

## HSE requirements for contractors performing operator's responsibilities at sites and premises MOL member-companies in Hungary

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## 1. General requirements

The present HSE (Health Protection, Safety Technology and Environment Protection) system forms the appendix for every service procurement agreement and during its performance as the hired contractor will perform its Operator's responsibilities when operating any facility or technology on the sites of **MOL Group member-companies in Hungary** (hereinafter as: **MOL**), (except filling station operators).

The present agreement appendix prescribes standardised requirements for MOL site and technologies operated by external contractors performing Operator's responsibilities (hereinafter as the: **Operators**). During the performance of the service agreement the Operator shall fully comply with the requirements specified in the agreement and its every appendix in addition to the laws in effect. The present rules are applied onto the Operator's employees (hereinafter as the: operating personnel).

Operator is entitled to involve other contractors for the performance of its contractual obligations (sub-contractor). In such case the rules set out in the present appendix will apply onto the sub-contractor.

If the contractor involved into the performance of tasks (e.g.: maintenance) specified in the agreement it carries out any further activity one of the following documents shall be attached to the relevant (sub)contractor agreement as mandatory appendix) (subject to the given activity):

- The fundamental HSE requirements in effect at the premises of MOL Group member-companies in Hungary, if the contractor planned to be involved does not perform any HSE critical activity,
- HSE requirements for the transportation of dangerous goods in effect at the sites or premises of a MOL member-companies in Hungary,
- Extended HSE requirements in effect at the sites or premises of MOL member-companies in Hungary (hereinafter as the: extended HSE appendix) for those who during their work perform HSE critical activity.

The above mentioned documents can be found on the following link: <https://mol.hu/hu/molrol/beszallitoi-kozpont/szerzodesek-EBK-melleklete>. The Operator is responsible for attaching the relevant agreement HSE appendix to its contractor agreement and for ensuring compliance with the rules set out therein.

Operator is obliged to take all actions required for ensuring that materials and processes applied during its activity cannot expose any danger or hazard onto the health and safety of persons who carry out the activity and stay within the impact zone of the work, and cannot cause risk to the natural and man-made environmental elements or damage to MOL.

Operator acknowledges that it is also responsible for full ensuring compliance with the laws and regulations related to the employment of international employees (expatriates). The Ordering Party is entitled but not obliged for auditing whether these laws are indeed followed.

Operator is responsible for ensuring that its employees of foreign citizenship always have the prescribed documents. The Operator is not entitled to hire any employee for the performance

of the agreement if he does not have a valid employment permit. Operator has exclusive and unlimited liability for the legal consequences pursuant to any breach of this obligation and any damage caused thereby to Ordering Party.

## 2. Pre-work HSE requirements

MOL HSE contact officer can be contacted on any issue related to the performance of the service agreement in order that the relevant HSE requirements can be efficiently transferred to the Operator, and such officer will enable the Operator to clarify all emerging HSE-related issues (e.g.: hazards at the site, interpretation of MOL HSE rules etc.) and he will be ready for consultations if required.

### Pre-qualification and pre-audit from HSE aspects

MOL applies a pre-qualification system for selecting the Operator in order that only contractors with satisfactory HSE performance can be hired for work performance.

Thus pre-qualification system has 2 parts:

Pre-qualification from HSE aspects: during the selection process the applicant shall answer two questions regarding his knowledge on the agreement HSE appendix and the eventually held site audit (i.e. that it was satisfactory or not). Answering the questions and returning them to MOL is obligatory. In case of negative answers the contractor's application is disqualified.

Pre-audit from HSE aspects: the pre-audit is held on the Operator's site involving experts (from the company staff or hired third party), and the contractor's HSE performance is assessed using documents and personal experiences gained at the site. If the Operator fails to enable MOL for holding the audit or the Operator fails to successfully pass the audit, then MOL will not conclude the agreement.

MOL does not require the Operator to obtain the SCC certificate.

## 3. Personal conditions

Operator's employees are allowed to enter into any MOL site only after successfully participating in passing of a **HSE training and exam**. MOL HSE training system contains the following elements:

- **HSE training (for newly hired employees):**
  - prior to starting the work the Operator's employees will participate in a personal HSE training covering the relevant safety, fire and environmental protection procedures. Appointed trainees of SD/HSE or FER Kft. deliver the personal training. a MOL contact officer provides the HSE information relevant to the specific area;
  - training is obligatory also for employees returning to work after 6-month approved absence;
  - after each training the participants shall pass an exam.

- **Repeated HSE training:**

- the Operator's staff shall participate in a repeated HSE training at least once per annum that covers also safety, fire and environmental protective procedures and locally-specific HSE information. Specifically appointed MOL experts hold the training for the Operator's appointed trainer, and he is responsible for holding training for the contractor's other employees in a documented manner (through train the trainer type training).;
- an expert holding **high-level fire protective qualification** can hold the fire protective training, who may be a MOL HSE employee or an appointed member of the Operator's staff (with Train the Trainer type training) .;
- after each training the participants shall pass an exam.

- **Extraordinary HSE training:**

The Operator's employees shall participate in the training in the following cases:

- when requirements for safe work that may cause no risk onto health change,
- when a working tool is transformed or new plant, workshop, technology, technology equipment or working tool is commissioned,
- when new technology is introduced,
- prior to treating or using new materials (chemicals, auxiliary materials, HC derivatives),
- related to turnaround of operating technology units,
- after HSE events in the area of MOL Nyrt., MPK, MSC Group related to the activity of the organisation.

The Operator shall hold the extraordinary HSE training for its own employees.

- **Other HSE training:**

- first aid course at the site,
- specific fire protection exam,
- training for permit to work issuing employees.

