

**Agreement**  
**on Compliance with LafargeHolcim Russia Group Labor Safety, Industrial Safety, Fire Safety and Environmental Protection Rules**

City of \_\_\_\_\_, 201\_

\_\_\_\_\_, hereinafter referred to as the “Customer” (or “LafargeHolcim Russia Group”), represented by \_\_\_\_\_ acting on the basis of \_\_\_\_\_, from the one part, and \_\_\_\_\_, hereinafter referred to as the “Contractor”, represented by \_\_\_\_\_ acting on the basis of \_\_\_\_\_, from the other part, have concluded this Agreement as follows:

**1. BASIC PROVISIONS**

The Customer pays special attention to labor protection, industrial safety, fire safety and environmental protection (hereinafter also referred to as the “HSE”) and requires the Contractor to comply with the Rules set forth herein, as well as comply with the current federal legislation of Russia, including legislation on subsoil, on environmental protection, on production and consumption wastes, on industrial safety of hazardous production facilities, on fire safety, on natural and mineral resources, as well as all other laws and regulations in force in the territory of the Russian Federation.

The list of the internal requirements of the LafargeHolcim Group Russia, which the Customer belongs to, must be agreed with the department of HSE and PB, the Contractor agrees with their requirements and guarantees their execution and compliance.

1.1. The Contractor shall be fully responsible for compliance with the HSE requirements by subcontractors, as well as their employees involved by the Contractor on the basis of subcontracts. The provisions hereof shall apply, in particular, to the employees of a subcontractor involved by the Contractor to perform work under a subcontract agreement.

1.2. When performing Works under the Contract, the Contractor guarantees and shall be fully responsible for the performance of the Work in accordance with this Agreement, the current legislation of the Russian Federation, including the applicable rules, standards, regulations and guidelines on HSE.

1.3. The Contractor shall be fully responsible for the safety of all persons and property located in the designated territory for the performance of the Works and shall compensate the Customer and/or third parties for real damage caused through its own fault to any person or property in the Customer’s premises.

1.4. This Agreement shall come into force from the moment of its signing by the authorized representatives of the Contractor and the Customer and shall be valid for an indefinite period.

1.5. The Agreement shall extend to the relationship of the Parties under all existing contracts concluded by the Parties at any time before the conclusion hereof and to the relationship of the Parties in all types of contracts concluded after the effective date hereof. If the “Contract” in the text is indicated in any cases, the provisions hereof shall apply to the Contract specified in the preamble hereof and to all contracts specified in this paragraph.

1.6. The provisions hereof shall also apply in the event that the Contractor provides services under the Contract or the subject matter hereof is not the performance of works, the provision of services, directly and (or) by analogy, even if the Contractor is specified differently in the framework of the Contract (for example, the “Executor”).

If the Parties have been concluded a separate agreement related to the implementation of freight transport and (or) movement (delivery) of materials assets, the Agreement shall not

apply to the relationship of the Parties related to the implementation of freight transport and (or) movement (delivery) of materials assets.

## **2. INTERACTION WITHIN THE FRAMEWORK OF THE LABOR PROTECTION, INDUSTRIAL SAFETY, FIRE SAFETY AND ENVIRONMENTAL PROTECTION**

### **2.1. Documentation**

2.1.1. The Contractor shall perform a risk assessment for each type of Work under the Contract and provide the risk assessment forms (Appendix 1) for the Customer's approval prior to the commencement of the Work. The Customer's representative shall review the risk assessment forms provided and approve or return the same to the Contractor to eliminate the comments.

2.1.2. In order to obtain an admission to work, before the briefing, the Contractor and the subcontractors involved in the production of work shall provide the Customer's representative with copies of the following documents:

- licenses granting the right to carry out activities subject to licensing in accordance with the requirements of the Federal Law No.99-FZ On Licensing Certain Types of Activities" dated 04/05/2011, an extract(s) from the Register of Self-Regulating Organizations confirming membership in this organization;
- permits, consents, approvals, examination results;
- a list of employees of a contracting (including subcontracting) agency who will directly perform work in the Customer's premises, specifying the full name, position/profession, signed by the head of the agency. If work by foreign citizens is required, the Contractor shall grant permits for the right to work in the region corresponding to the place of work. When changing the list of employees performing work in the Customer's premises, the Contractor shall provide the Customer with an updated list before sending a new employee;
- a medical report on the professional suitability of each employee for the claimed work (a copy of the medical examination results: preliminary or periodic);
- documents confirming the compliance of the qualifications of employees and admission to work on this profession (protocols, certificates and other documents confirming the necessary training, briefings, knowledge testing and certification of employees in accordance with the requirements of regulations of the Russia Federation);
- an order appointing a person responsible for the safe organization and performance of work;
- an order appointing a person responsible for compliance with the standards and requirements for labor protection and industrial safety;
- documents confirming the appointment of responsible persons who have the right to perform work with increased risk and issue operations certificates and job orders;
- a list of documents and documents confirming periodic inspections, examinations, testing of equipment, instruments, accessories, mechanisms, including electrified tools, to be used for the work in the Customer's premises;
- an order appointing a person responsible for electrical safety and fire safety;
- technological documentation (project of production, work plan, manufacturing plan) in accordance with the types of work performed (if necessary);
- risk assessments for each type of work performed coordinated with the coordinator (see Section 12. BASIC TERMS AND CONCEPTS);
- a list of vehicles and mechanized equipment to be used at the Customer's site;

- an order appointing a person responsible for handling waste in the Customer's premises;
- documents confirming the legitimate involvement of Contractor's employees in the work if they are foreign citizens and (or) stateless persons;
- documents confirming the quality of materials, equipment, work performed, services provided, and (or) their compliance with mandatory requirements, including safety (for example, quality certificate, certificates of conformance, declarations of conformance, permits)
- in the case of subcontractors involved, the documents listed above and confirming their obligations with regard to labor and industrial safety.

The Contractor represents that the above-mentioned documents submitted (originals and/or certified copies) are true and the circumstances specified therein or circumstances confirmed by such documents provided or to be provided are valid. The Customer relies on the Contractor's representations. Representations shall be deemed unreliable in each case, when the Contractor provides documents that:

- are executed in violation of the to the form established by the legislation of the Russian Federation, the Contract, documents thereto, and (or);
- are invalid, canceled or not applicable (in particular, due to changes in legislation), and (or);
- have been received and provided by the Contractor by falsification, forgery, fabrication, interaction with persons who do not have the right (permission) to issue such documents, and (or);
- have been provided to the Contractor by third parties and have one of the above characteristics and have been transferred by the Contractor to the Customer without verifying the same in terms of the said characteristics.

Unreliability of a representation can be confirmed by the Customer by any means, information, documents. The Customer shall have the right to independently verify the reliability of the representation, including in cases when information about the unreliability of the representation has been received from any third parties.

2.1.3. Before commencement of work in the premises of the current production (production unit), the Customer and the Contractor (or as the General Contractor in the case of engaging subcontractors) shall issue an operations certificate in accordance with the Occupational Safety Rules for the Production of Cement.

2.1.4. The Contractor shall, at the first request of the Customer, provide any other documentation not specified in p. 2.1.2 relating to the Contractor's HSE activities related to the performance of the Work under the Contract (contracts).

2.1.5. Any changes in the order of performance of work, the list of employees involved, the list of equipment and materials used for work shall be agreed in advance with the Customer (represented by the Coordinator), and appropriate changes shall be made to the forms of risk assessment of contract work.

