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## **Basic HSE requirements on MOL Group sites and premises of MOL member companies**

### **1. General requirements**

Contractor assumes the obligation to fully comply with the relevant HSE regulations (safety, fire, and environment protection, traffic, etc. rules) in effect at the sites, premises and filling stations (hereinafter collectively as: site) of MOL Group member companies (hereinafter as: MOL Group), and the relevant laws and HSE requirements (safety, fire and environment protection, traffic, etc. rules) specified in the inseparable appendices of the effective contracts and individual orders (hereinafter as: contract) in the line-bound facilities.

If the Contractor wants to employ the services of a sub-contractor, then it will assume the obligation that this sub-contractor will fully comply with the HSE regulations in effect in MOL Group's sites, and that the sub-contractor will take over the prescribed HSE regulations. The given sub-contractor will be employed only if it has become aware of and familiar with the relevant HSE regulations and acknowledged them as obligatory rules.

Contractor shall do its best efforts in order that materials and processes applied during its operations, and that health and safety of persons performing work and staying within the impact zone of work health, as well as elements of the natural and built environment cannot be exposed to danger, and no damage can be caused to MOL Group.

Contractor will be entitled to involve sub-contractors into the performance of the ordered work only if reported in advance in writing using the relevant acceptable form, accompanied with detailed justification, and subject to the Ordering Party's written approval.

The contractor will be entitled to involve sub-contractors (performance agents) into the performance of its contractual obligations, but their maximum number can be three for project implementation by MOL Investment or directly by the relevant business, and two for Petrolszolg's implementation.

Contractor shall ensure that the present HSE requirement system is validated throughout the sub-contractors chain. The contractor will be liable for the performance of its sub-contractors just like for its own.

### **2. Pre-work information on HSE requirements**

Contact officers identified in the contract and the order may be contacted in HSE requirements related to the performance of the contract and order, who will offer the opportunity for clarifying the emerging HSE issues raised by the Contractor and/or its sub-contractor (e.g.: site dangers, comments to HSE plan, interpretation of MOL HSE rules, etc.).

### **3. Subjective conditions**

Contractor will be responsible for securing organised and documented training for its employees on rules specified in the present HSE appendix, including the Life-saving rules (see Point 10.), and for claiming its sub-contractors for the same.

The training materials related to Life-saving rules are available at the following link:  
[http://www.mol.hu/hu/belso\\_HSE/eletvedelmi\\_szabalyok/](http://www.mol.hu/hu/belso_HSE/eletvedelmi_szabalyok/)

In sites, offices and stores equipped with electronic entry system, the Contractor employees shall have valid, i.e. valid for the given MOL Group site, entry card. MOL Nyrt. contact officer shall provide the forms required for applying for such entry card and he will also provide information on relevant cost.

#### **4. Objective conditions for work performance**

##### **4.1 Requirements to working and protective clothes and protective equipments**

During its activities the Contractor shall use and wear the protective equipments in conformity with the provisions of the relevant laws and regulations, if sources of danger in place during its activities or its work performance so require.

The Contractor will be responsible for identifying and providing the supplementary protective equipments required for the given activity, including ensuring that they are used. The Ordering Party will be entitled for defining such protective equipments, and also for auditing their regular use.

Information related to entry into the site of work performance and type and protection capacity of the required personal protective equipments can be obtained from the contractual contact officer.

##### **4.2 Compliance of working equipments**

The contractor may bring working equipments, tool and machines to the working area and technology area which are in perfect technical status and is accompanied with the prescribed operation manual, documentation, certificate, compliance document and commissioning document in accordance with its hazard category or control revision prepared in Hungarian language and specified in the relevant legal regulations, and all the required periodical revisions or inspections have been performed on these equipments.

##### **4.3 Requirements for the applied chemical materials**

During operations with dangerous materials and preparations, the Contractor shall keep the safety data sheets of such dangerous materials and preparations at the site of work or within easy reach (e.g. within the site). The Contractor will be entitled to keep dangerous materials and preparations at the working site only in quantities as required for the daily work.

No materials/preparations with damaged or incomplete packaging and/or unidentifiable items will be allowed to bring into the site of the activity, working area, technology area, and these cannot be stored in equipments that are used for food items! No chemical materials and preparations may be released into the environment or drainage system.

