

PUBLIC COMPANY ORLEN LIETUVA

APPROVED BY
Director of Quality, Labour Safety
and Environmental Control

12 October 2017
Order No TV1(1.2-1)-348

OCCUPATIONAL HEALTH AND SAFETY PROCEDURE FOR CONTRACTORS BDS-40

I. GENERAL

Purpose and Scope of Application

1. The purpose of Occupational Health and Safety Procedure for Contractors BDS-40 (hereinafter – Procedure) is to establish the guidelines for cooperation in the area of occupational health and safety between Public Company ORLEN Lietuva (hereinafter – the Company) and contracting organizations (hereinafter – Contractors) performing civil construction, repair, equipment maintenance and any other works in the Company's territory and/or providing services at the Company under the terms & conditions of contracts concluded with the Company.

2. This Procedure shall apply to all employees of the Company who organize, coordinate, supervise and/or control works performed and/or services provided by Contractor as well as every manager of Contractor's employees who perform works and/or provide services in the Company.

II. REFERENCES

3. Legal acts listed below and other in-house documents of the Company referred to herein (without limitation) shall apply (as amended) together with the present Procedure:

3.1. Guidelines on Arranging of Workplaces on Construction Sites, as approved by Order No A1-22/D1-34 of 15 January 2008 by the Minister of Social Security and Labour and the Minister of Environment of the Republic of Lithuania (amended by Order No A1-346/D1-276 of 20 May 2009);

3.2. Safety and Health Regulations for Construction DT 5-00, as approved by Order No 346 of 22 December 2000 by the Chief State Labour Inspector of the Republic of Lithuania (amended by Order No V-131 of 21 June 2011);

3.3. Technical Regulation for Construction STR 1.06.01:2016 'Construction – Supervision of Construction', as approved by Order No D1-848 of 2 December 2016 by the Minister of Environment of the Republic of Lithuania;

3.4. Model Regulations of Occupational Safety and Health Services of Enterprises, as approved with Order No A1-266/V-575 of 2 June 2011 by the Minister of Social Security and Labour and the Minister of Health of the Republic of Lithuania;

3.5. General Rules for Installation of Electrical Equipment, as approved by Order No 1-22 of 3 February 2012 by the Minister of Energy of the Republic of Lithuania;

3.6. Safety Rules for Operation of Electric Equipment, as approved by Order No 1-100 of 30 March 2010 by the Minister of Energy of the Republic of Lithuania (amended by Order No 1-207 of 23 October 2012);

3.7. General Fire Safety Regulations, as approved by Order No 64 of 18 February 2005 by the Director of Fire and Rescue Department under the Ministry of the Interior (new revision approved by Order No 1-223 of 27 July 2010; amended by Order No 1-234 of 1 August 2011, Order No 1-304 of 8 October 2012, Order No 1-199 of 31 July 2013);

3.8. Safety Rules for Operation of Heating Equipment approved by Order No 1-246 of 13 September 2016 by the Minister of Energy of the Republic of Lithuania;

3.9. PKN ORLEN S.A. Standard M2 of 28 February 2017 – Contractor management;

3.10. PKN ORLEN S.A. Guidelines S14 of 28 April 2017 – Safety conditions for the contractor site facilities on premises owned or leased by a given ORLEN Group company.

III. GENERAL REQUIREMENTS

Assessment of Occupational Health and Safety Status of Contractors

4. For the assessment of occupational safety and health status of Contractors all Contractors participating in tenders for works and/or services in the Company shall fill in Occupational Safety and Health Assessment Questionnaire for Contractors (Annex 1 hereto) and present it together with other documents requested by the Company.