## 2.2. Inspections

The Customer is entitled to carry out inspections at any time of the day for observance by the Contractor of the HSE requirements at the sites of performing the Work under the Contract, with the preparation of the Assignment of a statutory form in case of violations. In the event that the Customer determines, as a result of an inspection or otherwise, the violation by the Contractor of the HSE requirements, the Contractor shall develop and coordinate with the Customer a Corrective Action Plan determining the steps and deadlines for the elimination of the violation.

The Contractor shall eliminate all identified violations of the HSE requirements and provide a written Report on compliance therewith within the period specified in the Plan.

Improper or untimely implementation by the Contractor of the necessary measures on corrective actions agreed by the Parties shall be the basis for unilateral termination of the Contract by the Customer.

In the event of termination of the Contract for the above reason, the work performed thereunder subject to the completion certificates executed and signed by both parties shall be paid for in full, with the deduction of the amount of the corresponding fine (according to Section 11 hereof).

### 2.3. Incidents and Notifications

2.3.1. The Customer's representative shall inform the Contractor of the number and location of the phones for alarm signal, emergency call and other emergency response services.

Accidents, incidents, fires, combustions, casualties, near incidents, micro traumas, road accidents occurring during the production of the Work and in which the personnel of the Customer, the Contractor, the subcontractor involved by the Contractor, or other third parties have participated or suffered from, as well as with their equipment, property, shall be subject to registration, recording and transfer of information about it in writing by the Contractor to the Customer immediately, and to the appropriate state bodies, if necessary, in accordance with the current legislation, within 24 hours from the moment of their occurrence.

2.3.2. In case of occurrence of the cases mentioned in p. 2.3.1., the Contractor shall undertake the necessary actions to eliminate their consequences and damages and, without failure, form a commission to investigate the same. In case of an accident involving an employee of the Contractor, the Customer, subcontractors involved by the Contractor, the investigation shall be conducted in accordance with the Labor Code of the Russian Federation, the Regulations on the Specifics of Investigation of Occupational Accidents in Certain Industries and Organizations, and in accordance with the requirements of LafargeHolcim Russia Group set out herein. Based on the results of the investigation, the Contractor shall provide the Customer with materials for the investigation of the incidents. The Contractor shall include the Customer's representatives in the commission to investigate the incident, or send representatives to participate in the work of the Customer's commission for the investigation of incidents (if the Customer organizes the investigation). During the investigation, in the event of an operational visit to the scene, the Contractor shall provide the Customer's representatives with access to the documentation, equipment, personnel.

### 2.4. Meetings

The head of the contracting agency or his/her authorized representative/person responsible for compliance with the HSE rules shall participate in HSE meetings convened by the Customer, and to familiarize their employees, subcontractors, contractors with information distributed at meetings, as well as with all Customer's HSE requirements.

The Contractor shall be responsible for maintaining and continuously upgrading the HSE competence of its employees and ensure their participation in the Customer's HSE briefings. The Contractor shall monitor changes in the HSE legislation and inform its employees about the same in a timely manner.

## 3. WORK PLAN

### 3.1. Contractor's Personnel

All employees proposed by the Contractor to be employed for the production of Work shall not have adverse health conditions for the performance of their duties in accordance with the requirements of the legislation of the Russian Federation.

Prior to commencement of the Work under the Contract, the Contractor's personnel, including subcontractor, shall undergo a briefing on health and safety, the Customer's HSE

internal procedures, as well as environmental aspects of the Contractor's activity in the Customer's premises in the HSE service of LafargeHolcim Russia Group.

Briefing shall be conducted only when submitting documents in accordance with the list under p. 2.1.2.

After the briefings, the Customer's instructors shall sign the Contractor's application, whereby an officer of the Customer's Security Service shall issue a pass form.

When staying in the Customer's premises, the Contractor's employees shall have a logo of their company on the protective helmet or on the visible place of their clothing, as well as a pass issued by an authorized representative of LafargeHolcim Russia Group.

The amount of required training of the Contractor's employees shall depend on the type of work performed and shall be determined by the Customer. If necessary, the Customer may conduct additional briefings with the Contractor's employees regarding the execution of internal documentation on the prevention of accidents in the Customer's premises. If the Customer discovers insufficient competence, professional knowledge, skills of the Contractor's employees, the Customer is entitled to demand from the Contractor an extraordinary assessment or replacement of the employee.

The Contractor shall ensure that all the personnel of the Contractor, its subcontractors engaged in the production of Work keep their workplaces in the proper order and as clean as possible under the given conditions in order to reduce the risk of injury, damage to property, and delays in the production of Work.

If the Contract does not provide for other conditions, the Contractor shall, on its own, arrange the sanitary and living conditions for its employees (household premises, toilets, food).

When staying in the Customer's premises, the Contractor's personnel and the involved subcontractors shall be prohibited from entering the premises other than those assigned to the Contractor for the performance of work. If no certificate of delineation of responsibilities is provided, the Contractor's personnel shall move within the Customer's premises solely for business necessity. At the same time, the entrance to the production site and to the repair area shall be allowed only upon prior agreement of the Customer's Coordinator.

The Customer is entitled to object to the involvement in the production of Work of or to close access to its premises for the Contractor's employees, its subcontractors, as well as demand their removal from the Work, if these employees violate the HSE rules stipulated by the legislation of the Russian Federation, this Agreement, demonstrate unacceptable behavior, show incompetence or negligence in the performance of their duties.

3.1.1. In order to perform the work under the contract, the Contractor shall appoint a Person responsible for compliance with the HSE rules, who shall stay in the premises of the production of Work during the working time of the entire validity period of the Contract. This person shall have the qualifications necessary to carry out this work, as well as have the authority to give instructions and take measures to prevent the consequences of non-compliance with the HSE requirements, sign Violation Certificates, and conduct the necessary HSE trainings, production control, and perform other powers necessary to perform his/her duties.

In the event that work is performed in the Customer premises by 50 or more employees of the Contractor, the Contractor shall ensure the permanent presence in the Customer's premises of an HS engineer(s) with the appropriate qualifications.

3.1.2. The Contractor warrants that its employees, employees of its subcontractors, and, if necessary, employees of its suppliers and sub-suppliers are aware of and comply with the requirements set forth herein.

3.1.3. When there are several Contracting Agencies in the premises of the production of work, the Contractor shall coordinate with the Customer's Coordinator additional HSE measures to ensure safety during related work.

3.1.4. The Contractor shall issue a job order, before performing the following hazardous work:

- Work with the use of hoisting mechanisms and other construction machinery in the exclusion zones of overhead transmission lines, gas and oil pipelines, product pipelines, warehouses of flammable or combustible liquids, flammable or liquefied gases.
- Gas hazardous work;
- All kinds of hot work in production areas, material warehouses in places of storage of petroleum products and other combustible materials;
- Preparatory, cleaning, lining, inspection and repair work related to staying in bunkers, drying drums, flues, wells, mills (raw and cement), dust chambers, rotary kilns, silos, filters, refrigerators, aspiration mines, slurry tanks, storage tanks for fuel and lubricants and other closed containers, pits and hard-to-reach spaces;
- Work with combustible heaters;
- Excavation work in exclusion zones of underground electric networks, gas pipelines, oil pipelines, water supply and water disposal systems;
- Work with the use of caustic, poisonous, explosive substances;
- Work on dismantling of buildings, structures;
- Work at a height close to unrestrained falls in height of 1.8 and more;
- Work in enclosed space.
- In other cases established by legislative requirements

In the event of a change in the conditions of work, the job order shall be revoked and the work shall be allowed only after making corrections to the risk assessment form and issuing a new job order.

