

Contractor HSE Management Process –Health, Safety and Environmental Requirements for Contracts (Drill Rigs & Accommodation Support Vessels)

Santos NS Assets Pty Ltd

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1. OVERVIEW

1.1 PURPOSE

One of Company's core values is the safety and health of its contractors and employees and the protection of its property and the environment. The Company expects the same dedication to the safety and health of personnel and property and the protection of the environment from its contractors. The Company requires its Contractors to adopt, implement and enforce rules and practices necessary for the safe and environmentally responsible performance of the Contract workscope. This document sets out the health, safety and environmental (HSE) requirements that must be met by the Contractor.

1.2 SCOPE

This document is applicable to all contract worksopes and contractor personnel performing work for the Company involving offshore Drill Rigs and Accommodation Support Vessels (ASVs) where Contractor HSE Management systems primarily apply.

1.3 ISNETWORLD

The Company is using ISNetworld (www.isnetworld.com.au) as the primary contractor information management system for HSE preferred contractors. ISNetworld is used to facilitate the reporting and sharing of key HSE information. For offshore drill rigs and accommodation support vessels, ISNetworld subscription is encouraged to facilitate the capture of contractor exposure hours, receive Company HSE procedures, bulletins and other relevant information.

2. DEFINITIONS

The terms and phrases defined in the General Terms and Conditions of the Contract apply to this ATTACHMENT A2 – Health, Safety & Environmental Requirements for Contracts.

"The Company" shall mean the entity identified as "Company" in the Master Agreement, Call-Off Order, Contract or Purchase Order, or the entity identified as "Charterer" in the Charter Party, as applicable .

"Vessel" shall mean an Offshore Drilling Rig, Mobile Offshore Drilling Unit or Accommodation Support Vessel (ASV), as appropriate to the contract scope

In the case of contracts relating to Accommodation Support Vessels, "The Company", shall mean the entity identified as "Company" or "The Charterer" as used in contract documentation. In this same context, "The Contractor" shall be taken to mean "The Owner".

3. HSE REQUIREMENTS

3.1 POLICY AND LEADERSHIP

The Contractor shall maintain and implement a HSE policy that is aligned with the Company HSE policy and demonstrates commitment to the protection of people, the environment and operating assets. Contractor management shall demonstrate commitment to policy implementation and abide by all applicable laws, regulations and Company requirements. Some key expectations include:

- The Contractor acknowledges the Company's strong commitment to Health, Safety and the Environment (HSE).
- The Contractor has the responsibility determine what health, safety and environmental hazards and risks it may encounter in the performance of the Work and implement the appropriate controls.

3.1.1 The Contractor must provide copies of its HSE policy and procedures to the Company upon request.

3.1.2 Unsafe Operations and the Right to Stop Unsafe Work

The Contractor and Contractor personnel shall understand that they have the right to stop work when they consider it unsafe to continue. All employees and contractors have the right to refuse to do unsafe work. This right must be communicated and understood by all personnel performing Work.

If the Contractor believes that the operations cannot be safely undertaken or that continuance of operations may result in any hazardous conditions, it must immediately notify the Company. The Contractor shall use its best efforts at all times to control or overcome the cause or minimise the effect of any hazardous condition.

In the event of either scenario (i.e. stopping a job or refusing to do a task based on a safety concern), the Supervisor responsible for the work must be notified immediately.

3.1.3 Termination and Suspension for Breach of HSE Requirements

The Company and the Contractor agree that all provisions of the Company's HSE Requirements for Contracts are of the utmost importance, and any breach or violation thereof shall be considered to be a material and substantial breach of the Contract, including without limitation, a breach of the following:

- The Contractor must not cause, permit, or tolerate a hazardous, unsafe, unhealthy or environmentally unsound condition or activity over which it has control at the work site.
- If the Contractor becomes aware of any hazardous, unsafe, unhealthy or environmentally unsound condition, including without limitation a violation of any of the health, environment and safety standards with which the Contractor must comply in accordance with the Contract, it shall immediately notify the Company. The Contractor must take whatever steps are necessary and as will be agreed between the Company and the Contractor to eliminate, terminate, abate, and rectify the condition.
- If remedial action is not implemented within the agreed timeframe, the Company or the Contractor has the right to stop work forthwith.
- The Contractor must take all necessary safety precautions related to or arising out of the performance of the Contract in order to protect the work site, including all personnel and property of the Company, the Contractor and all third parties.
- Should the Company observe an unsafe act or condition or become aware of a planned act or condition which may be unsafe, the Company may direct the Contractor to cease, or not to proceed with, the unsafe work. The Contractor shall, at the Contractor's own cost, modify the Contractor's method of work in order to work safely.
- If the Contractor fails to take the necessary steps to eliminate or control any such breach or violation promptly or to otherwise comply with the Company's HSE requirements, the Company may terminate the Contract immediately.

3.1.4 Life Saving Rules

The Company has established a set of Life Saving Rules to help strengthen the existing HSE Management System and drive appropriate safety critical behaviours and practices. The Life Saving Rules provide a specific rule-set for each of the following high-risk work activity processes:

- Permit To Work
- Confined Space Entry
- Work At Heights
- Lifting Operations
- Process/Mechanical/Electrical Isolations
- Ground Disturbance/Excavation Work
- Bypassing/Inhibiting/Defeating Safety Devices or Equipment
- Driving Safely.

Note: The Contractor must meet all Life Saving Rules requirements.

Life Saving Rules



Bypassing Safety Devices



Confined Space Entry



Working at Heights



Lifting Operations



Process/Mechanical/
Electrical Isolations



Excavation



Work Permits



Driving Safety



Line of Fire

3.1.5 HSE Culture

The Company has implemented a number of HSE initiatives to improve the HSE culture of the Company. Contractors are a critical part of the HSE culture for the company and it is expected that all Contractors will participate in HSE Cultural Alignment Workshops and Initiatives as required. The figure below provides a summary of the Company's HSE CLEAR expectations.

| ABU – West HSE Expectations | | |
|---|--|--|
| HSE Vision: Be the safety leader and deliver best in class HSE performance in Australia. | | |
| <i>Each employee and contractor shall take responsibility and accountability for their own safety and the safety of others through visible demonstration of CLEAR behaviours.</i> | | |
| Demonstration of CLEAR behaviours means... | | |
| EVERYONE will... | SUPERVISORS and MANAGERS (will also)... | EXECUTIVE MANAGEMENT (will also)... |
| C ommunication <ul style="list-style-type: none"> • Willingly approach others • Offer and accept best practices • Report all incidents and near misses | C ommunication <ul style="list-style-type: none"> • Be visible in the workplace • Foster two-way HSE discussions • Recognize positive HSE achievements | C ommunication <ul style="list-style-type: none"> • Encourage open dialogue • Tell a compelling case for HSE • Incorporate HSE into communications |
| L eadership <ul style="list-style-type: none"> • Lead by example • Expect others to work safely • Ensure a safe and secure workplace | L eadership <ul style="list-style-type: none"> • Demonstrate safety as a core value • Provide necessary tools and resources • Never compromise on HSE issues | L eadership <ul style="list-style-type: none"> • Demonstrate safety commitment • Align business strategy and HSE goals • Consider HSE impacts in all decisions |
| E ngagement <ul style="list-style-type: none"> • Actively participate in HSE activities • Participate in environmental programs • Mentor each other on HSE expectations | E ngagement <ul style="list-style-type: none"> • Conduct HSE performance reviews • Frequently interact with all stakeholders • Actively manage contractor performance | E ngagement <ul style="list-style-type: none"> • Drive HSE Excellence • Promote Sustainable Development • Actively measure HSE effectiveness |
| A ccountability <ul style="list-style-type: none"> • Stop any unsafe act or situation • Comply with procedures and rules • Use correct PPE, tools and procedures | A ccountability <ul style="list-style-type: none"> • Verify the workforce's HSE competency • Clarify all HSE roles and responsibilities • Own the HSE excellence process | A ccountability <ul style="list-style-type: none"> • Set HSE strategic direction • Create focused HSE goals • Monitor and audit HSE performance |
| R isk <ul style="list-style-type: none"> • Never walk past a hazard • Reassess job risk if scope changes • Understand and use risk assessment tools | R isk <ul style="list-style-type: none"> • Understand the risk exposure • Audit risk mitigation effectiveness • Provide risk tools and training | R isk <ul style="list-style-type: none"> • Consider HSE impact of all decisions • Define the acceptable risk profile • Support corporate risk processes |