##### **4.4 Requirements for vehicles**

Trucks and buses entering into MOL Group sites (except filling stations) shall comply with the requirements specified in Decree 5/1990 (IV.12.) KÖHÉM and 6/1990 (IV.12.) KÖHÉM and ADR.

Further, vehicles entering into a technology area shall have firefighting equipments as it follows:

- for passenger cars at least 1 piece 1 kg charge fire extinguisher;
- for mobile lifting equipments at least 1 piece 2 kg charge fire extinguisher.

For trucks:

- up to 3,5 t permissible gross vehicle weight (GVW): 1 piece of 1 kg charge dry power fire extinguisher
- up to 12 t permissible gross vehicle weight: 1 piece 6 kg charge dry power fire extinguisher,
- up to 12-24 t permissible gross vehicle weight: 1 piece 12 kg charge dry power fire extinguisher,
- higher than 24 t permissible gross vehicle weight: 2 pieces of 12 kg charge dry power fire extinguisher.

For auto buses:

- up to 30 passenger capacity: 1 piece of 3 kg charge dry power fire extinguisher,
- between 31-100 passenger capacity: 1 piece of 6 kg charge dry power fire extinguisher,

- higher than 100 passenger capacity: 1 piece 12 kg charge, or 2 pieces of 6 kg charge dry power fire extinguishers.

## 5. Traffic rules

There are specific and individual traffic rules in effect in every MOL Group site regarding the speed limit. Rules of the Traffic Code will be applied onto traffic within the sites. Driving into operation or technology area will require a permit. The security service is authorised for holding regular speed limit control of vehicles using radar equipments. Drivers who may breach the speed limit may face penalty.

## 6. MOL Group HSE audits and potential consequences

The contractor accepts that during its work performance MOL's representatives may perform on-the-site audits in order to audit the compliance of the work with the relevant regulations and the Contractor's site representative shall cooperate during such audits. These audits are focusing onto ensuring compliance with the requirements specified in the effective and relevant laws and in MOL Group HSE regulations.

The contractor accepts that MOL Group will be entitled to impose the following sanctions for events of non-compliance identified and documented during the on-the-site audits, subject to the weight of the given event of non-compliance:

- to call upon for supplementing the missing document, etc. (immediately, or by a deadline)
- to order to hold extraordinary HSE training
- to cancel / withdraw the permit to work
- to impose a HSE penalty
- to ban the contractor's employee(s) from entry into MOL Group site for a definite period
- to terminate the contract with immediate effect.

The Contractor accepts that MOL Group may impose HSE penalties described in Attachment 1. onto the Contractor for event of non-compliance identified during the on-the-site audits.

## 7. Reporting HSE events and potential consequences

The Contractor shall immediately report to the site manager (operator) and the Ordering Party's representative any fire, near miss, environment pollution, technical incident and traffic accident that occurred at the working area, or during the work performed by its own or its sub-contractor's work, which shall be confirmed within 24 hours also in writing. If such reporting is missed the Ordering Party will be entitled to terminate the contract with immediate effect.

The Contractor shall supply every data and detail to the Ordering Party's and the Operator's representative in order that thus it can enable the preparation of every report and document for the Ordering Party. The Contractor shall involve the Ordering Party's representative into the investigation, and provide him a copy of the investigation protocol.

If any of the Contractor's or its sub-contractor's employees causes an accident, fire, explosion or pollution to the environment at a MOL Group's site, then the Contractor shall directly pay in addition to the compensation for direct damages also any and all consequential cost arising from or related to the intervention, remediation, recultivation and firefighting on behalf of MOL Nyrt. or its fire brigade (firefighting materials, required technical and human resources, etc.).

## **8. Actions in case of emergency**

The contractor shall get acquainted with the rules of the alarm system in effect in the site, the method of alarm, assembly and lock-up places, emergency phone numbers, and the expected rule of conduct.

## **9. Waste management, materials storage and housekeeping**

The contractor shall collect all wastes generated or produced during its activity and in its ownership (e.g. paint boxes, aerosol cylinders, other packaging materials, communal wastes) at the working site in an environmentally-friendly manner and equipped with all the relevant labels or signage, and transport such waste from the site at the conclusion of the daily work or time-to-time as required.