The risk assessment, the CPD (construction planning design) and WP (working plan) shall specify safety measures in the production of these works, with reference to specific conditions and place.

3.1.5. Communications (electricity, water, compressed air etc.) shall not be used without the written permission of the Customer's authorized representative. Processing equipment shall be switched on and off by the Customer's personnel after receiving a written order from the Contractor's authorized representative.

3.1.6. The Contractor shall provide all the places of production with signaling means of collective protection, safety signs (warning, prohibitory, indicative, prescriptive) in accordance with the requirements of the legislation of the Russian Federation and this Agreement.

## 3.2. Equipment

3.2.1. In order to ensure the efficient and safe production of Work, as well as avoidance of downtime, the Contractor shall supply equipment of the appropriate quality that meets the requirements of the legislation of the Russian Federation, the GOSTs, the technical conditions and the requirements of the Customer. The equipment shall be supplied with the necessary data sheets, certificates, instructions and permits required under the current legislation of the Russian Federation.

All equipment shall be used for its intended purpose, in compliance with the operation rules and safety rules established by the current legislation of the Russian Federation, this Agreement and kept in a safe, working condition.

In order to verify the requirements described above, the Coordinator, the HS Service officers and other employees of the Customer are entitled to verify the relevant documentation and conduct a visual inspection of the equipment before commencing work, as well as during the performance of work.

It is forbidden to use any equipment, mechanisms, tools in a faulty condition and with inoperative, overdue safety devices (devices and tools for locking, fixing and alarming), as well as operate equipment with characteristics that do not meet the specifications of a data sheet, the legislation of the Russian Federation. All the personnel of the Contractor, as well as its subcontractors, working with the Contractor's equipment shall have the necessary skills, qualifications and appropriate training. The responsibility for training the personnel shall be assigned to the Contractor.

3.2.2. The equipment with dangerous moving details shall have protective barriers in accordance with the requirements of the Russian standards for this type of equipment. All protective barriers shall be attached to the equipment in such a way that a tool is needed to remove them.

3.2.3. If the equipment operated by the Contractor has enclosed spaces where people need to enter, an entry point shall be designed in such a way as to ensure safe entry and exit of people, as well as to ensure the evacuation of employees from the enclosed space in an emergency.

3.2.4. The equipment used (operated) by the Contractor shall have information support (boards), which provides the following information: belonging to the organization, identification number, information about the passed tests and inspections.

### 3.3. Preparation

The Contractor shall perform preparatory work for the organization of the construction site necessary to ensure the safety of construction, and conduct work in accordance with SNiP 12-03-2001 and 12-04-2002 Safety in Construction.

### 3.4. Working at Height

3.4.1. When working at height, the Contractor shall observe the Rules on Labor Protection when Working at Height approved by Decree of the Ministry of Labor of Russia No.155n dated 28/03/2014, as well as the Customer's internal requirements Working at Height set forth herein and other regulatory documents.

3.4.2. When working at height using hoisters (towers), the Contractor shall follow and comply with the Federal Industrial Safety Standards and Regulations "Safety Rules for Hazardous Production Facilities with the Use of Hoisting Devices" approved by Order of Rostekhnadzor No.533 dated 12/11/2013, as well as the Customer's requirements Working at Height set out herein.

3.4.3. For all sites with a possibility of falling from height, safety measures shall be described in the risk assessment of contract work.

3.4.4. In order to ensure safe working at height, all the personnel of the Contractor and the Subcontractors involved in working at height shall undergo special training in the Customer's HS Department. In addition, the Contractor shall ensure compliance with the requirements of the legislation of the Russian Federation by the qualification of persons, who:

- perform work at height
- responsible for installation, dismantling and inspection of scaffolding,
- use lifting platforms in work of a different kind, as well as for persons responsible for serviceability and maintenance of equipment for hoisting people to height.

3.4.5. When working at height, the work alone shall be prohibited. Employees shall know the rules of first aid and be able to provide first aid to the victim in case of a fall from height.

3.4.6. Stairs can be used for short-term Work with special permission of the Customer. Custom and wooden stairs cannot be used.

3.4.7. Areas where of working at height shall be protected and marked with warning signs (for example, Caution – Working at Height – Stay Away) at the lower level where objects can fall.

3.4.8. When working at height of more than 1.8 m at an open or unprotected site or on the edge (for example, roof, quarry face etc.), as well as during the installation or dismantling of scaffolds, fall prevention systems (5-safety harness and safety rope) shall be used.

A safety strap cannot be used as a fall-holding device.

3.4.9. Before working at height using safety equipment, the Contractor shall develop and agree with the Coordinator the Evacuation Plan in case of a fall.

3.4.10. All items of equipment for working at height (falling restraints) shall undergo a suitability inspection for further use at least 2 times a year. Each unit of high-altitude equipment shall have an identifier/labeling indicating the date of the last inspection.

The Contractor shall arrange for the inspection of the scaffolding at least once a week, as well as any modifications to their construction after severe weather conditions. All exploited scaffolding shall have a visible tag indicating the date of the last inspection.

The Coordinator, an officer of the HSE service and other employees of the Customer are entitled to prohibit the Contractor from using uninspected or unsafe scaffolding until the violations are eliminated.

### 3.5. Disabling and Blocking

3.5.1. Employees of the Contractor, its subcontractor in the course of the Work related to the probability of injury due to unexpected energy release or equipment start-up (heat, electrical installation, moving equipment) shall be guided by the Labor Safety Regulations for the Operation of Electrical Installations (approved by Decree of the Ministry of Labor and Social Protection of the Russian Federation No.328n dated July 24, 2013) and comply with the requirements for disabling and blocking procedure established in LafargeHolcim Russia Group.

3.5.2. In case of need to apply the disabling and blocking procedure, the Contractor shall agree a disabling order with the Coordinator.

3.5.3. Personnel of the Contractor/subcontractor involved in the above-mentioned work shall undergo special briefing in the Customer's HS Department. This briefing can be conducted in the framework of the introductory HSE briefing in the HS Department of the Customer in coordination with the Coordinator.

3.5.4. Prior to commencement of work, each employee of the Contractor/subcontractor shall have a personal lock and perform disabling in accordance with the Customer's internal procedures.

In the event that the Contractor's employees lose or damage the personal locks issued by the Customer, the Contractor shall compensate the Customer for the cost of personal locks lost or damaged through the fault of the Contractor.

3.5.5. The procedure for blocking energy sources shall involve the installation of personal locks on the disablers by each person involved in the work. Only a person who has installed a personal lock shall be entitled to remove the same. Keys for personal locks cannot be transferred to other persons.

The Contractor shall bear full responsibility, including financial, for the consequences of those cases when the Contractor's employee leaving the Customer's territory has not removed his/her personal lock from the disabler.

### 3.6. Work in Enclosed Space

3.6.1. When working in Enclosed Space, the Contractor shall perform work in accordance with the requirements of the Russian legislation, LafargeHolcim internal regulations, as well as the following requirements of LafargeHolcim Russia Group:

- The Contractor's risk assessment shall include the necessary safety measures for performing work in enclosed space by employees of the Contractor and Subcontractors involved by the Contractor.
- In order to ensure the safe conduct of work in enclosed space, the Contractor's personnel (permit issuers and employees) shall undergo special briefing in the Customer's HS Department, which provides:
  - understanding the risks associated with work in enclosed space;
  - knowledge of the tasks and duties of a supervisor;
  - understanding the procedures for responding to emergencies;
  - explanations on how to use a gas-analyzer or other devices to estimate the air parameters of the work area.