The Company has set several Values that also align with the Company's HSE Culture program. Contractors must align to these values when performing work at the Company's sites as per below.

3.2 RISK MANAGEMENT

Prior to the commencement of the Work, the Contractor shall demonstrate to the satisfaction of the Company that the Contractor has performed a detailed HSE hazard and risk assessment of the Work to be undertaken.

The Contractor:

- Shall maintain and implement risk assessment processes as defined in the vessel Safety Case
- Must ensure the assessment evaluates all work site specific risks and risks associated with the nature of work to be conducted under the Contract (e.g. equipment, facilities, personnel competency, complexity of the work and activities associated with the contractual requirements).
- Must maintain a detailed hazard register that is relevant to the contracted work scope. The hazard register shall identify hazards, preventative controls, mitigation controls, HSE management system interfaces and any additional controls in place to manage residual risk to as low as reasonably practicable (ALARP) levels.
- Must monitor HSE risks and update risk assessments and hazard registers as necessary during the term of the Contract.
- Is responsible and accountable for ensuring effective procedures and safe systems of work are in place in respect of meeting all Statutory Requirements and Company HSE management requirements under the Contract.
- May be required to attend or conduct additional risk assessments in relation to planned work activities in which they will be involved under the Contract.

3.3 LEGAL REQUIREMENTS AND STANDARDS OF OPERATION

The Contractor must comply with all applicable health, environment and safety laws and regulations, and any agreed guidelines, operating standards and policies provided to the Contractor by the Company.

The Contractor must be aware of all HSE statutory requirements in the country or area of operation and shall comply with these requirements fully. Should the statutory requirements be of a higher standard or quality than those existing in Australia, then the Contractor must comply with both the Australian and local area statutory requirements.

The Contractor must ensure that each member of the Contractor Group and all visitors comply fully with all such laws, regulations, guidelines, operating standards and policies. The Contractor further agrees that in the event that any member of the Contractor Group or any of their visitors violates any such laws, regulations, operating standards and policies such violation shall be corrected promptly, steps shall be taken to avoid recurrence, and any person or persons responsible for the violation shall be removed from the site of the Work upon the Company's request.

3.4 STRATEGIC PLANNING, GOALS AND OBJECTIVES

The Contractor shall set a goal of zero incidents and injuries, illnesses and environmental harm for the Work. These goals shall be incorporated into Contractor's site specific HSE Management Plans along with other HSE related key performance indicators and cascaded to sub-contractors.

Drilling Contract Management Plans shall include an agreed set of HSE key performance indicators.

3.5 STRUCTURE AND RESPONSIBILITY

3.5.1 Sub Contractor HSE Requirements

The Contractor must ensure that all members of the Contractor Group (including employees, subcontractors etc.) are skilled and qualified to perform the work and that they are properly managed in the performance of the work.

The Contractor must have in place appropriate formal systems, procedures and safe practices for the management and control of the members of the Contractor Group, including without limitation:

- Sub contractor HSE pre-qualification and qualification which is based on demonstrated capability, HSE performance and HSE management system suitability and compliance
- Risks and hazards associated with the subcontractor's work are identified and controlled to As Low As Reasonably Practicable (ALARP) levels and that subcontractors employ the required safe systems of work
- Sub contractor safety management system (SMS) to be integrated into the Contractor's SMS
- Sub contractor's work is supervised and monitored by the Contractor to ensure that safe practices are employed and Work is conducted in strict compliance with relevant Contractor and Company HSE requirements.

