of an injury risk.

All employees must:

* Ensure that a risk assessment has been performed and the lifting methods and lifting equipment have been selected by a competent person.
* Persons involved in the work (crane operators, slingers, etc.) have been trained and are qualified for the job.
* Ensure that the lifting equipment and machinery is faultless, inspected, and approved for use.
* Ensure that the weight of the lifted items is within the capacity of the lifting and slinging equipment.
* Ensure that the safety devices installed on the lifting equipment are functional.
* Visually inspect the lifting and slinging equipment prior to performance of each lifting operation.
* Sling items only when wearing high-visibility vests.
* Ensure that the access to the zone of operations has been restricted and all necessary signs have been installed.

**5. FINAL PROVISIONS**

5.1. The approval of the Code and amendments thereto should be within the competence of KMG’s Management Board.

5.2. If any provisions of the Code start conflicting with the laws of the Republic of Kazakhstan or the Uniform Health and Safety Management System as a result of any amendments made to the laws or the system, such provisions of the Code shall become void, and KMG’s employees should follow the effective laws of the Republic of Kazakhstan and the provisions of the Uniform Health and Safety Management System until corresponding amendments are made to the Code.