3.6.2. Before performing work in enclosed space, the Contractor shall develop and agree with the Coordinator an Emergency Evacuation Plan.

3.6.3. Partially limited space where in the course of work the concentration of oxygen or harmful substances in the air of the working space may change to dangerous level shall be qualified as enclosed (for example, the production of paint or welding works in the receiving bin, charging chutes, shoots; the use of equipment with an explosion engine inside premises or excavations with natural ventilation of air).

### 3.7. Excavation

3.7.1. In the course of excavation work, the Contractor and subcontractors involved by the Contractor shall be guided by the requirements of the legislation of the Russian Federation, including SP 45.13330.2012. Code Specification. Earth Structures, Bottoms and Foundations, the Environmental Law of the Russian Federation, as well as the requirements of LafargeHolcim Russia Group for excavation work stipulated herein and other regulations.

3.7.2. Prior to commencement of excavation work performed both mechanically and manually (excluding day-to-day operations of the quarry and bulk warehouses) associated with the opening of the soil to a depth of more than 30 cm, the Contractor shall issue a written Permit for the excavation work in the services of the Customer.

3.7.3. If personnel are required to enter into excavations/trenches with a depth of more than 1 m and a width of more than 0.5 m, or when an excavation/trench is necessary to gain access and/or work on underground communications, the risks and related control measures shall be described in detail in the form of a risk assessment.

3.7.4. For the period of excavation work, an excavation shall be fenced to prevent possible movement of people and vehicles, equipped with appropriate warning signs and inscriptions and, if necessary, alarm lighting working at night. The fence shall be installed no closer than 2 m from the excavation and in the presence of a rail track – no closer than 2.6 m.

3.7.5. The excavation work on the existing underground engineering communications using excavating machinery shall be allowed only if the distance to which the operator can approach engineering communications is provided. The distances are regulated by SNIIP and depend on the conditions of the work, as well as on the type of underground engineering communications. All excavation work closer than the above distances shall be performed manually with a shovel. At the same time, no breaker, pickax or similar impact drivers, as well as special mobile means of mechanization, can be used.

3.7.6. In the area of excavation work in the operation of road construction machinery, parallel performance of any other work, as well as the stay of employees within the hazardous area of the operating bodies of the operating machinery (at least 5 m), shall be

prohibited. The soil extracted from the ditch or trench, as well as other materials and working tool, shall be located at a distance no closer than 2 m from the outer edge of the excavation.

3.7.7. The excavation work shall be stopped immediately if:

- danger of ground failure;
- danger of deformation of the foundation of nearby structures;
- detection of engineering communications not provided for in the plan-scheme;
- detection of the effect of harmful substances inside the excavation;
- excavation of an explosive object.

Further resumption of work shall be possible only after the elimination of the hazardous factor and the implementation of additional security measures.

3.7.8. If personnel are required to enter into excavations/trenches before performing the work, the Contractor shall develop and agree with the Coordinator an Emergency Evacuation Plan and ensure the means necessary for evacuation.

3.7.9. Inspection of the safety of excavations/trenches shall be carried out at least once a week, as well as when there are signs of a possible collapse, any changes in the structure or after severe weather conditions (heavy rains).

### 3.8. Hot Work

3.8.1. In the production of hot work, the Contractor and subcontractors involved by the Contractor shall be guided by the requirements of the legislation of the Russian Federation, as well as the hot work requirements of LafargeHolcim Russia Group set forth herein and other regulations.

3.8.2. Before commencement of the hot work, the Contractor shall take security measures in the performance of hot work in the form of an assessment of the risks of contract work and issue a job order. The job order for conducting hot work can be valid for not more than 7 days.

3.8.3. If an immobile welding point is required in the Customer's premises, the conditions for the organization thereof shall be coordinated with the Customer's Coordinator. Subject to the written confirmation by the Coordinator of the compliance of the Contractor's immobile welding point with the safety requirements adopted by LafargeHolcim Russia Group, the requirement to issue a job order for hot work at this welding point may be revoked.

3.8.4. When performing hot work, the Contractor shall take measures to restrict people and transport access to the danger zone (fencing the danger zone, warning signs), including the lower levels where there is a possibility of falling molten metal, scale etc.

3.8.5. When performing hot work using gas bottles, the Contractor and the Subcontractors involved by the Contractor in their work shall be guided by Industrial Safety Rules for Hazardous Production Facilities Using Equipment Operating Under Excessive Pressure (Order of Rostekhnadzor No.115 On Approval of Federal Industrial Safety Standards and Rules dated 25/03/2014)

3.8.6. The storage conditions for gas bottles shall meet the following requirements:

- empty and intact bottles shall be stored separately and separated by a rigid structure or wall;
- all bottles shall be stored in an upright position, be fixed or connected by a chain;
- bottles with combustible gases shall be stored at a distance of at least 7 meters from bottles with compressed non-flammable gas. For substances subject more stringent requirements of the Russian legislation, the minimum distance shall be increased.

3.8.7. Oxygen and acetylene containers shall meet the following requirements:

- before the burner, a flame retardant valve (flame arrester) shall be installed, and before the container – a return stroke valve;

- each container shall be equipped with a manometer, manometers shall be in working condition;
- all hoses shall be in working condition (no cuts, no marks of damage, no cracks) and securely fastened to fittings or connection points. It is forbidden to use a wire for fastening hoses;
- acetylene containers shall be transported and stored upright;
- gas containers shall be fastened upright to permanent or temporary structures.

3.8.8. For the hot work areas, the Contractor shall appoint a person responsible for fire safety. This employee shall:

- undergo training/briefing on his/her duties;
- have means of alarm in case of emergency; and stay in the work area for at least 30 minutes after completion.

3.8.9. Welding equipment, gas hoses and fittings shall be inspected at least every 3 months. The inspection results shall be documented.

3.9. Work on the hoisting and moving of load, the movement of people using specialized hoisting mechanisms.

3.9.1. When performing lifting work, the Contractor and subcontractors involved by the Contractor shall be guided by the Federal regulations and rules in the field of industrial safety “Safety Rules for Hazardous Production Facilities Using Hoisting Devices” approved by Order of Rostekhnadzor No.533 dated 12/11/2013, as well as the requirements of LafargeHolcim Russia Group for lifting work stipulated herein and other regulations.

3.9.2. When performing work related to the movement of people (cargo) using hoisters (towers), the Contractor and Subcontractors involved by the Contractor shall be guided by the Federal regulations and rules in the field of industrial safety “Safety Rules for Hazardous Production Facilities Using Hoisting Devices” approved by Order of Rostekhnadzor No.533 dated 12/11/2013.

3.9.3. In the production of lifting work, the Contractor and subcontractors involved by the Contractor shall take into account that lifting and moving people with jib-type cranes is strictly prohibited.

3.9.4. Increased attention in the risk assessment of contract work shall be given to security measures in the following cases:

- when people need to work with the cargo during its movement (control the movement of cargo in limited areas);
- when performing non-standard tasks or performing work for the first time.
- in the case of tandem lifting of load (two or more cranes).
- in the presence of hazardous environmental factors (power lines, physical obstacles, unstable ground etc.)
- in cases where people need to work within the area of possible falling of suspended load (not under load, work of people under load is prohibited).
- when moving people (cargo) using hoisters (towers).