The contractor shall continuously ensure the proper housekeeping in the working area during the work performance, and to maintain perfect physical order and status of the working area throughout the entire work process in respect of safety, environmental and fire protection, with consideration to the regulations applicable onto treatment, storage and registration of wastes.

## **10. Additional life-saving rules**

Life-saving Rules shall be applied in every operation in MOL Group and/or the corporate management. Every person who stays in a MOL Group's site in Hungary shall comply with the requirements described in the Life-saving Rules.

- Smoking is allowed only in designated areas!
- Prior to starting any work check whether energy sources are isolated or switched off!
- Apply for permit to work and comply with its rules!
- Use the prescribed safety or life-saving equipments!
- Hold an air space test or analysis if and when required!
- Do NOT work in trenches without proper protection (grading, supported)!
- Do not remove the safety signals or markings and do not de-activate or overrule the safety-critical equipments!
- Do not violate the rules for safe elevation or lifting!
- Do NOT drink alcohol or take drugs prior to and during work!
- Comply with the safety rules and intervene when and if required!

Schedule 1.

**Sanctions imposed by the ordering party due to deficiencies and violation of rules identified during on-the-site HSE audits and provisions for their application**

1. The ordering party's representative(s) will be entitled to hold at any time an audit checking compliance with the relevant HSE regulations in accordance with the provisions of the relevant contract in the sites, premises (hereinafter collectively referred to as: site) of MOL.
2. The ordering party will record the findings and conclusions made by its representative(s) during such audit(s) into a protocol, and the contractor on-the-site work supervisor, or other representative/agent acting as authorised representative will sign this document.
3. The contractor will mean a partner contracted with the ordering party, and this partner will be liable and responsible for its involved sub-contractor as for himself. The contractor will be liable and responsible for violation of rule committed by the sub-contractor and its consequence towards the ordering party.
4. If the ordering party's representative finds or concludes during the audit that the contractor violated the HSE regulations during its performance or work, then this party may impose a penalty based on the records in the protocol(s) or apply "Other actions/consequences" as specified under Point 11.  
The contractor further agrees to perform and follow the actions identified in the state of affairs enlisted under the following Point 11., in conformity with the ordering party's instructions.

Payment of penalty(ies) described under Point 11. will not release the contractor from other consequences specified for the breach of contract, and/or from more serious legal consequences specified in the relevant laws and regulations.

5. If the ordering party can during the performance of the contract or individual work order (hereinafter as: the contract) identify several times the state of affairs as the basis for imposing the penalty in the on-the-site audit, the penalty may be imposed also several times under the said state of affairs.
6. In case several deficiencies (state of affairs for penalty) emerge simultaneously, the penalty may be imposed individually or in combination after each state of affairs.
7. The ordering party will summarise the content of the on-the-site audit protocols establishing the state of affairs, as the basis for imposing the penalty within 45 days following the occurrence of the condition (successful technical hand-over/take-over, or other condition specified in the contract) defined for the performance of the contract as the latest, or at the same time will take action for imposing the penalty. On-the-site audit protocol(s) and protocol drawn up by the ordering party showing the amount of the penalty and other relevant data (violation of rule, etc.) shall form appendices of the notice of such penalty.
8. Employees will mean the employees of the contractor and also the sub-contractor, in harmony with Point 6. above.
9. Definitions related to the state of affairs shall be always interpreted in accordance with the relevant provisions of the then effective HSE laws and regulations (health protection, safety technology, safety, environmental protection) and the contract.
10. Expulsion will mean the immediate cancellation (withdrawal) of permits to work by the ordering party, and the suspension of the given work process/operation. In case of imposing a ban from entry into a MOL site, the given employees cannot be given a valid entry pass into the relevant MOL area during the term of such ban.
11. Presentation of penalty-bound state of affairs, sanctions and actions if such a state of affairs is detected or identified:

Sr. nr.	Scope of the audit, conclusions/findings	Penalty amount (HUF)	Penalty amount (EUR)	Other action/consequence
<b>1.</b>	<b>Smoking, using ignition source in prohibited area</b>			
1.1	Smoking in area not designated for smoking irrespective of fire hazard category)	100 000 /head	330 /head	to ban the person's entry into MOL site for one (1) year
<b>2.</b>	<b>Working without permit to work</b>			
2.1	Missing and/or invalid „general work permit” for the given work or activity	200 000	660	Immediate expulsion and to ban the supervisor's entry into MOL site for one (1) year
2.2	Missing and/or invalid „hot work permit” for the given work or activity	200 000	660	Immediate expulsion and to ban the supervisor's entry into MOL site for one (1) year
2.3	Missing and/or invalid „confined space work permit” for the given work or activity	200 000	660	Immediate expulsion and to ban the supervisor's entry into MOL site for one (1) year
2.4	Missing and/or invalid „vehicle entry permit” for the given work or activity	50 000 /vehicle	165 /vehicle	To remove the vehicle from the area or site
<b>3.</b>	<b>Violation of rules relevant to isolation of dangerous materials/energy</b>			
3.1	Failure in isolation of dangerous material and energy specified in the permit to work (if it is the contractor's responsibility)	200 000	660	Immediate expulsion and to <u>ban the supervisor's entry into MOL site for one (1) year</u>
<b>4.</b>	<b>Not using/wearing the prescribed life-saving protective equipments</b>			
4.1	The respiratory equipment (except face mask) prescribed in the permit to work or laws or regulations is not used and/or its protection capacity cannot be identified and/or it is inadequate.	100 000 /head	330 /head	If it was available but the employee did not use it, then <u>to ban the employee's entry into MOL site for one (1) year</u>  If it was not available, then <u>to ban the supervisor's entry into MOL site for one (1) year</u>
4.2	Anti-fall body harness prescribed in the permit to work or laws or regulations is not used and/or the device is not properly fixed to the fastening point (simple waist belt, or rescue belt will not be acceptable), and/or the body harness is in unacceptable status and/or its inspection was not performed.	100 000 /head	330 /head	If it was available but the employee did not use it, then <u>to ban the employee's entry into MOL site for one (1) year</u>  If it was not available, then <u>to ban the supervisor's entry into MOL site for one (1) year</u>

<b>5.</b>	<b>Failure in performing the prescribed gas concentration test(s)</b>			
5.1	The personal gas concentration measuring equipment prescribed in the permit to work and calibrated in document is not used (including also the use of technically default or deficient or switched-off equipment)	200 000	660	If it was available but the employee did not use it, then <u>to ban the employee's entry into MOL site for one (1) year</u>  If it was not available, then <u>to ban the supervisor's entry into MOL site for one (1) year</u>
<b>6.</b>	<b>Protection against collapse is missing</b>			
6.1	Protection of the working trench against collapse with slope or ramp or timbering, sheeting is missing or inadequate, material is stored on the rupture plane, ascending and escape is not secured (the HSE plan shall prescribe the method of protection against collapse).	200 000 /entering person	660 /entering person	Immediate expulsion and <u>to ban the supervisor's entry into MOL site for one (1) year</u>
<b>7.</b>	<b>Safety equipments are removed or missing</b>			
7.1	Equipments and signals that have material impact onto safety are removed or they are off-compliance.	200 000	660	Immediate expulsion and <u>to ban the supervisor's entry into MOL site for one (1) year</u>
<b>8.</b>	<b>Violation of regulations relevant to lifting operations</b>			
8.1	There is a person under the load in the air.	200 000 /head	660 /head	Immediate expulsion and <u>to ban the employee's entry into MOL site for one (1) year</u>
8.2	No action was taken to prevent accidental start of working machine or vehicle (e.g. ignition key remained in place while its operator is not in the direct vicinity of the machine).	100 000	330	To immediately remove the key from the machine and give back only after recording into protocol  To eliminate deficiency
8.3	Driver left the vehicle with running motor.	100 000	330	
8.4	Manual control and positioning of the load is not performed in compliance with the effective regulations during a lifting operation with machine.	100 000	330	To eliminate deficiency, expulsion in case of repeated deficiency
8.5	The logbook of the lifting machine is not on site and/or it is not continuously kept	100 000	330	Correction, and expulsion in case of repeated deficiency
<b>9.</b>	<b>Proven consumption of alcohol or drug</b>			
9.1	Consumption of alcohol or drug proven by an audit or investigation performed by MOL Corporate Security	200 000 /head	660 /head	to ban the person's entry into MOL site for one (1) year

