

## **EXHIBIT HEALTH, SAFETY AND ENVIRONMENTAL (HSE) REQUIREMENTS**

Contractor shall comply, and shall ensure that all the members of Contractor Group and their respective personnel comply with the requirements in OHSAS 18001:2007 and the requirements stated below.

### **1 LEADERSHIP AND COMMITMENT**

#### 1.1 Commitment to HSE through leadership

Responsibility for HSE shall lie with Contractor's line management and the top executives shall be personally involved in HSE management. Contractor's commitment to HSE shall be evident and auditable at all levels within its organization.

### **2 POLICY AND STRATEGIC OBJECTIVES**

#### 2.1 HSE policy, access and responsibility

Contractor shall have a documented HSE policy, developed with active employee participation and implemented throughout the organization. Company HSE Policy requirements shall be adapted and incorporated as required.

#### 2.2 Contractor's policy on accidents and losses

Contractor's HSE policy shall reflect the accident free (zero) mindset as a long-term target.

### **3 ORGANIZATION, RESOURCES AND DOCUMENTATION**

#### 3.1 Employee contribution

Contractor shall ensure that its personnel are working in compliance with contractually agreed working practices have actual influence on their working situation in matters concerning health, safety and environment.

#### 3.2 Organization and communication

Contractor's organization shall facilitate effective HSE management and communication, with particular emphasis on HSE as an integrated element in planning and implementing operations.

#### 3.3 Mapping of working environment, information and training

Contractor shall ensure that:

- The working environment and any follow up measures are appropriately mapped. Based on the results from the working environment mappings, a plan for follow up and improvement of the working environment shall be established. All actions shall have a timeline and a responsible person.

- Prudent routines are in place of the coordination between the different employers.
- The safety and health services have the necessary information about the working environment.
- The personnel receive necessary information and training in order to avoid and prevent working related diseases.
- The personnel receive necessary information about the risk and health exposure relating to the working environment.

### 3.4 HSE training of managers and supervisors

Contractor's managers and supervisors who will be involved in planning, monitoring, checking or carrying out the Work shall, regardless of their level in the organization, have undergone formal HSE training. HSE training norms and training programmes shall be defined for managers at all levels.

### 3.5 Personnel HSE induction programme

Contractor shall establish special arrangements for training new personnel in relevant local procedures and in any specific hazards inherent in the activity.

### 3.6 Training programme

Contractor shall have documented systems in place for selecting and training personnel in order to ensure that the Work is executed by qualified individuals with adequate skills. Arrangements shall be established which ensure that the Contractor's and Subcontractors' personnel are familiar with and, trained in the risks relevant for the scope of work, such as:

- basic industrial HSE
- Contractor's HSE policy and management system
- Company's HSE policy, see page 10
- Company life saving rules, see 5.3
- Company's defined safety critical procedures, see reference below
- Company's Personal Safety Involvement (PSI) program, see reference below
- any specific hazards inherent in the activities
- correct use of hand tools and rotating equipment
- correct use of personal protective equipment
- emergency response

Arrangements shall be put in place to ensure that the HSE knowledge and training of personnel are continuously documented and updated.

Reference is made to Company public web page, vendor relations:

<http://www.docstream.no/copno/lsr-en.html>

### 3.7 Assessing the suitability of Subcontractors

Contractor shall assess the HSE expertise and record of its Subcontractors. Contractor shall document its methods for identifying the standards and requirements to be met by Subcontractors, and for ensuring that these standards and requirements are understood and observed.

### 3.8 Principal Enterprise

Where Contractor is the principal enterprise according to Section 33 of the Framework HSE Regulation (Royal Decree of 12 February 2010 (“Rammeforskriften”) and Section 2-2(2) of the Working Environment Act of 17 June 2005 (“Arbeidsmiljøloven”). Contractor shall accordingly inform Company about any circumstances that significantly impact or may impact the working environment. Similarly, Contractor shall inform Company to the extent such information is mandatory pursuant to Company’s obligations to conduct internal control in accordance with the Working Environment Act.

Contractor shall in addition coordinate the contact and communication with the Petroleum Safety Authority for all circumstances pertaining to the responsibilities of a principal enterprise, and keep Company duly informed in writing about such contact .

Contractor shall coordinate the safety and environmental activities of the Work, and shall accordingly facilitate the establishment of a joint working environment committee (“felles stedlig arbeidsmiljøutvalg”). When requested, this committee shall submit their activity plan and annual reports to the Petroleum Safety Authority with a copy to Company.

Contractor shall ensure that all personnel comply with applicable work time conditions. Contractor shall ensure that each employer providing personnel to the Work shall submit an overview to Contractor and Company detailing the actual working hours and time off for all staff.