3.9.5. The cranes (which are subject to registration with Rostekhnadzor bodies in accordance with the requirements of the Federal standards and regulations in the field of industrial safety “Safety Rules for Hazardous Production Facilities Using Hoisting Devices” approved by Order of Rostekhnadzor No.533 dated 12/11/2013) shall be equipped with boards specifying registration number, marked capacity and the date of the next partial and complete technical inspection.

3.9.6. The operated hoisters (which are subject to registration with Rostekhnadzor bodies in accordance with the requirements of the Federal standards and regulations in the field of industrial safety “Safety Rules for Hazardous Production Facilities Using Hoisting

Devices” approved by Order of Rostekhnadzor No.533 dated 12/11/2013) shall be equipped with boards specifying registration number, marked capacity and the date of the next partial and complete technical inspection.

3.9.7. The storage of hoisting mechanisms and equipment shall be equipped with signs with information about the slings, load capacity and the recommended scheme for using the sling when lifting.

3.9.8. Defective hoisting devices, as well as devices that do not have tags (stamps), shall not be located in the places of production. Unlabeled and damaged containers shall not be in the places of production of work.

3.9.9. All hoisting mechanisms and equipment, as well as supporting stands, shall be equipped with signs with information on the maximum workload (MWL).

3.9.10. Hoisting equipment shall be stored:

- on racks, shelves or suspended, not on the ground;
- sorted by type and load capacity for quick selection;
- slings made of artificial fibers shall be stored in a place preventing direct sunlight from getting into the environment to avoid damage by ultraviolet rays.

3.9.11. Areas of work performing related to the hoisting and moving of load shall be protected by an alarm tape or other methods to prevent unauthorized people from entering the danger zone and unauthorized passage of equipment.

3.10. Electrical Safety

3.10.1. Electrical boards and boxes, electrical cells and substations, any electrical equipment shall:

- have the design that meets the conditions of use, providing protection from external environmental influences, if necessary – explosion-proof design.
- have the necessary labeling and warning signs (voltage, danger of electric shock, emergency shutdown system labeling)
- be reliably protected from unauthorized access.

3.10.2. Each used electric installation shall have an emergency shutdown device, and be able to lock the feed circuit in the “off” condition with a lock.

3.10.3. All extensions used outdoors shall have a design that is appropriate to their operating conditions.

3.10.4. All mobile power tools shall be inspected on a regular basis. Cables and connecting devices shall not have any damage, traces of melting or burning. All operated mobile electrical accessories shall have a tag indicating timely inspection and operability.

3.10.5. The entire shared electric network (sockets) shall be protected by RCD configured to operate at a residual current of 30 mA; if there is no RCD in the circuit, mobile RCDs shall be used.

3.10.6. All mobile appliances shall have valid identification labels or tags indicating the operability of the equipment.

3.10.7. Devices for the protection of appliances (safety cutoffs, differential protection systems against overload) shall be installed in each electrical circuit. Only electrical personnel shall have access to these devices.

3.10.8. Electrical circuits shall be available for each unit of appliances.

3.11. Work in the area of hot gas emissions, near materials and surfaces with increased temperature

3.11.1. Before commencing work in the areas of hot gas emission, near materials and surfaces with increased temperature, the Contractor shall, in conjunction with the Customer’s representatives, conduct a risk assessment. The work shall be performed with the issuance of a job order by the Contractor.

3.11.2. Before performing work in the areas of hot gas emissions, near materials and surfaces with increased temperature, the Contractor shall develop and agree with the Coordinator an Emergency Evacuation Plan.

3.11.3. Work in the areas of hot gas emissions, near materials and surfaces with increased temperature shall be performed at an air temperature of no higher than 40 C, while the employee shall not stay in the work area for more than 15 minutes, followed by a 10-minute rest break in normal temperature conditions.

3.11.4. Every employee who performs work in the areas of hot gas emission, near materials and surfaces with increased temperature shall be provided with personal protective equipment in accordance with identified hazards (overalls, special footwear, gloves, protective helmet, goggles, respirators, gas masks, safety belts with attached safety ropes, other special preventers), and shall apply them in accordance with identified hazards and risks at workplaces.

3.11.5. If complex work (joint or combined) is required in the areas of hot gas emissions, near materials and surfaces with increased temperature, the Contractor shall appoint a Supervisor from among the most qualified contractors (as a rule, a job foreman).

The Supervisor shall:

- undergo a special briefing by an officer issuing a job order or a foreman (against signature in the job order);
- personally conduct control over the performance of work during the working shift and compliance with measures ensuring safe working conditions determined by job order and included in the duties of the contractors;
- independently or at the request of the work supervisor or an officer giving a permit, suspend the production of work (and notify the foreman thereof) in the event of a threat to the life and health of the work performer;
- resume the performance of work under the instructions of an officer giving a permit or a work performer;
- bear responsibility for the observance of measures to ensure safe working conditions during the performance of work that is the responsibility of work performers and determined by job order.

### 3.12. Work by Water

All persons working by water shall observe the following rules:

- during work, use life-saving appliances to keep their weight afloat.
- conduct an inspection of life-saving appliances before their application.
- before use, check all ladders, bridges, platforms, working structures and stairs.
- use the necessary personal protective equipment in accordance with p. 4. hereof.
- take precautionary measures in respect of working conditions by water:
  - temperature
  - passage along the embankment (slip, fall)
  - biological risks
  - current, water impact
- agree on how to communicate with a controller or a sentry.

### 3.13. Completion of Work

After the completion of work, the Contractor shall immediately remove from the Customer's premises all unused materials, if they are not the property of the Customer, and the equipment and keep the working area clean according to the requirements of the Customer.

## **4. PERSONAL PROTECTIVE EQUIPMENT (PPE)**

All personnel shall be provided with the following personal protective equipment (PPE), correctly apply and constantly use the same when in the premises:

- special shoes equipped with a shockproof toe puff;
- goggles having shatterproof lenses and side protection;
- protective helmet;
- a safety vest or clothing with reflective and contrasting inserts allowing to remain visible in different conditions of the production environment.

Personnel engaged in the production of Work shall additionally use the appropriate PPE to protect against the risks associated with the production of Work:

- breathing mask inhaler;
- earphones or ear plugs;
- goggles of closed type;
- protective gloves;
- protective face visor fixed on a helmet. Visors with headband shall not be used.

For welding work:

- protective masks/visors fixed on a helmet. Masks/visors with headband shall not be used;
- heat-resistant overalls and gloves;
- special footwear for welding work;
- special gloves and aprons for operations involving the mixing of chemicals.

All PPE listed above shall be certified for use in the territory of the Russian Federation.

Provision of personnel with PPE and ensuring that the Contractor's personnel comply with the requirements for the use of PPE shall be the sole responsibility of the Contractor.

## **5. CONTRACTOR'S TRANSPORT**

All the vehicles of the Contractor used in the production of Work shall be equipped with:

- built-in seat belts for driver's and every passenger seat.
- a first-aid kit, fire extinguisher, rear-view mirrors, sound signal, emergency stop signs, stoppers (trunnions) for putting under the wheels (if necessary, for example, when working in a quarry);
- tires corresponding to the time of year and the requirements of traffic regulations for wear of the tread;
- a working light signal system when reversing, and technological and freight transport with load capacity of more than 10 tons, and an automatic reverse sound signal.

For access to the quarry, all the cars and technological transport of the Contractor shall be equipped with tetralateral strobe light.