The Operator shall secure the objective, personal and organisational conditions for first aid delivery at site. In every shift 1-1 head first aid provider employee shall be appointed. The Operator shall ensure that every appointed first aid delivery employee is trained and further trained at least in every 5 years. The list of the appointed first aid providers shall be displayed on the designated first aid point. Expert of Ambulance or Red Cross or an occupational health doctor may also hold the training.

Passing the specific fire protection exam is obligatory for those employees of the Operator who work on the technology area. If no special activity is performed, then a training specified for the given job no. 2. shall be held.

Training for permit to work issuers is required for those employees of the Operator who will issue the permit to work for their sub-contractors. FER Kft. will hold such training against a fee.

The training is valid for 2 years, and then the training shall be repeated in order that the right to issue permit to work can be extended.

Operator's employees shall have valid **entry pass** for the relevant MOL sites (except work performed at filling stations or off-site, e.g. on pipeline etc., or where MOL did not install the card entry system). Such cards can be applied for from the locally competent Corporate Security. The pre-condition for issuing the entry pass is the successfully passed HSE training and exam for newly hired employees.

More detailed rules in effect of certain MOL sites for issuing entry pass (including also the exact cost) can be found on the following website <http://www.mol.hu/hu/molrol/beszallitoi-kozpont/>.

The Operator shall continuously check whether its employees report and work in appropriate status (i.e. free of effects of medicine, alcohol and drug).

Operator shall cooperate during the HSE audits held by MOL.

Work can be performed at MOL sites only by employee who:

- is above 18-year of age (if they work on the technology area);
- his work will have no negative or harmful effects onto his health and physical integrity;
- will cause no risk onto other people's health and integrity;
- is in able to work mentally and physically;
- he participated in the fitness for work medical test for the given activity, and was found as fit for work;
- he acquired and will through the employment remain fully aware of theoretic and practical information related to safe and healthy work, the relevant rules, regulations, procedures and information;
- he has the qualification and practice required for the given activity as prescribed by laws (e.g.: special fire protection exam, load binding, machine operator, boiler technician, etc.), including the relevant job description.

Full-time students learning in ordinary education institution and delegated on practical training cannot be instructed for independent work and employees on induction time cannot be instructed work exposed to enhanced hazard.

## **4. Objective conditions for work and general rules related to work performance**

### **4.1 Risk assessment**

Every danger, hazard and risk eventually arising from the Operator's operation shall be identified, assessed and controlled prior to starting the work, and these shall be regularly revised in order to prevent the occurrence of unexpected events or to reasonably minimise the effects and consequences of the events occurred.

Operator is responsible for preparing the risk assessment in conformity with the relevant laws, and MOL HSE contact officer is authorised to check the relevant documents.

## **4.2 Requirements for protective clothes and protective equipment**

Operator shall provide protective clothes, boots/shoes and other protective equipment and specific protective equipment designed the dangers arising from the Operator's activity and in compliance with the dangers arising from the relevant work processes and work conditions for all its employees and for the relevant work processes, as well as demand their proper use and wear. In case of agreement to be implemented in sites or facilities that have difference hazard categories, the requirements set out for clothes for the area or facility with the strictest protection category will apply.

Wearing / using the following basic protective equipment is obligatory on **technology areas** irrespective of the given activity:

- safety helmet (MSZ EN 397:2012, 2. protection category) and, if required, with safety mask (chemical and/or mechanical protection),
- eye protection: minimum safety glasses against flying particles (MSZ EN 166, 1 optical class F. protection category),
- safety boots, only boots with oil-resistant sole, hard toe cap, antistatic version, (MSZ EN ISO 20345:2012, S1 protection category a). ordinary shoes will be strictly forbidden,
- full-body closed protective clothes, antistatic, anti-flame or flameproof, depending on the place of work (MSZ EN 340:2004, MSZ EN ISO 11612:2009, MSZ EN 1149-5:2008. protection category).

Operator is responsible for defining the other protective equipment related to the activity or source of danger keeping the risks arising in the place of work in consideration:

- earplug or earmuff with the relevant noise control,
- safety gloves (in line with the danger),
- respiratory protection apparatus (filter-type or life support system – LSS, with compressed air or over-pressure),
- anti-fall devices; safety harness and anchoring rope (work belt is NOT acceptable!).

Operator is responsible for defining and providing the supplementary protective equipment required for the activity and based on risk assessment and for checking their use

Operator shall continuously ensure compliance of the above protective equipment and their proper protective status, and have them repaired or replaced in case of damage. Protective capacity of protective equipment shall be identifiable at the place of work.

### **Failure in wearing any prescribed life-saving protective equipment like:**

- any respiratory protective device except the simple dust mask (particle filter)
- any anti-fall device

will form a material breach of regulation.

## **4.3 Compliance of working tools**

Operator is allowed to bring into the place of work or technology area working tools, machines and equipment that have perfect technical status, operation documentation, certificate, compliance certificate, commissioning in Hungarian language and in conformity with its danger or control inspection as prescribed by laws, and all the required periodical revisions.

Documents verifying the inspections specified by Article 3 of Decree 5/1993. (XII. 26.) MmM for dangerous working tool and by Decree 10/2016 (IV. 5.) NGM for non-dangerous working tool shall be presented for MOL audit.

Regarding working tools used for work and subject to periodical revision the Operator shall verify that the last periodical revision has been performed using an easily visible signal displayed on the working tool or other document (e.g.: lifting machine journal, periodical revision protocols, etc.). Every working tool and device subject to revision shall be equipped with an individual identifier (ex-factory or inventory number) for better identification.

#### **4.4 Requirements related to the applied chemical compounds**

Operator shall when selecting dangerous materials and preparations required for its activity consider the dangers of the applied materials / preparations, hazards present on the place of activity, place of work, technology areas and their mutual effects.