The Contractor represents and warrants that its management and supervisors are responsible, and have been advised in writing that they are responsible, for ensuring that the Work is performed in accordance with all applicable health, environment and safety regulatory requirements, best working practices, and any additional guidelines and/or operating standards provided to the Contractor by the Company.

The Contractor must, at the Company's request, provide the Company with organisation charts, specifying any dedicated HSE resources and the areas of HSE responsibility of Line Management.

3.5.2 Responsibilities of Contractor Management Representatives

The Contractor's Management Representatives must:

- Cooperate with Company personnel to ensure compliance with the Company HSE Management Process
- Ensure that work related risks and hazards associated with the Work are proactively identified and managed
- Ensure that resources and HSE responsibilities are allocated and that effective contractor HSE plans are developed and implemented to manage identified risks
- Comply with the HSE requirements stipulated in the Contract and the Company's HSE Management System requirements
- Develop plans and allocate resources to ensure that non-compliance issues identified in HSE audits, inspections and performance evaluations are understood and that corrective action plans are put in place and tracked to completion

3.6 PROGRAMS AND PROCEDURES

3.6.1 Safety Cases

The Contractor shall develop and implement a vessel Safety Case which has been accepted by the relevant Regulatory Authority and meets the requirements of the applicable legislation.

The Safety Case shall outline the programs and procedures contained within the Contractor's Safety Management System.

3.6.2 Bridging Documents

The Contractor is responsible for developing a bridging document or Safety Case Revision for the contracted vessel. The contractor must ensure that the required document is developed and approved by the relevant regulator prior to the start of operations.

The Contractor shall provide the necessary information to the Company required to prepare Environment Plan updates/addendums and environmental approval documentation.

3.6.3 Contractor's HSE Manual

If requested, the Contractor shall provide a copy of its HSE manual, policies and procedures to the Company for review.

3.6.4 Biofouling Management

If bringing marine vessels into Australian waters from an international location, the Contractor shall comply with:

- Australian Quarantine and Inspection Services (AQIS) requirements and guidelines, including the National Biofouling Management Guidance for the Petroleum Production and Exploration Industry (Commonwealth of Australia, 2009), the Operator Guidelines for Vessels 25m and Greater Arriving in Australia (AQIS, 2010) and the Australian Ballast Water Management Requirements (AQIS, 2008).
- All other related requirements as stipulated by the relevant regulatory authority.

3.6.5 Fitness for Work & Substance Abuse

The Company aspires to provide a safe working environment. To assist the Company with achieving this policy objective, all personnel working in the Company's premises are expected to behave in a responsible manner and present themselves for work in a fit and healthy state. Specific requirements include:

- The Contractor must ensure that all members of the Contractor Group are fully qualified, physically and mentally healthy and medically fit for their respective assignments and shall certify the same to the Company if so requested.
- A medical examination will be required prior to undertaking HUET.

The Contractor must ensure that the Contractor Group does not at any time take or work under the influence of any alcohol, narcotic or other intoxicating substance, other than for bona fide medical reasons or other proper reasons which have been approved in advance by the Contractor's or the Company's medical practitioner. The following specific requirements apply:

- Contractors shall retain on-board capability to carry out post incident and "for cause" alcohol and drug testing.
- Contractors and Sub-Contractors are required to implement a Fitness for Work and Substance Abuse policy, which is at least equivalent to the Company Substance Abuse policy (**HR-WL-007 Rev 6**)

3.6.6 Environment

Where applicable to the Scope of Work, specific Environmental requirements include:

3.6.7 Environment Plan

The contractor shall be responsible for adherence to the site Environment Plan and all statutory requirements and Company HSE management system requirements.

The Contractor shall provide the necessary information to the Company required to prepare Environment Plan updates/environmental approval documentation and statutory environment reports.