The Contractor shall:

- prepare a Vehicle Site Traffic Plan, including information on the signs of speed limits and protection of the edge of the road in the event that the Contractor uses vehicles and technological transport when performing work in the premises of the Customer;
- organize work on road safety in accordance with the requirements of the Federal Law No.196-FZ On Road Safety dated 10/12/1995;
- provide the Customer, or use serviceable vehicles in the course of the Work, timely conduct technical inspection of vehicles, in accordance with the legislation of the Russian Federation;
- organize control inspections of vehicles before departure on the route/before the commencement of the Work;

- ensure compliance with internal speed mode established by the Customer;
- ensure the movement and parking of vehicles in accordance with the layout at the Customer’s site (if any);
- submit to the Customer for inspection hoisting equipment and aerial platforms before entering to the territory, with the provision of the necessary documents permitting its operation;
- show the guards at the entry of trucks to the Customer’s premises the tickets of the established form with a note about the pre-trip medical examination and a note of the mechanic about the serviceability of the vehicle.
- observe the traffic rules when moving vehicles within the premises of the Customer.

## **6. ALCOHOL AND PSYCHOACTIVE SUBSTANCES POLICY**

The Contractor shall:

- every day prior to the commencement of the work shift and production Work, organize the examination of its employees, including employees of the Subcontractors, for being under the influence of alcohol or psychoactive substances (collectively referred to as “employees under the influence of alcohol or psychoactive substances”);
- immediately remove from the performance of Work and from the premises of LafargeHolcim Russia Group the employees under the influence of alcohol or psychoactive substances;
- not prevent from and, if possible, assist the Customer in conducting regular and selective examinations of its employees and employees of the Subcontractor for being under the influence of alcohol or psychoactive substances using rapid tests and reliable breathalyzer;
- not prevent from and, if possible, assist the Customer in conducting inspection of cargo brought in by its employees, including Subcontractors’ employees, in the premises of LafargeHolcim Russia Group, for the presence of alcohol or psychoactive substances;
- not allow alcohol, alcoholic beverages or psychoactive substances to be brought in by its employees, including Subcontractor’s employees, in the premises of LafargeHolcim Russia group, except for Permitted Substances.
- The procedure for recording any violations of alcohol or psychoactive substance requirements: When a Contractor’s employee is found with signs of alcoholic, narcotic or other toxic intoxication, the employee shall be sent to the Customer’s medical point for medical examination. Based on the results of the medical examination, a Breathalyzer Protocol shall be drawn up. When establishing the state of alcoholic, narcotic or other toxic intoxication, simultaneously with the Protocol, the Report specified in p. 12.3 hereof shall be drawn up, and the employee shall be immediately removed from the premises of the Customer. If the Contractor’s employee refuses to undergo a medical examination, in the presence of two witnesses, the Report specified in p. 12.3 hereof shall be drawn up, and the employee shall be immediately removed from the premises of the Customer. In this case, evidence of alcohol or other toxic intoxication shall be testimony, memos, reports etc.
- Finding an employee in the state of alcohol, narcotic or other toxic intoxication, as well as the Breathalyzer Protocol and/or the Report specified in p. 12.3 hereof shall be the unconditional ground for imposing a fine on the Contractor in accordance with p. 12.4. hereof, as well as a disciplinary action by the Contractor on the above-mentioned employee.

- The refusal by the Contractor's employee to undergo medical examination to establish the fact of alcohol, narcotic or other toxic intoxication shall not release the Contractor from paying the fine provided for in p. 12.4. hereof.

The Customer is entitled to:

- conduct regular, irregular and random examinations, as well as daily examinations of the Contractor's employees before passing to the premises of LafargeHolcim Russia Group, using an express test and reliable breathalyzer;
- immediately remove the Contractor's employee from the premises of LafargeHolcim Russia Group, upon confirmation of him/her being under the influence of alcohol or psychoactive substances;
- refuse the Contractor's employee to enter the premises of LafargeHolcim Russia Group upon confirmation of him/her being under the influence of alcohol or psychoactive substances on the basis of the rapid test data and reliable breathalyzer;
- conduct inspections of cargo brought in by the Contractor's employee to the premises of LafargeHolcim Russia Group in terms of alcohol or psychoactive substances;
- refuse the Contractor's employee to bring in to the premises of LafargeHolcim Russia Group any cargo containing alcohol or psychoactive substances, except for the Permitted Substances;
- if necessary, at any time inspect the temporary storage of the Contractor for the storage of alcohol or psychoactive substances.

## **7. ENVIRONMENTAL PROTECTION**

7.1. The Customer shall familiarize the Contractor with the environmental requirements established at the enterprise, by conducting environmental briefings in the environmental department or in conjunction with the HS briefing.

7.2. The Contractor shall comply with the requirements of the current environmental legislation of the Russian Federation and environmental requirements established by the Customer's internal procedures.

7.3. The Customer is entitled to control (internal audit) the fulfillment of environmental requirements and request any information related to the environmental activities of the Contractor, including documentation confirming the final transfer of waste for utilization, disposal and neutralization (contracts, certificates, waste removal schedule).

7.4. The Contractor shall, within the terms agreed with the Customer, eliminate the observations revealed as a result of inspection of the Contractor's compliance with environmental requirements.

7.5. The Contractor shall immediately notify the authorized representative of the Customer about emergencies related to environmental pollution.

7.6. In the event of an accident at the workplace, the Contractor shall participate in the elimination of the consequences of the accident together with the Customer, in accordance with the existing response plan.

7.7. After liquidation of consequences of emergencies related to environmental pollution, the Contractor shall, at the request of the Customer, ensure the attendance of all employees, including subcontractors, at unscheduled environmental briefing at the Customer's enterprise.

7.8. In the event of environmental pollution through the fault of the Contractor, the Contractor shall reimburse the Customer for all costs incurred to eliminate the pollution and/or compensate for the damage to the environment, under the relevant lawsuits, orders, decisions of state authorities, local government, their officials, prosecutors, courts, other eligible persons, submitted (rendered) in the framework of environmental activities.

7.9. Waste resulting from the performance of work by the Contractor, including materials and goods of the Customer, shall be the property of the Contractor. The ownership of non-ferrous and ferrous scrap formed from materials and goods of the Customer shall belong to the Customer. The Contractor's responsibility for the performance of work in the Customer's premises accompanied by the formation of production and consumption wastes shall be discharged upon transfer of ownership to another legal entity that has the appropriate legal grounds for handling the wastes.

7.10. Responsibility for waste management (selective temporary accumulation in the Customer's premises in the Contractor's containers, conclusion of the relevant agreements for the final disposal of waste, transfer of waste for utilization, disposal and neutralization) shall be borne by the Contractor.

The Contractor shall clean every day in the places where the works or services are performed and at the site with cabins in the premises of the Customer, daily remove waste from their places of origin to its own places of temporary accumulation of waste.

7.11. Temporary accumulation (transport lots) of all types of waste resulting from the activities of the Contractor shall be permitted within the area of work, on specially equipped platforms and in storage containers in accordance with environmental and sanitary standards, fire safety rules. In other cases, the places of temporary accumulation of waste at the industrial site of the enterprise shall be coordinated with the Customer. The Contractor shall independently arrange the places of temporary accumulation of its waste.

7.12. Any burning of materials in the Customer's premises shall be prohibited.

7.13. The Contractor shall not allow spills, leaks and leakage of fuels, lubricants, paint and varnish and other harmful chemicals. In the event of spill of the listed substances, liquids shall be collected by sorbing materials (sand, rags etc.). Wastes of contaminated sorbing materials shall be collected on specially equipped sites and in storage containers of the Contractor, in accordance with environmental and sanitary standards, fire safety rules.