Rights and Obligations of Contractor

5. Contractor shall be liable for compliance with the requirements established in occupational health and safety (OHS) legislation effective in the Republic of Lithuania, OHS Procedures of the Company and any other applicable occupational safety and health regulations. Company's OHS Procedures and other OHS documents applicable to Contractors are available at: <http://www.orientlietuva.lt/EN/ForBusiness/DocumentsForContractors/Pages/Occupational-Safety-and-Health-Documents.aspx>

6. Contractor shall:

6.1. Hold valid certificates, licenses and other documents required to execute respective works;

6.2. Assign responsible persons (work managers, OHS specialists, etc.) for the execution and control of works;

6.3. Assign properly trained, indoctrinated and respectively certified employees only for the execution of works and shall ensure its employees know how to provide first aid;

6.4. Ensure that its all employees pass introductory OHS indoctrination in Occupational and Process Safety Control Department of the Company according to procedure established herein;

6.5. Indoctrinate its employees in worksite, i.e. familiarize with existing and potential hazards and risk factors, procedure in case of emergency and accident, OHS requirements applied in the Company for assigned work as well as any other requirements applicable to employees;

6.6. Ensure that its work managers assigned for works which do not involve equipment unsealing, also unit unsealing, maintenance, hot, earth works and/or works in confined spaces pass test for work managers according to procedure established herein;

6.7. Provide its employees with personal protection equipment which complies with EN standards and bears CE marking;

6.8. Ensure that all its employees, according to procedure established in legal acts of the Republic of Lithuania, undergo medical examination with regard to hazardous and/or harmful factors of working environment which they may be exposed to while doing assigned work and/or services at the Company and hold respective health examination documents;

6.9. Make sure the vehicles, equipment, devices and tools used for works are in proper condition, inspected and/or tested under effective OHS regulations of the Republic of Lithuania and bear all documents required for operation thereof. Observe requirements established in Annex 9 hereto while arranging temporary mobile premises;

6.10. Ensure that vehicles entering the territory of the Company are marked with logos showing the name of Contractor's company. In addition, a card showing the name of Contractor's company, driver's name, surname and mobile phone number must be fixed on the vehicle in a

clearly visible place. Within the Company's territory, traffic regulations and internal road marking applied at the Company shall be observed;

6.11. Prior to commencing works under contract concluded with the Company, prepare documents indicated in Paragraph 33 hereof and obtain confirmation of its preparedness to start contractual works, i.e. approved Statement of Preparedness by Contractor to Start Contractual Works in Public Company ORLEN LIETUVA (hereinafter – Statement, Annex 2 hereto);

6.12. Perform works in compliance with requirements for the issue of permits for works as established in OHS Procedures of the Company;

6.13. Report all accidents, incidents, fires, unexpected releases of harmful substances, damage to Company's equipment, near misses which occurred in Contractor's workplace to Occupational and Process Safety Control Department of the Company;

7. In case of subcontracting of works and/or services, shall familiarize its subcontractor(s) with the documents referred to in Paragraph 5 hereof, and make sure subcontractor's work managers and employees comply with the requirements set in Paragraph 6 hereof.

Responsible Persons Assigned by Contractor

8. For the period of execution of works Contractor, pursuant to Model Regulations of Safety and Health Services of Undertakings [3.4], shall assign required number of OHS specialists, in any case one OHS specialist at least per fifty workers.

9. In cases prescribed by the Guidelines on Arranging of Workplaces on Construction Sites [3.1], Contractor shall assign construction safety and health coordinator for control of works.

10. Contractor that is going to use temporary mobile premises (containers, trailers) in the Company's territory shall assign person(s) responsible for operation of such premises and fire safety thereof.

11. Prior to commencement of electrical engineering works (i.e. works for which electrical engineering qualification is required) in operated power facilities of the Company (premises of power installations, transformer substations, cable racks, etc.) Contractor shall provide the person responsible for power section of respective organizational unit of the Company with certificate issued by the State Energy Inspectorate and/or Ministry of Environment entitling to perform respective works as well as the list of electrical engineering staff with qualification category of each employee and sign the Statement of Occupational Safety and Health Mutual Responsibility Limits [3.6] with such responsible person. Only after such arrangements the person responsible for power section of respective organizational unit of the Company by his/her regulatory document shall execute permit for works in power installations of the Company.

12. Contractor who is going to use electrified mechanisms or tools shall assign a person responsible for technical condition of Contractor's electrical equipment, electrified mechanisms and tools, their reliable and safe operation, connection to/disconnection from the Company's power network.