3.6.8 Environment Project Induction

The Contractor is required to participate in a pre-commencement kick-off meeting with the Company to discuss HSE expectations, potential HSE management system interfaces and specific HSE issues and environment requirements in accordance with the Contract. The kick-off meeting shall be held as soon as practical after contract award and before the performance of any Work

3.6.9 Environment Audits

The Company shall have the right to conduct environment audits/inspections of the Contractor's operations, equipment and emergency procedure at any time. Prior notice shall be given in advance of these audits. The Contractor shall fully cooperate with the Company during such audits/inspections. This requirement shall not relieve the Contractor of its own obligations to conduct audits and reviews of its own HSE performance or expose the Company to any liabilities which may arise from the Contractor's failure to satisfy its Environmental obligations.

3.6.10 Waste Management

The Contractor shall be responsible for ensuring that handling, storage, treatment, transportation and disposal of waste is conducted in accordance with all statutory requirements, all applicable Laws and Company HSE management system requirements.

Implementation of site specific waste procedures covering waste infrastructure, relevant site procedures, operational roles and accountabilities, storage and handling of waste streams, disposal by licensed contractors and guidance on inspection of waste facilities.

- Minimization of resource usage and waste generation during the Contract. All packaging and waste products shall be kept to a safe minimum, and where practicable shall be reusable, recyclable or suitable for environmentally safe disposal at a licensed waste handling facility.
- Use of loose polystyrene beads as a packaging medium is prohibited for materials that are to be dispatched to or from Company's offshore facilities.
- Use of waste segregation receptacles, as provided on Company facilities, and compliance with site waste segregation, handling and labelling requirements
- Obtaining, preparing and maintaining waste permits and manifests for transporting and disposing of wastes generated by Contractor. All permits and manifests must meet with Company's approval.
- Prevention of environmental contamination from Work activities.

3.6.11 Chemical Management

All chemicals (hazardous and non-hazardous) that are to be used or transported to any Australian Business Unit West (ABU-W) operated facility must receive Health Safety and Environment approval prior to project commencement. The HSE approval is to ensure health and environmental risks are identified and controlled during transport, use and storage of the chemical product/s.

Chemical products that are to be discharged to the marine environment shall meet at least one of the following environmental criteria:

- Rated as Gold or Silver under OCNS CHARM model.
- If not rated under the CHARM model, has an OCNS group rating of D or E.

Chemical products that do not meet the above criteria shall only be used when all the following are completed;

- The risks and impacts of using them can be demonstrated to be As Low as Reasonably Practicable (ALARP) and acceptable levels,
- Approval from the relevant Company Manager / Engineer and the ABUW Environmental Supervisor, and
- After the completion of an environmental risk assessment (see *ABUW Risk Management Procedure (ALL/HSE/PRO/040)*)

For further details on chemical management see *ABU-W Chemical Management ALL/HSE/PRO/04*

3.6.12 Heavy Fuel Oil Systems

Support Vessels (does not mean commercial trading vessels e.g. Offtake Tankers LPG, Condensate & LNG gas carriers) with dual fuel systems must ensure that the Heavy Fuel Oil system e.g. tanks, lines, pumps etc are isolated prior to commencement of the relevant project within the Bayu-Undan Contract Area.

Procedures shall be in place to manage any spills or release of hydrocarbons to the environment in alignment with the ship board pollution emergency response plan (SOPEP). Drills shall be conducted on managing spills or unwanted releases to the environment.

3.6.13 Cultural Heritage Impact Management

The Contractor must ensure that appropriate measures are taken to identify and protect cultural heritage sites in accordance with Statutory Requirements and relevant Company requirements. The Contractor must also ensure that its activities do not negatively impact on the customs and cultural traditions of local peoples.