7.14. The Contractor shall prevent draining into the open drainage system and domestic sewerage of the Customer of petroleum products, suspended solids, liquid toxic waste and other harmful chemicals.

7.15. The Contractor shall prevent the release of waste and debris into the soil, storm drains, sidewalks and roads.

7.16. Production and consumption wastes of hazard classes 1-4 formed in the course of the work shall be transferred by the Contractor to enterprises that have the appropriate licenses for waste management. The transfer of waste of hazard class 5 to other organizations for the filling of roads, quarries and other facilities shall be allowed when agreed with the Customer.

7.17. The Contractor shall make payments to the state budget of the appropriate level provided for by the current legislation of the Russian Federation for various types of negative environmental impact arising as a result of its production activities related to the fulfillment of the obligations provided for in this Contract. The procedure for the calculation and collection of fees for the negative environmental impact shall be stipulated by the legislation of the Russian Federation.

7.18. The terms of Section 7 hereof shall apply in full, in the absence of other specified requirements in the Contract concluded by the Parties, or in a part that does not contradict the terms and provisions of the Contract.

## **8. FIRE SAFETY**

8.1. In matters of fire safety, the Parties shall be guided by the requirements of the Federal Law No.69-FZ On Fire Safety dated 21/12/1994, Federal Law No.123-FZ Technical Regulations on Fire Safety Requirements dated 22/07/2008, Rules of Fire Prevention in the

Russian Federation approved by Decree of the Government of the Russian Federation No.390 dated 25/04/2012, and other regulations containing fire safety requirements.

8.2. The Contractor shall maintain a proper fire prevention regime at the workplace, in the occupied premises, and meet the established fire safety requirements. In order to prevent fires, it shall monitor the work sites, inspect the premises before closing them after the end of the working day.

8.3. The Contractor shall, on its own and at its own expense, provide at the work sites and occupied premises primary fire extinguishing equipment, fire safety signs in accordance with the provision standards.

8.4. The Contractor shall ensure that primary fire extinguishing equipment is in a constant readiness for use and maintenance of fire extinguishers in accordance with the requirements thereto.

8.5. When the Contractor is provided with buildings, premises equipped with fire protection systems (automatic fire alarm, fire signal etc.) for the duration of the work, the Contractor shall ensure good condition of the systems. The Contractor shall receive from the Customer information on alerts and operating procedures of the systems and in the future properly receive and record alarm signals about the fire alarm.

8.6. When storing and working with fire-hazardous and explosive substances and materials, the requirements of labeling and warning signs shall be observed, fire-prevention distances to the objects bordering with them shall be maintained.

8.7. When performing fire-hazardous work, equipment, apparatus and devices that meet the specifications and safe operation shall be used.

8.8. The Contractor shall determine the order of unimpeded access to occupied premises (including during off-hours) in case of fire or other emergencies.

8.9. The Contractor shall be responsible in accordance with the current legislation for non-compliance with the requirements for ensuring fire safety, for the consequences of a fire resulted in its fault and caused any damage.

## **9. SMOKING**

9.1. The Contractor shall be guided by p. 14 of the Fire Prevention Rules in the Russian Federation approved by Decree of the Government of the Russian Federation No.390 dated 25/04/2012, which say: "Smoking is prohibited in the territory of explosive and fire hazardous areas".

9.2. The Contractor shall be guided by Federal Law No.15-FZ On Protection of Health of the Public from Exposure to Environmental Tobacco Smoke and Consequences of Tobacco Use dated 23/02/2013".

9.3. In the premises of the Customer smoking (including electronic cigarettes) shall be prohibited everywhere, except strictly determined and equipped places marked with the appropriate signs.

## **10. REQUIREMENTS FOR HSE REPORTING**

The Contractor shall submit a monthly HSE report in the form provided by the Customer (Appendix 2), based on the results of work performed by the Contractor and the subcontractors involved. The report for the current month shall be submitted to the Coordinator no later than the 1<sup>st</sup> business day of the following month (or at the completion of work, for the work completed earlier the end of the month).

Unless otherwise agreed by the Parties, the Report shall reflect the following:

- all cases of work-related injuries;
- all other incidents and other unplanned events that have resulted in or could result in serious injury/damage/loss and/or need to be notified to the competent state authorities;

- all accidents that have occurred in the reporting period;
- any notices that have been received or are expected to be received from the competent state authorities with a request for remedial action, as well as notices of ongoing legal proceedings or other legal action;
- a certificate of examinations, inspections and audits, as well as control measures;
- the total number of man-hours worked by personnel of the Contractor and subcontractors at the Work site, the total number of personnel of the Contractor, its subcontractors at the Work site.

## **11. REGISTRATION OF VIOLATIONS OF THE HSE REQUIREMENTS BY EMPLOYEES OF CONTRACTING AGENCIES**

11.1. Employees of a contracting agency shall have tickets of a standard form (Appendix No.3).

11.2. The tickets shall be manufactured by the contracting agency and shall be submitted for signature to the specialist of the Customer's Department of Industrial Health and Safety when an employee of the contracting agency undergoes a briefing in the Customer's Department of Industrial Health and Safety.

11.3. In order to ensure its safety, the ticket shall be laminated by the contracting agency after receiving the signature of the specialist of the Customer's Department of Industrial Health and Safety.

11.4. During the stay in the Customer's premises, an employee of the contracting agency shall have the ticket with him/her. The absence of the ticket shall be a violation of the requirements of this procedure and shall be the basis for removing the employee from the premises of the Customer.

11.5. In case of loss of the ticket, an employee of the contracting agency shall immediately inform the Customer's Department of Industrial Health and Safety.

11.6. In case of completion of work in the Customer's premises, the tickets shall be submitted to the Customer's Department of Industrial Health and Safety.

11.7. The issued tickets shall be exchanged annually during the briefing in January.

11.8. The procedure for recording violations by employees of contracting agencies of labor protection, industrial safety and fire safety requirements:

11.8.1. If the Contractor's employee discovers that an employee of the contracting agency violates the labor protection, industrial safety or fire safety requirements established by the legislation of the Russian Federation, the Agreement on Compliance with Labor Safety, Industrial Safety, Fire Safety and Environmental Protection Rules, the Customer's internal regulations, the Customer shall puncture a ticket of the contracting agency's employee.

11.8.2. In the case of repeated and subsequent detection of violations of labor protection, industrial safety and fire safety requirements established by the legislation of the Russian Federation, the Agreement on Compliance with Labor Safety, Industrial Safety, Fire Safety and Environmental Protection Rules, the Customer's internal regulations, the ticket of the contracting agency's employee shall be punctured again. In addition, the penalties provided for herein shall apply.

11.8.3. In the case of a third puncture on the ticket, the contracting agency's employee shall be immediately removed from the Customer's premises and registered in the electronic database of the contracting agencies' employees removed from the LafargeHolcim premises for violation of labor protection, industrial safety and fire safety requirements. In the future, this employee shall be prohibited from finding and performing any work in the premises of the Customer and other plants belonging to LafargeHolcim Company Group.

11.8.4. If the contracting agency's employee is found to be in the state of alcoholic, narcotic or toxic intoxication, the Customer's employee shall puncture the ticket of the contracting agency's employee three times. This contracting agency's employee shall be immediately removed from the premises of the Customer. In addition, the penalties provided for herein shall apply.

## **12. RESPONSIBILITY FOR VIOLATIONS OF HSE REQUIREMENTS**

12.1. The Contractor shall be responsible for any violations of the current HSE legislation of the Russian Federation, including payment of penalties, fines and compensation for the consequences caused by such violations through its fault. If the Customer has incurred costs through the fault of the Contractor, the Contractor shall compensate the Customer for all costs.

