

## **Rules for Environment Protection, Labour Protection, and Fire Safety During Works at LatRosTrans LLC Facilities**

1. During work performance, the Contractor is responsible for compliance with environment protection, labour protection, fire safety, and electrical safety requirements stipulated by regulatory enactments of the Republic of Latvia and LatRosTrans LLC.
2. General requirements:
  - 2.1. The Contractor is obliged to comply with the requirements stipulated in Labour Protection Act, Cabinet rules No 92 of 25.02.2003 “Labour Protection Requirements During Construction Works”, as well other regulatory enactment in the field of labour protection, environment protection, and fire safety.
  - 2.2. The Contractor shall inform LatRosTrans LLC authorized representative on Contractor’s contact person on labour protection issues.
  - 2.3. LatRosTrans LLC appoints the Contractor a project manager. In case several contractors perform works at the construction site, the Contractor shall to designate a coordinator for project preparation and performance.
  - 2.4. The Contractor is obliged to address to State Labour Inspection a preliminary notification on works in one of the below cases:
    - 2.4.1. If estimated duration of works exceeds 30 business days and over 20 workers are simultaneously involved in works;
    - 2.4.2. If scheduled work scope exceeds 500 man-days (totally business/working days of works by one or several workers).The Contractor shall place the information provided in the preliminary notification on works in the work area and update it on a regular basis if necessary.
3. The Contractor shall ensure so that Contractor’s workers:
  - 3.1. Are instructed and trained on labour protection issues (according to executable tasks);
  - 3.2. Are provided with respective necessary individual protection tools, inclusive of the mandatory minimum as follows: safety helmet, safety vest, work shoes, protective eyewear; the specified minimum must be mandatorily used in the territory notwithstanding the works in progress and their duration; for elevated work, one may use only safety systems (lifebelts are prohibited);
  - 3.3. Are respectively trained including receipt of respective permits, certificates, or authorization documents required for certain works;
  - 3.4. Have performed mandatory health checks;
  - 3.5. Have visited LatRosTrans LLC induction training (HSE orientation?) on labour protection and fire safety.
4. Prior to works start at the construction site, the Contractor is obliged to assess working environment risks and develop a Labour Protection Action Plan as required by regulatory enactments.
5. The Contractor shall ensure:
  - 5.1. Access for LatRosTrans LLC authorized representative or specialists in respective field to the workplaces so as to exercise control over compliance with environment protection, labour protection, and fire safety requirements;

- 5.2. That used working equipment is in working order and is checked, complies with regulatory enactments requirements; during work performance, it is required to conduct daily checks for all equipment;
  - 5.3. That the applied work methods are safe and do not threaten either Contractor's workers, LatRosTrans LLC workers, or other persons which may be near the works area;
  - 5.4. That performed works have been coordinated with LatRosTrans LLC authorizes person or respective work superintendents, that respective work permits are formalized if necessary, for instance, for hot works, high-risk works, risk assessment prior to works etc.;
  - 5.5. That a responsible person is designated being respectively trained on work safety issues.
6. Prior to works start at LatRosTrans LLC facilities, the Contractor shall direct his workers to labour protection and fire safety training (tutorial). It is prohibited to start works unless the workers have got the training. In case of any questions, more in-depth information is available from LatRosTrans LLC authorised representative.
  7. LatRosTrans LLC authorized representative in charge of the works in progress exercises control over Contractor's performance, as well Contractor's works are controlled by Safety Department environment and labour protection, and fire safety specialists.
  8. Upon the request of LatRosTrans LLC representatives, the Contractor shall show the labour protection documentation, for instance, guidelines, training registration logs, mandatory health check certificates, labour protection action plan, working environment risk assessment, workers' proficiency certificates etc.
  9. LatRosTrans LLC shall inform the Contractor on fixed infringements having described the violation, stated its time, place, involved persons. The Contractor shall eliminate the violation by a deadline agreed by the parties.
  10. In case of major violation and threat to humans' lives or health, LatRosTrans LLC has the right to urgently terminate Contractor's works and send the violators out from the territory. In such a case, one may start works only upon the LatRosTrans LLC permit, after violations are eliminated and extraordinary training for respective workers.
  11. The Contractor is responsible for and shall reimburse to LatRosTrans LLC the losses for work delays due to incompliance with environment protection, labour protection, fire safety, and electrical safety requirements.
  12. Having stated environment or labour protection violations or their elimination delays, LatRosTrans LLC has the right, depending on violation degree, to apply the following sanctions:
    - 12.1. bar from working the workers which on a regular basis violate labour protection requirements;
    - 12.2. Apply a penalty pursuant to para. 18 herein;
    - 12.3. Unilaterally recede from an agreement having informed the Contractor 3 (three) business days in advance, and terminate cooperation with the Contractor.
  13. The Contractor must immediately inform LatRosTrans LLC authorised representative on the following:
    - 13.1. On dangerous situation in the course of works that may result in threat to safety and health to contractors' workers;
    - 13.2. On workers' injuries, incidents, failures, or accidents at work;
    - 13.3. Any other circumstances able to threaten or threatening workers' safety and health, or adding complexity to work performance.
  14. The Contractor shall investigate happened accidents as required by regulatory enactments.