3.6.14 Hand & Finger Injury Prevention

Drilling Contractors shall have a proactive documented program in place to eliminate or minimise hand and finger injury hazards and injuries. The program must include, as a minimum:

- A systematic hand and finger injury hazard inspection program, with an emphasis on engineering solutions
- Hand and finger safety, injury prevention and hazard awareness training for all personnel
- Documented discussions of hand and finger safety and injury prevention issues associated with each task on job safety or hazard analysis
- Requirements for glove and tool selection, based on task, proper hand placement and tool use and maintenance
- Audits to check for compliance with the hand and finger hazard and injury prevention program

Innovative programs which focus on behaviour based training, as well as engineered solutions to reduce exposure and risk are preferred. Programs shall include a process where leading and trailing metrics/KPIs, as approved by the Company, are reported monthly. The overall program shall be auditable.

3.6.15 Dropped Object Prevention

Drilling Contractors shall have a proactive documented dropped object prevention scheme in place, including, as a minimum:

- A systematic potential dropped object inspection program
- Worksite management of dropped object hazards, including buffer zones
- Audits to check for compliance with the dropped object prevention scheme
- Dropped object prevention and hazard awareness training for all personnel

Innovative programs which focus on behaviour based training, as well as engineered solutions to reduce exposure and risk are preferred. Programs shall include a process where leading and trailing metrics/KPIs, as approved by the Company, are reported monthly. The overall program shall be auditable.

3.7 ASSET AND OPERATIONS INTEGRITY

3.7.1 HSE Critical Equipment

The Contractor must ensure that all HSE critical equipment is regularly maintained, tested and recorded on a register and always stored in a serviceable condition for immediate use.

The members of Contractor Group must be instructed, trained and, where required, certified in the use of such HSE equipment. Such equipment must comply with all statutory requirements, recommended manufacturers guidelines and relevant industry standards.

3.7.2 Equipment and Facility Maintenance

All equipment and structures both fixed and temporary are to receive regular routine maintenance under a planned maintenance system to ensure the safety of personnel who are responsible for operating the equipment. Particular attention should be paid to mobile equipment, handrails, access ladders and raised platforms.

The Contractor must maintain copies of all test and maintenance certificates relating to cranes, derricks, lifting beams pulley blocks, lifting gear and slings, and must make them available to the Company upon request.

3.7.3 Management of Change

The Contractor shall apply a Management of Change procedure to ensure that risks associated with changes to the Contractor's organisation, engineering (design and implementation) and documentation, have been assessed and controlled to As Low as Reasonably Practicable (ALARP).

3.8 EMERGENCY PREPAREDNESS

3.8.1 *Emergency Arrangements*

Contractor emergency arrangements shall include as a minimum:

- Emergency response procedures
- Emergency drills
- Fire fighting procedures
- First aid provision

3.8.2 Security

The Contractor is required to have in place effective security arrangements for the duration of the Contract. Where warranted the Company may require a documented Security Plan. The Company's security focus is described below:

- People: The Contractor shall ensure security of people is a priority
- Assets: The Contractor protects the Company's assets by incorporating security into design and operations
- Information: The Contractor protects the Company's information by implementing procedures that ensure information security.

The Contractor will periodically review and update the Security arrangements to ensure its ongoing relevance to the Scope of Work. Any updates to the Security arrangements will be submitted in writing to the Company's Contract Sponsor.

The Security Plan/arrangements will nominate all Contractor Personnel responsible for Security.

Upon receipt of a request from the Company to do so, the Contractor will provide the Company with its security manuals and plans, including processes to ensure sub-contractor security, where applicable.

The Contractor will advise the Company Security Officer (HSE Manager) of any security incidents and provide the associated investigation report along with any identified corrective action for implementation.

All luggage is subject to security screening prior to boarding Company provided means of transportation.

3.9 AWARENESS, TRAINING AND COMPETENCY

Prior to the commencement of the Work the Contractor must provide documentation, on request, regarding the competency of each member of the Contractor Group to the satisfaction of the Company. This documentation must include details that show that the members of the Contractor Group are competent and have the appropriate qualifications, job skills and training as required by the Contract and Statutory Requirements.