<b>10.</b>	<b>The required documents are missing</b>			
10.1	There is a sub-contractor's employee at the working area who is not reported in the contract.	500 000 /sub-contractor	1670 /sub-contractor	Sub-contractor's immediate expulsion from the working area
10.2	Older than 1-year basic and site-specific HSE training and/or missing or invalid HSE booklet (where this booklet is an obligatory item)	50 000 /head	165 /head	Expulsion until make-up work
10.3	The written appointment (or its copy) approved by the employer (company) for the permitted work is not available at the site or it is not valid	100 000	330	Make-up work, and expulsion in case of repeated deficiency
10.4	Personal qualifications required for the work are missing (certificates, special exams, e.g. fire protection, mining safety)	100 000 /head	330 /head	To suspend/stop the work of the given person until make-up work, expulsion if repeated
10.5	Updated list of equipments and machines on-site is missing	50 000	165	Make-up or correction
10.6	Equipments and machines on-site cannot be identified with those recorded in the equipment list (no marking, or it is worn-out, etc.).	25 000 /equipment		Make-up or correction
<b>11.</b>	<b>Conditions specified in the relevant permit to work are not fulfilled</b>			
11.1	Conditions specified in the relevant permit to work (other not shown in the present list) are not fulfilled.	25 000 /rule	85 /rule	Until make-up to suspend work performance
<b>12.</b>	<b>Escape routes are not secured</b>			
12.1	Traffic roads, passageways, escape routes, emergency exits are blocked due to reasons attributable to the contractor.	100 000	330	Make-up or correction, and expulsion in case of repeated deficiency
<b>13.</b>	<b>Unacceptable housekeeping and behaviour</b>			
13.1	Materials delivered by the contractor to the working area or produced during the work or de-commissioned materials are not stored in the designated area.  Dangerous and not dangerous wastes are not collected and transported as prescribed in laws and regulations, if the contractor is responsible for the transportation.	50 000	165	Make-up or correction, and expulsion in case of repeated deficiency
13.2	There are unsafe protruding nails and sharp objects in the working area due to reasons attributable to the contractor.	50 000	165	Make-up or correction, and expulsion in case of repeated deficiency



13.3	There are pipelines and hoses across on passageways, traffic roads without mechanical protection and/or the mechanical protection may cause slipping.  Electric cables as overhead wires are not fastened at multiple points as required.	50 000	165	Make-up or correction, and expulsion in case of repeated deficiency
13.4	Negligent or careless behaviour that may expose hazard onto the worker and others in the vicinity of work.	100 000	330	
13.5	Exceeding speed limits defined for the site	100 000 /vehicle	330 /vehicle	In case of repeated event to ban the <u>employee (driver)</u> from entry into MOL sites for <u>1 year</u>
13.6	Failure to report HSE events during work	100 000 /incident	330 /incident	to ban the person's entry into MOL site for one (1) year
<b>14.</b>	<b>Work supervisor is not properly appointed and cannot be appropriately identified</b>			
14.1	The on-the-site work supervisor was not shown on the „Appointment” or the permit to work or he is not present in the site or he did not appoint his substitute.	50 000	165	Make-up or correction, and expulsion in case of repeated deficiency
<b>15.</b>	<b>Safety Data Sheet is not available</b>			
15.1	The safety data sheet of dangerous materials stored or used on the site is not available on the site.	50 000 /sheet	165 /sheet	Correction or make-up
<b>16.</b>	<b>Storage of dangerous materials is not acceptable</b>			
16.1	The safety data sheet of dangerous materials stored or used on the site is not available on the site.	50 000 /material	165 /material	Correction or make-up
<b>17.</b>	<b>Conditions for providing first aid are not secured</b>			
17.1	The first aid box is incomplete, the bandage validity expired.	50 000	165	Correction or make-up
<b>18.</b>	<b>Firefighting equipments are not properly secured</b>			
18.1	The firefighting equipments are not secured on the working site in the number and type as prescribed in the permit to work	100 000	330	Expulsion until correction / make-up work
18.2	The safe and ready-to-use status of the prescribed firefighting equipments cannot be verified (sub-titles, scripts, seals are missing)	100 000	330	Expulsion until correction / make-up work