Upon request, Contractor shall submit to the Petroleum Safety Authority plans for work time and shift plans with copy to Company.

## 4 EVALUATION AND RISK MANAGEMENT

### 4.1 Risk Assessment

Contractor shall utilize suitable and generally recognised methods for identifying and assessing HSE hazards and their consequences. Contractor shall document these methods.

### 4.2 Security Management

Contractor shall at all times have implemented security measures which protect Company against relevant threats related to the Work. The level of security shall be flexible and adapted to the relationship between the threat and activities ongoing at any given time.

A system shall be in place for handling and securing of classified documents and electronic data.

Contractor shall be able to verify the identity of personnel who are to do Work for the Company.

### 4.3 Work-related injury and illness

Contractor shall systematically follow up incidents of possible Work-related injury and illness. Personnel shall be encouraged to propose countermeasures, and to prevent new incidents from occurring.

### 4.4 Working environment

Contractor shall have a system that ensures and documents the identification and following up of all physical, chemical, ergonomic and psychosocial/organizational factors which could be potentially detrimental to health and performance. This system shall be linked to continuous systematic

monitoring of the exposure of personnel to these factors, and to a programme for reducing exposure that could be harmful to health. A yearly follow up plan that describes the main activities for controlling and improving the working environment shall be established

#### 4.5 Work time, shift plans and use of overtime

Upon request, Contractor shall submit to the Petroleum Safety Authority plans for work time and shift plans with copy to Company. Working hours, overtime and restitution time shall be systematically monitored. Contractor shall ensure that the use of overtime does not represent a risk to human health, safety nor environment.

#### 4.6 Chemicals

Contractor shall have a system which ensures and documents that all chemicals due to be used during the Work are evaluated for their health risk during transport, use and disposal, and that chemicals with the smallest health risk are given preference wherever this is technically and operationally feasible.

#### 4.7 HSE data sheets

Contractor shall have a system in place that ensures that correct information is available on the health risk, fire, explosion and environmental hazards posed by chemical products used in the Work. The MSDS shall be made available in Norwegian and languages that are understood by the employees who will perform the Work.

#### 4.8 Personal protective equipment

Contractor shall be able to demonstrate that the personal protective equipment used during the Work provides satisfactory protection in the relevant tasks. The standard of personal protective equipment shall be to a level comparable to a recognized international standard. Documented arrangements shall be in place for provision and maintenance of such equipment, both standard issue and items required for special operations.

#### 4.9 Use of hand tools

Hand tools shall be managed according to Company procedure. Knife must only be used if identified as the most suitable tool for the task. The use must be approved by responsible manager, only used for defined tasks and managed through the work permit system. Cut resistant gloves must be worn when using a knife.

#### 4.10 Environmental management system

Contractor shall have an environmental management system developed to a level comparable to a recognised international standard, e.g. latest revision of ISO 14001 or equivalent standard, and the national NORSOK S-003 standard. Contractor shall ensure that the system is well known by Contractor's personnel, and actively adhered to.

#### 4.11 Environmental impact assessment and monitoring

Contractor shall have a system in place which ensures and documents the evaluation and follow-up of the Work's environmental impact. The follow-up shall include environmental monitoring where

required. Evaluation and monitoring results shall be used systematically to minimise the environmental impact.

#### 4.12 Selection of environmentally optimal solutions

Contractor shall have a system in place that ensures and documents the selection of environmentally optimal solutions. The environmental aspect shall be included in all technical evaluations which involve discharges. The results of these evaluations shall be documented in an environmental accounting system, and shall serve as an evaluation criterion when selecting solutions based on cost/benefit analyses.

#### 4.13 Waste management

Contractor shall have implemented a system for identifying, classifying and handling waste. Hazardous waste shall be handled in accordance with Applicable Laws. Consumer and production waste shall be sorted.

Contractor shall ensure that the operations of Contractor Group are conducted in a tidy and proper manner with waste materials stored in a way such that they cannot escape due to high wind or other adverse weather conditions. All storage of potentially environmentally damaging fluids including fuels shall include provisions for spillage containment. Contractor shall implement appropriate measures to prevent or reduce the generation of waste.

#### 4.14 Environmental properties of chemicals that maybe discharged to sea or re-injected

Information on toxicity, biodegradability and bioaccumulation potential shall be available for all chemicals as specified in the activities regulation. This includes chemicals added to systems onshore that at some later point may be used, discharged or re-injected offshore. The Contractor shall demonstrate a system which ensures and documents that eco-toxicological data and the contents of material safety data sheets are consistent with each other and valid for the chemical actually being used. Permission to use any such chemicals that may be later discharged to sea shall be obtained through the Company's Chemical Application System prior to purchase and usage.