When working with dangerous materials and preparations the Operator shall keep the safety data sheets of the used dangerous materials and preparations on the place of work or within easy reach (e.g. within the site).

No materials and preparations with incomplete or damaged labels and/or package and/or if not identifiable is allowed to bring into the place of activity, place of work, technology areas will be strictly forbidden.

If a dangerous material would otherwise than under ordinary operation (e.g.: in quantity, type, quality) expose load onto MOL's or third party's environment, surface or underground waters, drainage network or airspace, the Operator shall inform the representative of the operator of the area prior to starting the work. Any activity can begin only with the prior permit of the Ordering Party's representative.

#### **4.5 Requirements for vehicles**

Vehicles and working machines entering into technology areas shall have;

##### For trucks:

- 1 unit 1 kg charge dry powder fire extinguisher up to 3,5 t permitted gross weight
- 1 unit 6 kg charge dry powder fire extinguisher up to 12 t permitted gross weight,
- 1 unit 12 kg charge dry powder fire extinguisher up to 12-24 t permitted gross weight,
- 2 units 12 kg charge dry powder fire extinguisher for trucks up to 24 t permitted gross weight

##### For autobuses:

- 1 unit 3 kg charge dry powder fire extinguisher up to 30 passenger capacity,
- 1 unit 6 kg charge dry powder fire extinguisher up to 31-100 passenger capacity,
- 1 unit 12 kg or 2 units 6 kg charge dry powder fire extinguisher up to 100 s passenger capacity,

For passenger cars at least 1 unit 1 kg charge dry powder fire extinguisher,

For mobile lifting machines at least 1 unit 2 kg charge dry powder fire extinguisher.

#### **4.6 Provision of protective equipment**

The Operator shall have gas concentration measuring instrument in the required number. Only employees who are qualified for using this instrument and appointed by the company can operate the unit. If work is performed on systems or technologies that contain flammable, harmful or toxic fluids, vapours or gases (dangerous work area) and their escape cannot be excluded for sure, then the relevant parameter shall be always measured before and during the full period of work.

Any person may stay on dangerous work area (which is clearly marked at every MOL site) – irrespective of the given activity – only with a portable air analyse unit in a status as described above (its detection zone is within the circle of 5 meter radius, i.e. one instrument is sufficient for all persons staying within this radius, but in case of intensive airflow the reduced or shifted detection zone shall be considered, and the number of the required instruments shall be determined accordingly), where these conditions are already secured (i.e. the number of instruments is sufficient) as of January 1, 2018 as the latest.

Exceptions from the above rule are:

- railway activity including only the movement of railway carriages,
- drivers of road tanker trucks arriving for loading-downloading if there is a gas concentration measuring system installed at the loading site and it is in operation.

Operator shall hold the document of the periodical operation test verifying the periodical test of the instrument and prescribed by the relevant standard. Operator is responsible for holding daily „bump tests” required for the work performance. MOL provides free-of-charge the supplementary tools and conditions required for activity the gas concentration measuring instrument and its operation in the required number.

Continuous gas concentration measurements may be also performed regularly using personal gas concentration measuring instruments or units that can be used for area monitoring process. The instruments shall be able to give a light and sound signal reaching the pre-set values warning for the danger. The measuring instrument shall be a calibrated and explosion-proof version. Its Ex protective mode shall comply with the zone category of the work area (minimum Zone 1 version) it shall belong into the relevant gas sub-category and the relevant temperature category (T1-T6). MOL is responsible for providing the appropriate concentration measuring instruments.

In work places exposed to danger of falling in or down or falling objects may cause danger to people staying within the impact zone of work, the employees shall be protected by providing collective protection, fence, cover or using other relevant methods as well as with personal protection.

MOL Nyrt. Will under contractual terms provide fire extinguishers in number specified by MOL and owned by FER. FER Kft. is responsible for securing full availability and operability of the fire extinguishers. The Operator is responsible for ensuring the availability of the fire extinguishers at the place of work, holding the regular quarterly inspection, if the scope of effect of the MOL – FER agreement in this respect does not cover the given area.



#### **4.7 Provision of social and first aid tools**

During its work performed at MOL sites or facilities Operator shall ensure the minimum level of safety requirements at the place of work prescribed by Decree „**3/2002 (II. 8.) SzCsM-EüM.**

Operator shall supply drinking water, protective drinks and materials as required for the type of work and the actual weather, and cleaning/washing and hygienic conditions as required by the type of the given activity and work.

Operator will provide the objective, personal and organisational conditions for first aid as required by the type of work, location, sources of danger and the number of employees at the place of work.

When containers are installed, the relevant rules specified in the appendix of the agreement titled “Extended HSE requirements at the sites / premises of MOL member-companies in Hungary shall be followed.

#### **4.8 4.8 Smoking regulations, drugs, medicines, alcohol**

Smoking is allowed only in areas designated by the Operator and marked with standard warning signs, and in open-air smoking containers approved by the Operator.

Smoking area cannot be designated within buildings in order to protect the health of non-smoking employees!

No smoking area is required if the Operator has reached an agreement with minimum 50% of the employees that the place of work can be qualified as a non-smoking workplace. If the given site is qualified as a non-smoking workplace, then the relevant notice shall be displayed in an easy-to-see manner.

Work under the effect of medicines, drugs and alcohol is strictly forbidden. If any employee consumed such material beyond working time but to the extent that the effect can be proven during the working time (zero tolerance), then the given employee shall be immediately suspended from work and this is the responsibility and obligation of the Operator.

The following persons are authorised for holding alcohol test:

- representatives of the Security Service (this shall be specified also in the service agreement),
- competent SD and HSE expert,
- head of the operator company and the person appointed by him,
- persons authorised by other laws or regulations.