3.9.1 Inexperienced Personnel, New to Site Personnel & Temporary Labour

The Contractor must ensure that risks associated with inexperienced personnel, temporary labour or new to site personnel are identified and controlled. As a minimum, these individuals shall be appropriately supervised and monitored until they are deemed to be competent by the Contractor and are fully aware of the hazards and required controls associated with their assigned work.

3.9.2 HSE Training

The Contractor is responsible for identifying necessary training (including common industry inductions) and verifying that all members of the Contractor Group are properly prepared to perform the work as contracted.

Personnel travelling offshore by helicopter must hold current TBOSIET (Tropical Basic Offshore Safety Induction and Emergency Training); BOSIET (Basic Offshore Safety Induction and Emergency Training); or FOET (Further Offshore Emergency Training) refresher for TBOSIET or BOSIET) certification from an OPITO training provider recognised by the Company. A copy of the certification is to be provided to Company by request. A list of the Company's approved TBOSIET Training Providers is available upon request.

3.9.3 Verification of Competency (VOC)

Assessing for Verification of Competency (VOC) is used by many industries as part of the pre-mobilisation checks and or prior to contractual employment. The purpose of a VOC assessment is to provide a method of verifying the skills, abilities; knowledge and attitude of personnel to not only undertake high risk work activities or operate plant or equipment, but do so in a safe manner.

Before starting work, the contractor shall have in place a verification of competency (VOC) process for any personnel conducting High Risk Work License activities on Company facilities. The contractor shall demonstrate records of completed VOCs when requested by Company. These processes will be subject to audit and approval by the Company Competency Assurance and the HSE team. Note: The Company may also require VOC for other activities as required e.g. painting & blasting.

The Contractor's verification processes must provide a sound level of assurance that individuals possess the necessary practical skills, knowledge, experience, and ability to perform their work without risk to themselves, others, the facility, plant and equipment or the environment. All personnel are required to undertake VOC certification at least every 3 years, to ensure they are up to date with new industry regulations, workplace safety standards and any new technology or policies related to the industry and job role.

The VOC is to be facilitated by either an RTO or the contractors internal VOC system using a subject matter expert and shall include the following:

- Validation of experience through documentary evidence

E.g. High Risk Work licence or equivalent prior to the VOC being conducted

- Challenge testing of underpinning knowledge

A written theory assessment completed that determines the level of underpinning knowledge related to the work activity

- Observation of practical performance of work
- The level of proficiency is documented.

Each assessment should take a minimum of 1-2½ hours (however will depend on type of plant and/or requirement)

The outcomes of the VOC process shall be recorded and tracked against targeted competencies (i.e. through a competency matrix or similar). Some Contractors (as determined by the Contract Sponsor / Contract Owner) will be required to register with ISNetworld and upload / maintain all relevant HSE training and competency records.

3.10 NON-CONFORMANCE, INVESTIGATION AND CORRECTIVE ACTION

The Contractor shall have a formal process, or processes, for hazard reporting, incident investigation and corrective action close-out. Root cause analysis shall be included in the incident investigation process.

Incident/injury reports shall be provided to the Company.

3.11 COMMUNICATIONS

The Contractor shall set out a communications scheme showing lines of reporting and methods of reporting, at all levels within the Contractor organization, and to the Company.

The Contractor will be required to communicate and consult with its workforce on a regular basis on HSE matters. This is essential for ensuring that its personnel are informed and aware of relevant information, work hazards, safe practices and responsibilities.

3.11.1 Pre-Commencement Kick-off Meetings

The Contractor is required to participate in a pre-commencement kick-off meeting with the Company to discuss HSE expectations, potential HSE management system interfaces and specific HSE issues and requirements in accordance with the Contract. The kick-off meeting shall be held as soon as practical after contract award and before the performance of any Work.

3.11.2 Contract Review Meetings

The Company may request meetings with the Contractor to review the Contractor's HSE performance. These meetings will be formally requested and appropriate members notified. Contractor must comply with the Company's request.