Eco-toxicological data for chemicals shall be provided in the harmonised offshore chemical notification format (HOCNF). This information shall be compiled in accordance with the quality requirements specified in OSPAR's published guidelines for completing the HOCNF and activities regulation.

#### 4.15 Use of potentially environmentally harmful chemicals

Contractor shall have a system in place which ensures and documents the evaluation of measures to reduce discharges/emissions to soil, water and air. Emphasis shall be given to reducing chemical usage and replacing environmentally harmful chemicals. Measures based on these evaluations shall be included in an environmental action plan or HSE programme.

Contractor shall not use or discharge any chemicals without permission from Company.

For Work performed in Norway:

(i) When chemicals that are used in Norway fail to meet Norwegian Environmental Agency's (NEA) criteria for degradability and bioaccumulation, or when such chemicals in other ways are classified as potentially harmful to the environment, the justification for continued use shall be documented, and a plan for replacing the chemical shall be prepared.

(ii) Chemical products and substances which are used in Norway and classified by the NEA and the PSA [see Report no 58 (1996-97) to the Norwegian Storting (parliament), and current regulations] shall contain a minimum level of contaminant, and be of such a high purity and quality as possible. The Contractor shall have a quality assurance system, which ensures that the products with the highest purity are used.

## 5 PLANNING AND PROCEDURES

### 5.1 HSE management system

Contractor shall establish an HSE management system. The management system shall be prepared in consultation with Contractor's employee representatives. Contractor shall ensure that the HSE management system is updated throughout the Work.

The HSE management system shall also address all the identified risks associated with the job and the specific work the Contractor will be performing and as a minimum include occupational health, working environment, safety, security, the environment and emergency response. Separate objectives shall be defined for each of these main areas.

### 5.2 HSE programme

Contractor shall establish an HSE programme covering occupational health and the working environment, safety, security, the environment and emergency response.

Contractor shall submit the HSE programme to Company and Company's employee representatives for review in accordance with agreed milestones. Company shall be notified of possible changes to the program.

In addition the HSE Programme shall


- Identify Regulations, and other specific requirements relating to HSE which apply to the Work;
- Define activities which shall be initiated to meet prevailing requirements;
- Define the risk management system
- Define applicable risk acceptance criteria;
- Define the hazards which shall be addressed, how these are to be controlled, and which methods should be used if necessary to regain control;
- Identify procedures to be developed and/or Company procedures to be adapted and incorporated under the Agreement;
- Define Company/Contractor responsibilities and interfaces, and the Contractor's strategy for supervising Subcontractors;
- Identify and schedule the Contractor's training requirements.

### 5.3 Life Saving Rules

Company Life Saving Rules shall be incorporated in Contractor HSE Management System to ensure compliance.

ConocoPhillips has introduced eight preventive Life Saving Rules, valid across the entire Company. The eight rules are focusing on critical activities that yearly are causing several serious accidents and fatalities in our industry. Over the past several years, ConocoPhillips has seen a significant improvement in our Total Recordable Injury Rate\*. That means we have significantly reduced the number of people being hurt in our business.

\*Total Recordable Rate (TRR): A standard measurement for safety at a work place that tracks the number of recorded incidents per 200 000 hours worked. A reportable injury is the sum of Fatalities, Lost Workday Cases (LWC), Restricted Workday Cases (RWC) and Medical Treatment Cases (MTC), as well as reportable injuries.

<p>To further raise the bar on our safety performance, we are establishing a set of Life Saving Rules targeted at reducing the risk of serious incidents while workers are performing critical activities. These rules will apply to ConocoPhillips employees and contractors everywhere we operate around the globe. It is important to note that they are not intended to replace local safety practices, but rather complement them.</p> <p>The Life Saving Rules will become a permanent part of ConocoPhillips’ HSE management system, and HSE procedures will be aligned with their requirements. More significantly, just like our SPIRIT Values they will become a permanent part of the ConocoPhillips company culture and will become a strong contributor to the HSE goal of ZERO unintentional events.</p> <p>We expect all personnel working for or on behalf of the ConocoPhillips to adhere to these rules, and for our contracting companies and vendors to incorporate the rules, or at minimum, the intentions of the rules, into their respective HSE management systems.</p> <p>Please help us implementing these rules by communicating our expectations within your company and actively participate in this program. With all your support and effort, we are confident that we will bring our safety performance to an even higher level.</p> <p>If you require additional information, please contact your Contract Manager.</p>	 <ul style="list-style-type: none"> <li>Work with a valid work permit when required.</li> <li>Obtain authorization before entering a confined space.</li> <li>Protect yourself against a fall when working at height.</li> <li>Follow safe lifting operations and do not walk under a suspended load.</li> <li>Verify isolation before work begins.</li> <li>Obtain authorization before starting ground disturbance or excavation activities.</li> <li>Obtain authorization before bypassing, disabling or inhibiting a safety protection device or equipment.</li> <li>Wear your seat belt, obey speed limits and do not use any mobile device while driving.</li> </ul>
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### 5.4 Emergency preparedness