13. Contractor who is going to perform other than electrical engineering works at power installations or safety zones thereof shall assign a supervisor with at least medium electrical safety category (MC) for performing of the functions provided for in the Safety Rules for Operation of Electric Equipment [3.6].

14. Contractor who is going to use potentially hazardous equipment (hereinafter – PHE) for works shall, for the purpose of operation of such equipment, assign duly trained, certified and holding relevant qualification certificates PHE supervision foremen, managers for works with PHE and employees operating (using) PHE.

15. Contractor who is going to perform works which do not involve unsealing, also unit unsealing, maintenance, hot, earth works and/or works in confined spaces shall assign required number of work managers who shall be trained and certified in accordance with the procedure established in Paragraphs 19 and 20 hereof.

Introductory Indoctrination of Contractor's Employees

16. All Contractor's employees shall, before starting work and periodically – at least once in 24 months, undergo introductory OHS indoctrination at Occupational and Process Safety Control Department of the Company (contact tel.: +370 443 92231).

17. During indoctrination, employees shall be familiarized with main OHS requirements applied at the Company for works assigned to them, with existing, potential hazards and risks at the Company as well as actions to be taken by employees in case of accident and emergency, also any other requirements to be observed by the employees.

18. After indoctrination course, Contractor's employees shall have to pass a test to make sure they understood information presented to them properly. If employee passes the test successfully, indoctrination shall be formalized according to OHS indoctrination procedure effective in the Company.

Certification of Contractor's Work Managers

19. Contractor's work managers assigned for works which do not involve unsealing, also unit unsealing, maintenance, hot, earth works and/or works in confined spaces shall, before starting work and periodically – at least once in 12 months, take a test for work manager (contact tel.: +370 443 92231). List of OHS Procedures of the Company which are included into the test for work manager is presented in Annex 6 hereto.

20. If employee fails to pass the test for work manager, another trial shall be taken not sooner than on the next working day. Results of certification of contractor's work managers shall be formalized by the Protocol of Certification on Occupational Safety and Health and a card shall be issued to prove employee's qualification where the following information shall be specified: employee's full name, name of Contractor and validity of certification. Work manager shall be required to have this card at the worksite at all times.

Requirements for personal protection equipment

21. Contractor's employees in the territories of the Company where potentially explosive atmospheres exist (entries into such territories are marked with Ex signs 'Warning! Potentially explosive atmosphere') shall use the following required personal protection equipment (hereinafter – PPE):

21.1. Work clothing which complies with requirements established in the general standard EN ISO 13688 (EN 340) as well as standards EN ISO 11612 (EN 531) (flame-resisting), EN 1149-5 (antistatic and suitable for use in potentially explosive atmospheres). Name of Contractor's company and/or its logo must be shown on work clothing;

21.2. Safety helmet which complies with requirements established in standard EN 397 with a strap. Name of Contractor's company and/or its logo and employee's name and surname must be shown on the front of helmet;

21.3. Safety goggles which comply with requirements established in standard EN 166;

21.4. Safety footwear which complies with requirements established in standard EN ISO 20345 for category 3.

22. For works in office and amenity facilities, access roads, pedestrian walkways and other places where potentially explosive atmospheres do not exist, it is allowed to use work clothing which meets only requirements established in the general standard EN ISO 13688 (EN 340).

23. Contractor's employees who are going to perform works in the territories of Operations Subdivision No. 1, Operations Subdivision No. 2, Operations Subdivision No. 3, Power House, Waste Water Treatment Shop, Petroleum Product Loading Shop, and Pipeline and Terminal Operations Subdivision shall be provided with escape gas masks for emergency evacuation from the area of chemical contamination:

23.1. Type of escape gas masks – panoramic masks, half masks or escape respirators with ABEK filters (Class 1 or 2);

23.3. Escape gas masks must be kept in mobile premises (containers, trailers) located in the worksite of employees or near it;

23.4. In the territories of Elemental Sulfur Recovery Unit, Flare Section as well as Mechanical and Biological Treatment Section of Waste Water Treatment Shop (perimeter of these facilities is marked with sign 'Respiratory protection equipment must be held') the employees must carry escape gas masks along with them;

23.5. Escape gas masks and filters must be used, stored and maintained as prescribed by manufacturer.

24. Other PPE (for ear, respiratory protection, protection against fall from height, etc.) shall be selected and used according to the nature and specifics of performed works and occupational risk factors.