The tests shall be held using instruments that are officially recognised, regularly applied suitable instruments (sound, instrument, etc.) in conformity with their operation manual and in the presence of witnesses.

If the random test confirms the effect of alcohol, the relevant employee shall be immediately suspended from work.

The test shall be documented or if it confirms the consumption of alcohol, a protocol shall be also taken. Consumption of alcohol shall be also recorded even if the employee acknowledges it without the test and voluntarily leaves the place of work.

One copy of the alcohol test protocol shall be given to the employee.

Employees shall cooperate in such test. If the employee rejects the test, thus he breached his obligations under the employment, and this will have the same consequences as in case of alcohol consumption.

#### **4.9 Traffic rules**

At MOL sites there is a speed limit – it may vary site-by-site. The security service may check the speed using radar units and impose sanctions against drivers exceeding the speed limit. Traffic rules (KRESZ) are applied within and beyond the sites and line-bound workplaces.

Detailed traffic rules can be found for each site at the following link:

<http://www.mol.hu/hu/molrol/beszallitoi-kozpont/szerzodesek-HSE-melleklete>.

#### **4.10 Rules for working alone**

Working alone is strictly forbidden for the following activities:

- HSE critical activities,
- work next to or under current (electric switchboard, etc.),
- shunting yard of railway carriages (railway-related activities),
- when the employee might be subject to violent acts or aggression,
- if the employee participates in training in ordinary education system or in traineeship,
- if the employee is engaged in a work subject to enhanced danger under his incubation period.

Operator shall check that the available headcount is sufficient for performing the work.

At each site of MOL Nyrt., MPK and MSC Group one-man workplace exposed to **dangerous work conditions** can be established and only if the each of following risk-mitigating factors is fully secured:

- telecommunication connections (line-bound or mobile telephone or USW radio),
- regular contact or with frequency prescribed in the relevant procedures of the given unit or unless otherwise provided, at least twice per shift (e.g. with the dispatcher service or neighbouring plant/shopfloor/workplace).

Risks arising from such one-man workplace shall be assessed in the workplace risk assessment, and if such risks justify, risk mitigation actions shall be also determined.

Only employee with relevant practice and experience may perform work alone, who has the exams prescribed for his work or job (e.g. special fire protection exam, technical safety exam). The employee shall be familiar with the safety equipment installed at the given workplace and their use.

Only persons having the following capabilities may be appointed for work alone:

- awareness of the relevant activities, sources of danger, and documented participation in the relevant training;
- can efficiently take action in case, knows the emergency process (emergency phone numbers);
- if required, can shut down equipment, machines and disconnect power supply in the place/area;
- can use fire extinguisher and start fire-fighting if required.

The employee shall keep a shift journal and record any irregular or extraordinary event detected during the shift.

He shall promptly report every extraordinary event or if he feels unwell.

If the employee enters any technology area where there is no mobile phone contact, he shall always report to the manager of the workplace or his colleague at the central site the following: the area, the purpose of entry, expected duration, and after return he shall again report. If the expected duration has elapsed and the employee has not reported, a prompt search shall be launched.

One-man workplace cannot be established (even temporarily) if the above conditions are not secure.

#### **4.11 STOP card**

Every person is entitled and obliged at MOL operation area to report unsafe conditions and stop unsafe work. The purpose of the „Stop card” is to provide a tool for employees that enable them to report unsafe conditions in paper format (the forms are filled in and dropped into the drop boxes). MOL HSE contact officer will secure the cards and the drop boxes. MOL HSE is responsible for collecting and processing the cards.

## **5. Permit to work process**

### **5.1 Defining works into risk category**

Risk category of activities shall be defined in accordance with the extended HSE appendix.

### **5.2 Issuing permit to work**

The Operator may hire a contractor for maintenance activities, but compliance with HSE requirements prescribed by MOL is obligatory also during such works. Operator will appoint its employees in writing for issuing permit to work in MOL's name for the contractor hired for maintenance activity (in accordance with provisions of the relevant agreement) in conformity with the rules and conditions specified in the extended HSE appendix.

If the contractor performs work qualified as in medium or high risk category, then each phase of such work requires a permit to work. This permit can be issued by the Operator's employee who participated in training for permit to work issuers and successfully passed the exam organised by FER and has a special fire protection exam.

The following parameters might need to be measured/tested prior to issuing the permit to work and continuously during the work:

- harmful and/or toxic vapours/gases;

- combustible vapours/gases (ARH);
- work in confined space and hot work (O<sub>2</sub>).

The issuer of the permit to work decides whether the above parameters shall be measured or not

In case of low risk works the permit issuer decides in his own discretion – if no law requires permit for the work – whether a permit to work is required or a verbal permit is acceptable. When verbal permit or permit to work is issued the appointment document or delivery note issued by the employer or the ordering party will be a pre-condition for issuing the permit.

Further, the permit issuer may decide not to issue a written permit to work for the following non-HSE critical activities even if the work is performed on a dangerous work area:

- loading, transportation and downloading of dangerous and non-dangerous basic and auxiliary materials, wastes and products using motoric vehicles as activity performed pursuant to job description or the contractor's instruction, if it requires no HSE-critical activity or emission of harmful materials or energy;
- activities performed by MOL's operators and supporting units in accordance with the job description of the work performer and no law requires permit for the work;
- area visit, audit (visual or with instruments), if it requires no HSE critical activity or emission of harmful materials or energy emission, etc;
- ordinary hydrocarbon loading-downloading operations,
- using weak current devices causing no spark (the user of the device shall have a personal gas concentration measuring instrument), like e.g.: mobile telephone, photo camera, vibration measuring instrument, rpm meter, infra camera, no-touch thermometer, etc.