Contractor shall be capable of proper notification and be able to establish and maintain contact with next-of-kin, media, unions, and authorities in co-operation with Company, unless otherwise agreed. Contractor shall have a system in place ensuring that updated and relevant personnel data for Contractor’s personnel are easily available in Contractor’s office in case of an emergency. The data shall include social serial numbers and relevant personal data for next-of-kin. Contractor shall have a



documented organization for providing immediate and long-term care for employees and relatives in the event of a hazardous condition or an accident.

Contractor shall demonstrate an emergency preparedness plan for the different phases of work which shall be accepted by Company. Contractor shall develop, implement and maintain a plan for medical treatment and case management that may include an on-site medical facility.

## **6 IMPLEMENTATION AND MONITORING**

### **6.1 Supervision and monitoring of Work activities**

Contractor shall supervise and monitor its Work activities to ensure that all relevant HSE requirements are fully complied with. The results of this supervision and monitoring shall be passed on without undue delay to Contractor's management and personnel. Contractor shall verify that personnel are familiar with work instructions and procedures, and that they are capable of acting according to the instructions provided. Frequent management inspections shall be performed to verify compliance with prevailing standards.

Company shall, together with Contractor have the ability to meet with foremen and supervisors on regular basis in order to discuss expectations and challenges of the HSE work.

### **6.2 Undesirable events/hazardous conditions**

Contractor shall comply with all official requirements for notifying and reporting undesired events/hazardous conditions relating to safety, occupational health and the environment. Routines for ensuring such compliance shall be documented.

All notifiable undesirable events/hazardous conditions experienced by Contractor shall be reported to Company without undue delay, whether the event occurred at the Contractor's premises or at other locations. The report shall include the date of the event, its causes and any preventive follow-up measures taken.

### **6.3 Reporting events with a high loss potential**

High loss potential events suffered by Contractor shall be reported to the Company within 24 hours of the incident. Information on possible underlying causes shall be provided.

### **6.4 Reporting personnel injuries**

Contractor shall notify Company of any Personal Injury suffered by Contractor's personnel. Direct and underlying causes shall be specified.

### **6.5 Incident follow-up system**

Contractor shall have a system in place to record and follow-up corrective and preventive actions resulting from undesired events. The system shall facilitate systematic transfer of experience.

### **6.6 Investigation and reporting of major incidents**

Contractor shall have a documented process for investigations, including who will lead investigations and clearly defined competence requirements to key positions in the investigation team.



Investigation reports shall be made available to relevant personnel and Company. Findings and mitigating actions shall be documented, followed-up and communicated (internally and to the Company.)

Company shall have the right to participate in the investigation carried out by Contractor (and addressing incident, near misses and injuries related to Work.)

Company can make the decision to independent investigate incidents, near misses and injuries regardless of which actions are taken by Contractor in order to investigate the same incidents, near misses or injuries.

At any location at which Work is performed, Company shall in an investigation purpose have unrestricted access to all Contractors personnel and information deemed relevant by the Company.

#### 6.7 Occupational health

Contractor shall have a system in place which documents systematic health monitoring as specified by Applicable Laws and good professional practice. Contractor shall ensure that monitoring shall lead to action plans, which are regularly followed up.

The system shall provide for identification, evaluation and reporting of Work related illnesses and corrective measures, follow-up of personnel on sick leave, and prevention and treatment of alcohol and drug abuse.

#### 6.8 HSE performance indicators

Unless otherwise agreed, a monthly HSE report shall be submitted as part of Contractor's overall monthly report. This report shall cover the status of identified HSE hazards and significant HSE aspects. The status of all activities in the HSE programme shall also be detailed in full. Preventive measures which have been initiated or implemented shall be briefly described.

Contractor shall have a documented system in place to monitor HSE performance against targets for defined key areas and activities, with feedback to employees.