25. All PPE must meet requirements prescribed by EN standards, bear CE marking, provide adequate protection against harmful, hazardous factors of working environment without exposure to greater risks to the health and safety of employees, meet ergonomic requirements and existing health condition of employee, be suitable (respectfully selected and fitted) to an employee, shall not be used after expiry of validity period prescribed by manufacturer, must have entries about completed inspections at intervals prescribed by manufacturer, be in proper technical condition and clean.

Occupational Safety and Health Inspections by Contractor

26. Contractor's OHS specialists and other responsible persons shall keep control over performed works. In order to fix any OHS non-conformities and/or violations identified during worksite inspections proper measures ensuring occupational safety and health at worksites shall be provisioned and persons responsible for implementation of such measures shall be assigned.

Occupational Safety and Health Inspections by OHS Specialists of the Company

27. OHS specialists of the Company shall be entitled to perform OHS inspections of Contractor within the Company and to audit Contractor in its company and request Contractor's managers and employees to observe requirements established in OHS Procedures of the Company, OHS legislation effective in the Republic of Lithuania, and any other applicable OHS regulations.

28. Upon identification of OHS violation by Contractor, OHS specialist shall issue OHS Violation Report (form is provided in Annex 10 hereto) where the following information shall be specified: title of OHS document which was violated and its specific provision (paragraph, item, etc.), measures and deadline for elimination of violation and decision (if any) to suspend works.

29. OHS specialist of the Company may decide and request Contractor's work manager to suspend works in the following cases:

29.1. When Contractor's employee(s) have not been trained on safe work (do not have certificates, qualification required for respective works and/or operation of potentially hazardous installations, etc.)

29.2. When means that are used for works are faulty and/or unsuitable for works (e.g. improperly, unsafely erected scaffolding, equipment used for works hasn't been inspected and/or tested as required or equipment is unsuitable for use in potentially explosive atmospheres, etc.);

29.3. In case of emergency – danger;

29.4. When works are performed in violation of established process regulations, operation manuals;

29.5. When works are performed without the arrangement of required protection equipment (e.g. without equipment for protection against fall from height, etc.) and/or when employee(s) do not have required PPE;

29.6. The working environment is harmful and/or hazardous to health or life (e.g. may result in likely damage from exposure to chemical and/or physical factors, etc.).

30. Contractor indicated in OHS Violation Report shall implement measures indicated in OHS Violation Report by the due date prescribed and notify Occupational and Process Safety Control Department of the Company accordingly. If works have been suspended due to OHS violation, it will be allowed to resume them only after OHS specialist of Occupational and Process Safety Control Department checks and ascertains that all prescribed measures have been implemented.

31. In case of violation of OHS requirements, Contractor shall pay the Company a penalty in the amount established in contract concluded between the Company and the Contractor.

Keeping of OHS Documents

32. In the premises arranged or occupied in the Company's territory by Contractor the latter shall keep all OHS documents required for safe execution of works (OHS Plan, On-Site Indoctrination Logbook, OHS Procedures, safety data sheets of hazardous substances and/or mixtures, OHS inspection results, health examination documents, etc.).

IV. PERMITS FOR WORKS

Contractor's Preparedness to Start Work

33. Prior to commencement of works under contract concluded with the Company, Contractor shall prepare and present the following documents to Occupational and Process Safety Control Department of the Company:

33.1. Declaration of Conformity with OHS Regulations (Annex 3 hereto);

33.2. Information on Subcontractors (the form is provided in Annex 4 hereof; to be filled in and presented in case of subcontracting);

33.3. OHS Plan for the execution of works indicated in Paragraph 38 hereof (to be prepared according to the content of OHS Plan provided in Annex 5 hereto). If, pursuant to the requirements set in Technical Regulation for Construction [3.3], Contractor is under obligation to develop a project of technology of construction operations, development of a separate OHS Plan is not required.