Only those contractor's employee may receive permit to work (for general, hot or confined space work) who can comply with the requirements specified in the Extended HSE appendix and during its activity can meet these requirements. The Operator is responsible for ensuring compliance with the requirements defined in the Extended HSE appendix.

MOL defines the formal requirements for the permit to work, and MOL will also provide the so-called „block-type“ permit to work for the Operator that can be applied for form the MOL contact officer.

When permit to work is issued the documentation obligation as set out by MOL internal regulations shall be checked:

- for HSE critical works JSA (job safety analysis) shall be prepared as the pre-condition for issuing the permit to work.
- for complex works (as defined in the Extended HSE appendix) a HSE plan shall be prepared.
- Prior to actually starting every work the workers shall fill in the LMRA (last minute risk assessment) on the signed permit to work.

For prompt disaster recovery related to emergency no written permit to work is required, when the time spent for issuing the permit would only have negative effects onto the seriousness of

the emergency. This activity can be performed only by units specifically established for such operations or employees specifically appointed for reacting upon events of emergency and have proper qualification, appropriate tools and experiences!

If any activity described above is performed without permit to work under the issuer's decision, entry into and exit from the site and starting work performance shall be reported to the site manager in a documented manner as prescribed in the local regulation (e.g. entry-exit logbook), and the work can begin only with his permit.

**If a work obliged for permit to work is performed without the relevant permit, then the activity shall be immediately stopped and the required sanctions shall be applied in accordance with the Extended HSE appendix.**

The appendix agreement titled "Extended HSE requirements contains the detailed rules and conditions for each activity performed on the sites and premises of MOL member-companies in Hungary" (<https://mol.hu/hu/molrol/beszallitoi-kozpont/szerzodesek-HSE-melleklete>), and the Operator is responsible for and obliged to ensure that its contractors comply with these regulations.

Laws will require that the Operator shall issue will require the permit to work for its own employees in two cases:

- hot works,
- work in confined place.

In the above two cases the Operator's employees are allowed to perform the work only if the permit to work has been issued.

Personal conditions for issuing the permit to work:

- holding relevant local knowledge, professional practice and special training for issuing permit to work (organised by FER Tűzoltóság Kft) not longer than 2 years
- valid special fire protective exam, and
- employees authorised in writing by the manager exercising the employer's rights.

## 6. Licenses/permits for the activity

MOL provides the licenses/permits (already existing, valid) (e.g. catastrophe prevention, environment protective permits, etc.), and MOL will provide the Operator with their contents. The Operator shall become familiar and comply with the rules. The Operator will comply with and apply the provisions of the Safety Management System (BIR) operated by MOL. MOL HSE contact officer will deliver the catastrophe prevention permit and the relevant BIR documents to the Operator.

MOL contact officer will be entitled to check compliance of the conditions defined in the permits.

## 7. MOL HSE audits and their potential consequences

MOL representatives (e.g. MOL HSE contact officer, MOL contact officer) are entitled to hold site audits on the operation area in order to audit compliance with safety regulations. These audits will cover the performance of requirements specified in the effective and relevant laws and internal regulations.

A written memo (in case of deficiency, a protocol) will be prepared on every HSE audit held on the site and the person holding the audit and the manager of the audited unit (if there is no such manager, then an employee) will authenticate its content by its signature.

The audit protocol form is available on the link: <https://mol.hu/hu/molrol/beszallitoi-kozpont/HSE-melleklet-sablonok> , and the Operator can apply for „Audit protocol” block from MOL contact officer.

The Operator accepts that MOL may impose the following sanctions for breach of regulations identified and documented in the site audits subject to their weight:

- Call for supply deficiencies (promptly or by deadline)
- Suspension of the given activity
- Ordering a repeated HSE training
- Applying a HSE penalty
- Prohibition of the Contractor’s employees from MOL Group sites for a definite period
- Termination of the agreement with immediate effect.

The Operator accepts that MOL will charge HSE penalties specified in Schedule 1 upon the Operator for the breach of regulation identified by MOL in site audits.

The Operator is responsible for breach of agreement committed by its hired contractors as for its own!

## 8. Causing, reporting of HSE events and potential consequences

The Operator shall report every event that occurred in its area of operation which involved

- personal injury,
- occurrence of fire or smoke,
- technical incident causing material damage or breakdown of equipment,
- pollution to the environment,
- traffic accident,
- near-miss.

The Operator shall report the event related to its own employees or persons who stay on the area (e.g. contractors, visitors) to MOL contact officer and MOL HSE contact officer. Verbal report shall be confirmed also in writing within 24 hours with the following data content:

- date/time of the event;
- location of the event (company/identifiable spot);
- type of event (true event/near miss);
- type of event (process accident or personal injury, material damage, road accident, occupational disease, effluent into the environment, fire/explosion, road incident);

- connected to work or not;
- affected party (own employee, supplied/sub-contractor, third party);
- brief description of the event;
- data of the reporting person.

The site shall be left (if possible) intact after reporting the event until MOL contact officer or his appointed deputy arrives in order to help the investigation. MOL employees are entitled to take photographs in the site and conditions of the event.

The Operator shall order the immediate investigation of key causes leading to of event and document them in accordance with the relevant laws, and shall report the reportable personal injury.

The Operator shall involve MOL appointed representative into the event investigation through consultation, and provide him with the copy of the investigation protocol.

The Operator shall reimburse the cost arising from damages or losses caused to equipment or assets located in MOL areas – buildings, technology equipment, vehicles, roads, barriers of the entry system, other engineering objects, etc. – caused by itself or its sub-contractors directly through prompt invoicing and the protocol taken at the occurrence. The Operator shall report the damage and acts against property to the local security service.