15. If the Contractor wants to involve into works other subcontractors, LatRosTrans LLC consent is required. Upon LatRosTrans LLC request, the Contractor is obliged to inform LatRosTrans LLC in writing on agreements concluded with subcontractors and other necessary documents (work schedules, qualification/proficiency documents etc.).
16. LatRosTrans LLC has the right to examine the works of the subcontractors involved by the Contractor according hereto.
17. The Contractor must ensure compliance with these rules by his involved subcontractor, control his involved subcontractors concerning compliance with environment and labour protection and fire safety requirements. For stated violations in Contractor's involved subcontractors' performance, LatRosTrans LLC has the right to apply to the Contractor penalties pursuant to para. 12 herein.
18. For incompliance with regulatory enactments in the sphere of environment protection, labour protection, and fire safety, as well incompliance with LatRosTrans LLC internal code of conduct, LatRosTrans LLC has the right, in a unilateral and indisputable order, to apply to the Contractor a penalty by deducting the penalty amount stipulated herein from a contractual payment to the Contractor prior to payment as follows:

No	Violation Description	Penalty, EUR
1	Non-use of individual protection tools or failure to provide the workers with respective and qualitative individual protection tools.	30,00
2	Incompliance with labour protection, environment protection, fire safety, electrical safety requirements and internal code of conduct.	70,00
3	The Contractor is not able to show requested labour protection documents during 24 hours.	115,00
4	The Contractor did not send a worker to LatRosTrans induction training before work start or to a repeated training in case the training record card expired.	70,00
5	Incompliance with access procedure.	30,00
6	The Contractor did not conduct instructing, training, workers' health check, risk assessment or did not respect other requirements stipulated in labour protection regulatory enactments.	70,00
7	Use of damaged, untested or inappropriate working equipment.	70,00
8	Performance of works uncoordinated with LatRosTrans LLC representative (for instance, project manager, head of organization unit) or works not provided in the project plan.	70,00
9	Work performance without necessary permits (high-risk works, hot works, excavation works etc.).	140,00
10	A worker has no necessary certificate or license inclusive of driving licence or portable device/equipment driver's license.	140,00
11	Failure to comply in due time with LatRosTrans LLC established/prescribed labour protection activities.	140,00
12	Failure to timely notify on injuries, incidents, failures, accidents in the course of works.	140,00
13	Making photos or videos in the zone of technological process (industrial / pipeline) without LatRosTrans Safety Department representative's permit.	140,00

19. In case of simultaneously detected numerous violations, the penalty amounts will summarize for each certain case or for each worker having committed an infringement.

20. The penalty shall be calculated only for the case which is recorded in writing (as a statement-notification) having indicated specific time, place, nature, involved workers and other facts of a particular infringement.
21. The penalty is also calculated for infringements committed by Contractor's involved subcontractors.