33.4. Waste management plan prepared according to Waste Management Regulations of the Company and agreed with the head of the Company's organizational unit where the Contractor is going to perform works, with employee assigned by the Company for coordination of works performed by Contractor and Environmental Control Manager.

34. After preparation of documents listed in Paragraph 33 hereof, Contractor shall fill in the Statement of Preparedness (Annex 2) and collect the signatures of Control and Prevention Group Manager and Environmental Control Manager of the Company (or employees assigned by them) thus confirming that documents listed in Paragraph 33 have been duly prepared and presented.

35. Contractor who performs works and/or provides services in the Company under contracts with the Company on continuous or periodic basis and who has prepared all documents listed in Paragraph 33 hereof may obtain approval (Statement of Preparedness) for the entirety of its works/services for a period of one year. Contractor shall be responsible for the amendment/update of documents listed in Paragraph 33 hereof in case of any changes in the nature of works or work conditions. For construction/installation of new facilities, modernization or reconstruction of installations Contractor shall prepare documents listed in Paragraph 33 hereof anew and obtain respective approval (Statement of Preparedness) for the execution of these works.

36. After collection of approvals of all responsible employees referred to in Paragraph 33, Contractor shall register the Statement of Preparedness with Occupational and Process Safety Control Department.

37. Copies of Statements registered with Occupational and Process Safety Control Department shall be presented by the latter to Contractor and employees of the Company who are in charge of the control and coordination of works performed by Contractor.

Occupational Safety and Health Plan

38. Contractor shall be required to prepare OHS Plan in the following cases:

38.1. When the duration of work will exceed 30 working days and more than 20 employees will be working at the same time or the planned scope of work will exceed 500 man-days;

- 38.2. For works which cause the risk of fall from height or into depth, hazard of calve or sinking;
- 38.3. For works which involve slopes exceeding 1.5 meters in height and excavations exceeding 1.5 meters in depth;
- 38.4. For building and structure demolition works, also for works at structures of critical technical condition;
- 38.5. For installation and demounting of heaters, towers, heat exchangers and any other equipment of large dimensions (longer than 6 m) and weight (more than 5 t);
- 38.6. For works when 1 ton or a larger quantity of hazardous substance or mixture is used;
- 38.7. For asbestos disposal works;
- 38.8. For works close to high voltage grid (cables);
- 38.9. For works at power installations;
- 38.10. For works inside vessels, towers and other installations;
- 38.11. For cleaning, washing of equipment from which hazardous substances have not been removed.
39. OHS Plan shall be agreed by Contractor with employee assigned by the Company for coordination of works performed by Contractor and Occupational and Process Safety Control Manager.

System of Work Permits

40. Prior to commencement of works which do not involve unsealing, also unit unsealing, maintenance, hot, earth works and/or works in confined spaces at the Company's facilities (excluding these works at power installations and at Power Plant), Contractor shall obtain permit for works pursuant to the procedure of issue of permits for works established in the following OHS Procedures of the Company:
- 40.1. Occupational Health and Safety Procedure BDS-5: Work Irrelevant to Equipment Unsealing;
- 40.2. Occupational Health and Safety Procedure BDS-6/1: Unit Unsealing and Maintenance Works;
- 40.3. Occupational Health and Safety Procedure BDS-6/2: Works in Confined Spaces;
- 40.4. Occupational Health and Safety Procedure BDS-7: Hot Works;
- 40.5. Occupational Health and Safety Procedure BDS-31: Earth Works.
41. In case of any difficulty for work manager to communicate with the issuer of permit and/or work coordinator due to language barrier, work manager shall ensure the presence of an interpreter at the time of issue of permit.

Works in Power Installations

42. For works at the Company's power installations Contractor shall obtain an instruction to perform works at power installations [3.6] and, in addition, a permit for works listed in Paragraph 40 hereof (excluding works at Power Plant).
43. For works at the Company's Power Plant Contractor shall obtain respective instruction to perform works at power installations [3.6] or works at heating installations [3.8] and/or a permit for hot works [3.7]. For earth works in the territory of Power Plant Contractor shall obtain permit for earth works according to Occupational Health and Safety Procedure BDS-31: Earth Works.