## 9. Preparations for emergency

If and when they are available, MOL HSE Contact officer will provide the content of the following documents to the Operator:

- Internal Protective Plan
- Material Damage Recovery Plan
- Fire Alarm Plan
- Plant Disaster Recovery Plan.

If the above plans are not available, but they shall be prepared as a legal obligation, then the Operator is responsible for preparing the plans, taken also the existing plans into account.

The Operator shall cooperate with MOL and the rescue organisations during the emergency drills and in the prevention and recovery of the occurred emergency events and taking the required actions in accordance with the relevant internal regulations.

The Operator will understand, coordinate the actions elaborated by MOL in its prevention, protection and recovery plans allocated onto the Operator and organise relevant drills for its employees. The Operator will perform its activity in the emergency recovery process under the supervision of the safety manager and act in conformance with his instructions.



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

If the waste emerging due to the Operator's activity is owned by MOL, then the Operator shall collect this waste separately until its transportation. The waste collected in a separated manner cannot be mixed up with other wastes or materials with different parameters.

The Operator shall continuously ensure the housekeeping on the work area and physical order during the work process, as well as shall keep the work area in perfect status regarding safety and fire protection throughout the work and following also the regulations on waste management and storage.

The Operator shall collect the waste produced during its own activity as its property at the site of the activity in an environmentally-friendly manner and collect the waste with the prescribed labels and regularly remove it from the site.

The Operator shall comply with the rules of waste management in effect on the site as presented by the MOL HSE contact officer.



## 11. HSE Sanctions (penalties) imposed by the Ordering Party due to inefficiencies and shortcomings and breach of regulations identified during site audits for compliance with HSE rules and rules of applying such sanctions

- 1.) The Ordering Party's representative(s) is entitled to audit compliance with the HSE regulations at any time and in conformity with the provisions of the agreement during the performance on the sites and premises (hereinafter collectively as the: site) of MOL Group member-companies in Hungary (hereinafter as: MOL).
- 2.) Findings taken at audits held by the Ordering Party representative(s) will be recorded into a protocol, and it will be signed by the supervisor of the Operator at the site or its other representative/appointed employee authorised for signature.
- 4.) If during the audit the Ordering Party's representative concludes that the Operator has breached the HSE regulations during its performance, he will impose a penalty under the content of the protocol and apply „Other action/consequence” specified in Article 11.  
  
Contractor also agrees to comply with the actions specified in the provisions enlisted in Article 9. in accordance with the Ordering Party's instructions.  
  
Paying the penalty(ies) will not exonerate the Contractor from other consequences of the breach of agreement and/or more serious legal consequences specified by the relevant laws.
- 5.) If the Ordering Party can establish during several site audits that the statement of facts as the basis for imposing the penalty was committed during the performance of the agreement and individual orders (hereinafter as the: agreement), the penalty can be several times imposed.
- 6.) In case several irregularities (penalty statement of facts) can be concurrently established, the penalty can be imposed for such statement of facts separately or in aggregate.
- 7.) The Ordering Party will summarise the events recorded in the site audit protocol as the basis of penalty within 45 days following the occurrence of condition specified for its performance in the agreement as the latest (successful technical hand-over/take-over, or any other condition specified in the agreement, and will at the same time take actions for charging the penalty. Protocol(s) taken at the site audits and the Ordering Party's protocol showing the penalty amount and other data (breach of rule, etc.) will form the appendices to the penalty charging document.
- 8.) Regarding the statement of facts the terms and definitions shall be interpreted in accordance with the relevant provisions of the effective HSE regulations (health, safety, environment protection) and the relevant provisions of the agreement.
- 9.) The penalty amounts will be charged and collected and other actions will be implemented in conformity with the **Ordering Party's individual judgement** (considering the principle of progressivity, intentional act and reoccurrence) and will contain the **maximum** amounts and other consequences.
- 10.) Penalty-bound statement of facts, sanctions and actions if the statement of facts is identified:



Serial number	Subject of the audit, findings	Penalty / Penalty amount (net HUF)	Other action/measure consequence
<b>1.</b>	<b>Smoking, using ignition source</b>		
1.1	Smoking in not designate area irrespective of the fire hazard category.	100 000/ head	The relevant person is banned for <u>1 year</u> from MOL sites.
<b>4.</b>	<b>Failure in wearing/using the prescribed personal „life-saving” protective equipment</b>		
4.1	Though prescribed and required by laws Respiratory protection apparatus (except dust mask) is not used and/or its protective capacity cannot be identified and/or it is unacceptable.	100 000/ head	If provided but the employee did not use/wear, then the employee is <u>banned for 1 year</u> from MOL sites.
4.2	Though prescribed and required by laws, no body harness is used in the absence of collective protection, and/or the device is not properly fixed to the adequate point (waist belt, safety belt are not permitted)., and/or the status of the body harness is not acceptable and/or it was not inspected.	100 000/ head	If provided but the employee did not use/wear, then the employee is <u>banned for 1 year</u> from MOL sites.
<b>5.</b>	<b>Failure in holding the prescribed gas concentration test(s)</b>		
5.1	The prescribed personal gas concentration measuring instrument (not for life-saving purposes) is not used. (including also if the technically defective or used when switched-off).	200 000	If provided but the employee did not use/wear, then the employee is banned for 1 year from MOL sites.
5.2	The prescribed personal gas concentration measuring instrument (not for life-saving purposes) is not used. (including also if the technically defective or used when switched-off).	50 000	Leaving the workplace until correction
<b>7.</b>	<b>The safety equipment is non operational</b>		
7.1	Tools and/or signage or marks having significant impact on safety are not operational or not acceptable.	200 000	
<b>8.</b>	<b>Breach of rules for lifting load</b>		
8.1	A person is staying under a mid-air load.	200 000 / head	
8.3	Persons are lifted with a machine. (except specifically designed and certified lifting machine, elevator, platform-type elevator).	200 000	Immediately stop the work
8.4	The permitted maximum load is not shown on the lifting machine.	50 000	Correction.
8.5	The load values specified for the given machine is exceeded.	200 000	Immediately stop the elevation
8.6	Inadvertent start of machine or vehicle is not prevented (e.g. ignition key is left in the keyhole while the operator is not in the direct vicinity of the machine).	100 000	Immediately remove the key from the machine and return it after taking the protocol To eliminate deficiency
8.7	Leaving the driver cabin while the engine is running.	100 000	
8.8	During elevation operation by machine the load is	100 000	To eliminate deficiency.