3.12 DOCUMENT CONTROL AND RECORDS

Contractor documents, including policies, procedures, plans, reports, inspection records, training records, meeting minutes and statistics applicable to the contract workscope shall be maintained in accordance with a document control process which permits appropriate retention, access, review and update. Only the latest approved version of documents shall be utilised in the execution of the Work.

3.13 MEASURING AND MONITORING

The Contractor shall submit a monthly HSE performance report to the Company. This monthly report shall specifically report on HSE performance for the Contract only (not the contractor's company wide performance). The Company will monitor the Contractor's HSE performance against agreed HSE KPI's, requirements and expectations to identify trends, areas of strong performance and areas of concern requiring corrective action. At a minimum the Monthly Reports shall include the following:

- Monthly man-hours worked on the Contract
- Monthly Company site exposure hours
- Number of Near Miss incidents reported
- Number of recordable incidents (fatalities, medical treatment cases, lost workday cases – including number of days lost and date of last lost workday case, restricted work cases – including number of days of normal duty lost for each case)
- Total Recordable Incident Rate (No. of TRI's divided by total exposure hours, multiplied by 200,000)
- Number of first aid cases
- Number of environmental incidents (spills, releases from primary containment, non compliances with legal and management system requirements).
- Number of Property Damage Loss Incidents
- Additional lead KPI's and HSE reporting requirements shall be specified in the HSE plan as required by the Company. These lead KPI's may include:

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- Number of Hazards reported
 - Number of HSE audits and inspections conducted including results
 - Number of HSE meetings conducted
 - Number of emergency exercise/drills conducted for the month
 - Contractors may be required to monitor and report additional environmental KPI's (e.g. the use of resources such as fuels and other consumables during the period of the Contract and the volume and type of waste generated).
 - Monthly site exposure hours and incident information shall also be entered into ISNetwork "Site Tracker" by the 7th day of each subsequent month

3.14 AUDITS

The Company shall have the right to conduct audits/inspections of the Contractor's operations, equipment and emergency procedures at any time. Prior notice shall be given in advance of these audits. The Contractor shall fully cooperate with the Company during such audits/inspections. This requirement shall not relieve the Contractor of its own obligations to conduct audits and reviews of its own HSE performance or expose the Company to any liabilities which may arise from the Contractor's failure to satisfy its HSE obligations.

3.15 REVIEW

The Contractor shall have a formal process to regularly (at least annually) assess contract HSE performance against objectives. Where deficiencies are identified, corrective actions shall be developed and implemented.

APPENDIX 1: Company Environment, Health & Safety Policy

Environment, Health & Safety



Policy

Our Commitment

Santos is committed to being the safest gas company wherever we have a presence and preventing harm to people and the environment

Our Actions

We will:

1. Integrate environment, health and safety management requirements into the way we work
2. Comply with all relevant environmental, health and safety laws and continuously improve our management systems
3. Include environmental, health and safety considerations in business planning, decision making and asset management processes
4. Identify, control and monitor risks that have the potential for harm to people and the environment, so far as is reasonably practicable
5. Report, investigate and learn from our incidents
6. Consult and communicate with, and promote the participation of all workers to maintain a strong environment, health and safety culture
7. Empower our people, regardless of position, to "Stop the Job" when they feel it necessary to prevent harm to themselves, others or the environment
8. Work proactively and collaboratively with our stakeholders and the communities in which we operate
9. Set, measure, review and monitor objectives and targets to demonstrate proactive processes are in place to reduce the risk of harm to people and the environment
10. Report publicly on our environmental, health and safety performance

Governance

The Environment Health Safety and Sustainability Committee is responsible for reviewing the effectiveness of this policy.

This policy will be reviewed at appropriate intervals and revised when necessary to keep it current.

Kevin Gallagher
 Managing Director & CEO

Status: APPROVED

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|-----------------|---|----------|---|
| Document Owner: | Jodie Hatherly, General Counsel and VP Legal, Risk and Governance | | |
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20 August 2019

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