Unless otherwise agreed, the following HSE data shall be provided for the Contractor, each Subcontractor and in total:

- Number of accidents/losses;
- Number of near-misses/hazardous conditions;
- Number of undesirable events with high loss potential;
- Number of first aid cases;
- Number of medical treatment cases;
- Number of restricted work day cases;
- Number of lost-time injuries;
- Hours worked (see below);
- Total Recordable Injury Rate per. 200.000 working hours;
- Registered overtime;
- Sickness absence (as a percentage of normal working hours);
- New cases of Work related illness.

Company shall be informed of the Contractor's definition of a lost-time injury and work related illness, and its definition of and practice concerning the use of alternative work.

Number of medical treatment cases, restricted workday cases and lost workday cases shall be reported according to U.S. Occupational Safety Health Administration standard (OSHAS).

Hours worked shall be specified as follows: a) total number of hours worked on the Agreement in the period, b) direct and indirect construction hours, including supervision and fabrication, but excluding engineering hours. Construction and installation Work performed by Subcontractors at the Subcontractors' site which amount to more than 10,000 hours shall also be reported.

#### 6.9 Experience transfer

Formal requirements for HSE experience transfer shall be documented. Sufficient time and resources shall be provided to facilitate systematic improvement.

Transfer of HSE experience shall form part of Contractor's close-out report to the Company. This report shall be prepared concurrently with the Work, and shall as a minimum address the following:

- How the contractor's HSE programme has functioned (where such a programme has been drawn up);
- Unforeseen problems — how these were overcome and recommended future approaches;
- Underlying causes of Personal Injuries and Work related illness, and how such cases have been followed up;
- Positive HSE aspects which should be considered for future activities;
- Any damage to equipment, and recommendations on avoiding similar damage in future operations;
- Suggested improvements to Work routines.

The current status of the above items shall be discussed with the Company Representative at regular experience transfer meetings.

## ConocoPhillips Norway BU HEALTH, SAFETY & ENVIRONMENTAL POLICY



### POLICY STATEMENT COMMITMENT

ConocoPhillips Norway Business Unit is committed to protecting the health and safety of everybody who plays a part in our operations or lives in the communities in which we operate. Wherever we operate, we will conduct our business with respect and care for both local and global environment and systematically manage risks to drive sustainable business growth.

We will not be satisfied until we succeed in eliminating all injuries, occupational illnesses, unsafe practices and incidents of environmental harm from our activities.

### RESPONSIBILITIES

The President has overall accountability for Health, Safety and Environmental performance in our operations.

All managers and supervisors at ConocoPhillips are responsible and accountable for the Health and Safety of their staff by:

- Ensuring that all applicable Health, Safety & Environmental legislation and codes are adhered to and that appropriate actions are taken to ensure a safe working environment.
- The active participation of all employees in the achievement of Health, Safety & Environmental objectives.
- Conducting all activities in accordance with the requirements of the Health, Safety & Environmental Management system.

Employees are responsible for ensuring they comply with relevant legislation and the Health, Safety and Environmental management system, to ensure prevention of harm to themselves, their colleagues and the environment.

### OUR PLAN

To meet our Policy Statement, ConocoPhillips Norway Business Unit will:

- Demonstrate active Health, Safety and Environmental leadership and communication of this policy.
- Ensure that all employees and contractors understand that working safely is a condition of employment, and that everyone is responsible for their own safety and for minimizing environmental impacts of our operations.
- Provide all the employees and contractors with the responsibility and authority to stop work that they believe to be unsafe.
- Manage all projects and processes through their life cycles in a way that protects Health and Safety and prevents pollution and manages wastes.
- Provide employees, contractors and suppliers with the training, knowledge and resources necessary to achieve our Health, Safety & Environmental commitments.
- Measure, audit and publicly report Health, Safety & Environmental performance and maintain open dialogue with stakeholder groups.
- Comply with laws and regulations and applicable codes.
- Work with the regulator and other stakeholders to continuously improve Health, Safety & Environmental performance.
- Evaluate and control exposure risks in the working environment.
- Communicate our commitment to this policy to our contractors and governments.
- Provide medical services to give advice, support and monitoring on health related matters.
- Include environmental considerations in all our business decisions.
- Investigate and report incidents and accidents with the potential to cause risks to health, safety or environmental damage.
- Require all employees and contractors to attend Health, Safety & Environmental meetings.
- Develop safe systems of work for all potentially hazardous situations, and identify and assess major accident hazards.
- Implement procedures to ensure that operational and technical integrity, which have the potential to cause an HSE impact are properly considered at all stages in the asset life cycle.
- Provide effective emergency response systems allowing onshore and offshore personnel to deal effectively with emergency situations.

Trond-Erik Johansen  
President  
ConocoPhillips Europe

***"Nothing is so urgent or important, that we cannot take time to do it safely and in an environmentally prudent manner"***