	manually handled or positioned not in compliance with the effective regulations.		
8.9	Lifting machine logbook is not at the spot and/or regularly kept.	100 000	Correction.
8.10	Status of binding elements is not acceptable or documented, the revision document is not available on the spot.	100 000	Immediately stop the operation until correction.
8.11	Status of the lifting machine is unacceptable and the revision document is not available on the spot.	100 000	Immediately stop the operation until correction.
8.12	The elevation man-in-charge is not appointed.	50 000	
8.13	Suspending elements with uncertified compliance.	20 000	
8.14	Use of suspending elements (suspending element designed for hook or load) with uncertified compliance.	200 000	The lifting machine operator is banned for 1 year from MOL sites.
<b>9.</b>	<b>Proven consumption of alcohol or drug</b>		
9.1	Consumption of alcohol or drug proved by audit and test held by MOL, MPK or MSC security organisation.	200 000 / head	<u>The employee is banned for 1 year from MOL sites.</u>
<b>10.</b>	<b>The required documents are missing</b>		
10.3	HSE training older than one year.	50 000 / head	Correction.
10.6	Valid medical fitness-for-duty certificate for the given job.	10 000 / head	Correction.
10.7	Personal certificates prescribed for the given work are missing (certificates, special exams, e.g. fire protective).	100 000 / head	To suspend work until correction, leaving the workplace if repeated deficiency
10.10	Safety data sheet of materials stored and/or used on the spot, and qualified by laws as dangerous are not available on the spot.	50 000 / piece	Correction
10.11	Electric shock protection of electric equipment was not inspected and/or its documentation is not available on the spot.	25 000 / equipment	To ban the use of unacceptable equipment, and remove it from the site
10.14	LMRA is not filled-in.	50 000	
10.15	JSA was not prepared for HSE critical works or it is not applicable onto the given activity.	50 000	
10.16	Validity of revision document for working tools subject to periodical revision cannot be verified.	20 000 / working tool	
10.16	Dangerous working tools were not commissioned or its operating manual is not available.	75 000	To remove the equipment from the work area until correction
<b>12.</b>	<b>Work conditions are unacceptable</b>		
12.1	Roads, passages, emergency or escape routes and exits are not properly secured or they are blocked due to reasons attributable to the contractor.	100 000	Correction.
12.2	Materials delivered by Operator to the work area or produced or dismantled during the work are stored not on the designated area.  Dangerous and non-dangerous wastes are collected and transported not in accordance with relevant laws – if Operator is responsible for the transportation.	50 000	Correction.



12.3	The are dangerous nails or sharp objects on the work area due to reasons attributable to the Operator.	50 000	Correction.
12.4	Pipelines, cables or hoses cross the traffic roads or passages are without mechanical protection and/or the mechanical protection may cause slips or trips. Electric cables running as aerial lines are not anchored or fixed at several points.	20 000	Correction.
12.5	Gross negligence that expose danger to the employee himself and/or other persons staying within the impact zone of the work.	100 000	
12.6	Exceeding the speed limit set out for the work area.	100 000 / vehicle	In case of reoccurrence <u>to ban the employee (driver) for 1 year</u> from MOL sites.
12.7	Failure to report HSE events occurred during the work.	200 000 / event	<u>to ban the employee for 1 year</u> from MOL sites.
12.8	Cleaning agents, detergents, proper resting and eating place and protective seasonal drinks are not supplied for the employees.	50 000	Correction
12.9	Safety belt not used.	50 000 / head	In case of reoccurrence the employee (driver) is banned for 1 year from MOL sites.
12.10	Keeping mobile phone in hand, using tablet or computer while driving.	50 000 / head	In case of reoccurrence <u>to ban the employee (driver) for 1 year</u> from MOL sites.
12.11	Work area with poor housekeeping and with risks to safety.	50000	To suspend work until restoring proper housekeeping
<b>13.</b>	<b>Conditions for first aid are not secured</b>		
13.1	No qualified and trained first aid providers are available at the workplace.	50 000	Correction
13.2	The First aid point is not designated or it is not known for local staff, the emergency box does not contain the prescribed items, rules for emergency or alarm or first aid are not known.	50 000	Correction
<b>15.</b>	<b>The use, storage and marking of dangerous materials is not acceptable</b>		
15.1	Gas cylinders are not stored in compliance with rules (not properly fixed or not on cylinder rack).	50 000	Correction
15.2	The valve cap is not in place on cylinders not in use.	30 000	Correction
15.3	Flammable materials are stored next to gas cylinders.	50 000	To suspend work until correction
15.4	Gas cylinder hoses are not protected against physical hazards of the environment, or they are not safely fixed when installed at height.	50 000	Immediate correction, leaving the workplace if repeated deficiency
15.5	Any parts connected to the gas cylinder (valve, pressure regulator, meter, hose, nozzle, connector, etc.) is damaged	50.000	Until correction suspension of work
15.6	Dangerous materials are not in ex-works package and/or cannot be identified and/or are not properly stored.	50 000 / material	Correction
15.7	Rules for storage and use of dangerous materials are not known or not followed.	50000	Immediately remove dangerous material from the work area