Transfer of Territory to Contractor

44. In case of long-lasting civil construction and/or installation works in a prepared territory (at newly built or inoperated units), certain unit or a group of units together with the territory required for civil construction and/or installation works may be transferred to Contractor against Statement-Permit for Civil Construction/Installation Works (hereinafter – Statement-Permit, Annex 7 hereto).
45. Statement-Permit shall indicate all required territory preparation measures as well as measures intended for the assurance of safe and healthy work conditions for employees in all aspects related to works for the entire period of execution of works.

46. Statement-Permit shall be prepared by the Company's project manager and head of organizational unit where the territory to be transferred to Contractor is located and an authorized representative of the Contractor.

47. Statement-Permit shall be agreed with organizational units of the Company related to respective civil construction works and approved by Deputy General Director for Operations of the Company.

48. Statement-Permit shall be registered with Occupational and Process Safety Control Department of the Company (copies of Statement-Permit shall be provided by Occupational and Process Safety Control Department to all parties concerned).

V. ACTIONS IN CASE OF ACCIDENT, INCIDENT OR EMERGENCY

49. Contractor's employees shall immediately report all occupational accidents, incidents, fires, unexpected releases of hazardous substances, damage to the Company's equipment and near misses which occurred in their worksite (hereinafter – incidents) to the Dispatcher of Production Control Department of the Company (hereinafter – the Company's Dispatcher) by phone 3333 (from a fixed-line network) or by phone +370 443 9333 (from any communication line), and to the head of organizational unit where the facility they work at is located, issuer of permit or any other assigned contact person. If works are executed in Būtingė Terminal, all incidents shall be reported to Shift Supervisor of Terminal Operations Group, tel.: +370 443 93459 or +370 686 78112; if works are performed in Biržai and Joniškis Oil Transshipment Stations – to Dispatcher of Main Pipelines Service Group, tel.: +370 443 93483 or +370 689 89845.

50. Upon receipt of notice on incident, Company's Dispatcher, Shift Supervisor of Terminal Operations Group or Dispatcher of Main Pipelines Service Group shall call out emergency rescue services (firefighters and ambulance) to the site of incident.

51. Contractor's employees shall provide first aid to the injured, organize the meeting of emergency rescue services and indicate the place of incident to them.

52. Contractor shall present a written report on incident (Annex 8 hereto) to Occupational and Process Safety Control Department within 4 hours after the incident at the latest.

53. Occupational accidents where Contractor's employee(s) were injured shall be investigated and recorded by the Contractor in the presence of representative authorized by the Company in accordance with procedure prescribed by legal regulations.

54. After completion of investigation of accident which occurred in the territory of the Company, Contractor shall present accident investigation report and investigation material to Occupational and Process Safety Control Department of the Company.

55. After recovery of the injured, Contractor shall report the number of calendar days of sick leave by the injured to Occupational and Process Safety Control Department of the Company.

VI. INFORMATION OF EMPLOYEES ON EMERGENCIES IN THE COMPANY

56. Civil protection alarms (external sirens and internal sirens-loudspeakers) are used in the Company to warn and inform employees about emergencies (situations resulting from emergency event which may pose a sudden and grave hazard to the life or health of employees, also to property and the environment, or cause employees' death or injury, or likely to cause any other damage) in the Company.

57. Meanings of the sound of civil protection alarms used in the Company:

57.1. Pulsating sound – warning which means that employees must turn on wired-radio outlets immediately or through internal sirens-loudspeakers listen to the civil protection signal transmittal and verbal announcement about the situation and further actions to be taken;

57.2. Steady sound – warning which means that employees must evacuate from the territory to evacuation points. Evacuation from the evacuation points and the territory of the Company shall be performed as instructed by the Operations Center of the Company.

VII. FINAL PROVISIONS

58. Responsibility for periodic review and updating of this Procedure, if needed, shall lie with Occupational and Process Safety Control Manager.

Prepared by
Control and Prevention Group Manager
Egidijus Luomanas

25/09/2017