<b>16.</b>	<b>Fire fighting and fire extinguisher units are not properly secured</b>		
16.1	There is no fire extinguisher installed in sufficient number and type at the workplace.	100 000	Leaving the workplace until correction
16.2	Proper status (safe and operational) of the prescribed fire extinguishers cannot be certified (missing captions, leads).	100 000	Leaving the workplace until correction
<b>18.</b>	<b>Work on ladders is not acceptable</b>		
18.1	The ladder is broken, fractured or otherwise damaged, has slippery steps, the anti-skid device does not work, the step ladder is not fixed against skidding.	200 000	Immediate correction
18.2	Ladder legs have instable position on the ground.	50 000	Immediate correction
18.3	Supporting ladder fails to extend with min. 1m at the landing level or there is no holder at the landing level.	50 000	Immediate correction
18.4	Work is performed on the support ladder and it does not allow safe position.	50 000	Leaving the workplace until safe conditions are secured
18.5	The rolling ladder is not fixed against dislocation.	50 000	Immediate correction. Leaving the workplace until correction
<b>19.</b>	<b>Breach of regulations on not „life saving” personal protective equipment</b>		
19.1	Safety glasses are not used when prescribed and/or the protective capacity cannot be identified and/or is unacceptable.	20 000/ head	Suspension of activity until correction, leaving the workplace in case of reoccurrence
19.2	The employees do not wear safety helmets (except office work and indoor construction work not exposed to risk of falling objects), the status is not acceptable, the guarantee period has expired and/or the protective capacity cannot be identified.	20 000/ head	Suspension of activity a until correction, leaving the workplace if repeated deficiency
19.3	Hearing protection equipment is not used when prescribed and/or the protective capacity cannot be identified and/or is unacceptable.	50 000/ head	Suspension of activity a until correction
19.4	Safety shoes/boots are not appropriate to danger and/or the protective capacity cannot be identified and/or is unacceptable.	20 000/ head	Suspension of activity a until correction
19.5	Wearing protective clothes not acceptable for the danger or hazard (not in compliance with the locally effective requirements!)	20 000/ head	Suspension of activity a until correction
19.6	Hand protection is not appropriate to danger and/or the protective capacity of safety gloves cannot be identified and/or is unacceptable and/or they have lost the protective capacity.	20 000/ head	Suspension of activity a until correction
19.7	Respiratory protection apparatuses are stored not in clean status and/or their revision was not held in a documented manner (if obliged).	50 000	Correction, leaving the workplace if repeated deficiency
19.8	Other respiratory protection devices not mentioned in point 4.1 are missing.	50 000/ head	Suspension of activity a until correction
<b>20.</b>	<b>The work area is not properly delineated and marked</b>		
20.1	There are uncovered or not delineated holes, ditches and trenches on the work area due to reasons attributable to the Operator.	50 000	Correction, leaving the workplace if repeated deficiency



20.2	The site for earthwork is not properly isolated from pedestrian and vehicle traffic and marked. (the isolation rail elements cannot cause injury).	50 000	Leaving the workplace until correction
<b>21.</b>	<b>Unacceptable status of machines and equipment</b>		
21.1	Status of equipment and small machines are not acceptable. Status of electric lines, cables, extension lines, connectors, plugs and distributors and their technical parameters are not acceptable.	50 000	Correction, remove unacceptable equipment from the site. Leaving the workplace if repeated deficiency
21.2	Switchboards are not grounded due to reasons attributable to the Operator.	50 000	Immediate correction, leaving the workplace if repeated deficiency
21.3	Status of manual tools is not acceptable (e.g. cracked or broken handle, worn-out cogs, elongated keyhole).	10 000	Correction, remove unacceptable equipment from the site. Leaving the workplace if repeated deficiency
<b>22.</b>	<b>Work is performed not in compliance with the relevant process instruction</b>		
22.1	Conditions and processes (not specifically presented in the present list) specified in the operation procedures (process descriptions, HSE plan, etc.) are not accomplished.	25 000 / procedure	Until correction a Suspension of work
<b>23.</b>	<b>Facilities and equipment are operated not in compliance with the safety regulations</b>		
23.1	The Operator's contractor uses a not acceptable separator transformer or not with the relevant capacity on the work area with large metallic surface or more than permitted consumers are connected thereto.	200 000	
23.2	When the Operator's Contractor welded large metallic structures connection to EPN was missed.	50 000	
23.4	Grounding was not secured for loading/ downloading operations.	50 000 / head	In case of reoccurrence the employee (driver) is banned for 1 year from MOL sites.
<b>24.</b>	<b>Unacceptable waste storage, soil, soilwater or surface water pollution</b>		
24.1	The produced waste is not collected on the designated place and with the prescribed manner.	50 000	Immediate correction, leaving the workplace in case of reoccurrence
24.2	Vessels for collecting wastes produced during the activity are in too low number and/or not acceptable.	50 000	Immediate correction
24.3	Dangerous materials with not permitted quality and/or quality are discharged into the drainage/ sewage system.	200 000 (if there is no other claim)	Suspension of work, damage remediation actions
24.4	Polluting the soil, groundwater or surface water during works with dangerous materials.	200 000 (f there is no other claim)	Suspension of work, damage remediation actions
<b>25.</b>	<b>Non-compliance by the Operator's Contractor</b>		
25.1	Non-compliance detected at the Contractor involved by the Operator	See HSE_1_G5_MOL1 7. appendix	