12.2. The Contractor shall be fully responsible for the safety of all persons and property located at the Work site and shall compensate the Customer or any third parties for any losses incurred for any damage to any person or property. The Customer shall not be responsible for any traumas, injuries or death of any personnel member of the Contractor, its subcontractors, which have arisen not through the Customer's fault, as well as if the injured person has violated the HSE rules.

12.3. Each violation of the HSE rules established by the legislation of the Russian Federation, as well as the provisions hereof, shall be followed by a Report signed by the authorized representatives of the Customer and the Contractor. The Contractor's authorized signatory to the report shall be a person responsible for performing the work in the premises of the Customer in accordance with the terms and conditions of the Contract. In the absence, for any reason, of the above-mentioned person, any employee of the Contractor may sign the HSE report, according to the list submitted in accordance with p. 2.1.2.

In the event that the Contractor's representative refuses to sign the HSE Violation Report, the same shall be executed by the Customer unilaterally in the presence of 2 witnesses, as evidenced by the corresponding note in the Report.

12.4. In the event that the employees of the Contractor, its subcontractors have been found at the Work site under the influence of alcohol or psychoactive and other prohibited substances, or the facts of bringing in and storing by such employees of prohibited substances at the Work site have been established, the Customer is entitled to recover from the Contractor a fine for each case of RUB 50,000 (fifty thousand) and (or) unilaterally terminate the Contract.

12.5. In the event that the employees of the Contractor and subcontractors have been found to be in violation of the requirements for the use of personal protective equipment, the Customer is entitled to recover from the Contractor a fine for each case of RUB 10,000 (ten thousand), while employees of the Contractor and subcontractors shall be suspended from work until the identified violations are eliminated. In case of repeated violation, the Customer shall be entitled to withdraw from the Contract unilaterally.

12.6. All incidents at the Work site shall be notified by the Contractor to the Customer immediately (by telephone, phoned telegram or other accessible way) in writing (with the note on the Customer's receipt) within 24 hours. A written notice can be made in any form, but shall contain a brief description of the incident and preliminary information on the severity of injuries and the nature of damage to property of all parties involved. If the event of a delayed notice or concealed facts of the incident, the Customer shall be entitled to recover from the Contractor a fine of RUB 50,000 (fifty thousand) and (or) unilaterally terminate the Contract.

12.7. If the Contractor violates p. 2.1.2 hereof in terms of failure to provide a list of employees of the contracting agency who will directly perform work in the premises of the

Customer specifying the name, position/profession, or the Customer has not been notified in a timely manner of changes in the list of employees performing work under the Contract, the Customer shall be entitled to recover from the Contractor a fine for each case of RUB 150,000 (one hundred fifty thousand).

12.8. If the Contractor violates p. 7.2, 7.4-7.7, 7.10-7.17, the Customer shall be entitled to recover from the Contractor a fine of RUB 10,000 for each violation and/or unilaterally, immediately terminate the Contract and or demand full recovery of all damages caused by such violations.

The procedure for recording violations of environmental requirements shall be as follows: Specialists (engineers) whose duties include the development and monitoring of the implementation of environmental measures at enterprises, or a person authorized by the Customer shall, after finding the violation, record the same by drafting a report signed by authorized representatives of both Parties.

In the event that the Contractor's representative refuses to sign the report, the said document shall be drawn up unilaterally by the above-mentioned specialists authorized by the Customer in the presence of 2 witnesses, as evidenced by the corresponding note in the Report.

12.9. Violation by the Contractor (subcontractor) of other HSE requirements established by the legislation of the Russian Federation, as well as the provisions hereof, shall entail the imposition on the Contractor of a fine of RUB 10,000 (ten thousand) for each violation and shall be grounds for termination of the Contract by the Customer unilaterally.

12.10. In each case of the Customer establishing unreliability of the Contractor's representation, in relation to the documents specified in p. 2.1.2. hereof, the Customer shall be entitled to recover from the Contractor a fine of RUB 500,000 (five hundred thousand) for each case.

If an unreliable representation has been confirmed by the Customer independently and (or) according to information, documents of third parties provided to the Customer in connection with the consequences that have led to unreliability of the representation, in particular, in connection with:

- investigation of the unlawful admission to work of the Contractor's employees;
- investigation of the fact of an incident, accident;
- investigation of the facts of illegal involvement of foreign citizens and (or) stateless persons as employees;
- facts of demanding documents in the framework of the Contractor's inspection by authorized state authorities, local government, prosecutor's office;
- establishing unreliability of representation by judicial decision, court's decision coming into legal force, -

and these consequences have entailed the obligation for the Customer to pay the amount of administrative or other fines, arrears in taxes, corresponding penalties and fines in connection with arrears, debt, penalties, fines, payments in favor of third parties, to execute an ordinance or representation, and have entailed confiscation, seizure and (or) destruction of the items (materials, products, equipment) of the Customer or provided to the Customer, the Contractor shall, in the manner of Art. 406.1 of the Civil Code of the Russian Federation, along with payment of a fine for unreliable representation, refund in each case at the request of the Customer on the basis of copies of documents confirming the Customer's above obligation property losses of the Customer:

- in cases of payments (fines, penalties, arrears, lumpsums, installments) – in the corresponding amounts;
- in the case of execution of the ordinance, representation – in the amount of 1/5 of the nominal penalty for unreliable representation;

- as well as in the event of confiscation, seizure and (or) destruction of items – in the amount of value (purchased or residual) of the said items of the Customer.

The above-mentioned property losses shall be reimbursed in accordance with the procedure provided for in p. 12.11. hereof.

12.11. The fines described above shall be collected from the Contractor by making a claim for the amount of the fine due from the Contractor within 15 days from the date of its receipt. A person authorized by the Contractor to receive the claim shall be any employee of the Contractor specified in the list of employees of the Contractor provided in accordance with p. 2.1.2 hereof; the claim shall be deemed to be duly received.

In the event of failure to pay a fine within the period specified above, the Customer shall, in the course of performing intermediate or final settlements with the Contractor, in unilateral extrajudicial procedure, charge the amount of the fine accrued to the Contractor presenting to the Contractor a corresponding statement (in any form), including by reflecting the same in the report (if by the time of the acceptance of the work, relevant violations of the Contract have already taken place). In this case, the Customer's obligation to pay to the Contractor for the performed works shall be terminated in the relevant part on the basis provided for by this clause.

Unilateral recovery shall be made before the expiration of 15 days from the receipt of the claim in the event the work has been completed or are about to be completed, and the closing documents shall be signed before the expiration of 15 days.

12.12. The Customer shall be entitled to suspend the work under the Contract unilaterally notifying the Contractor thereof, in the event of violation by the Contractor's employees of the HSE rules established by the legislation of the Russian Federation, as well as the provisions hereof.

A person authorized by the Contractor to receive a notice of suspension of work shall be any employee of the Contractor included in the list of employees of the Contractor provided in accordance with p. 2.1.2 hereof; the notice shall be deemed to be duly received. The resumption of work under the Contract shall be notified in accordance with the rules provided for in this clause.

### **13. BASIC TERMS AND CONCEPTS**

Accident means an uncontrolled man-made process resulting in destruction of structures and (or) technical devices used at the production facility, an uncontrolled explosion and (or) release of hazardous substances.

Violation Report means a document compiled by authorized persons and confirming the established violation fact.

Alcohol means any food product containing in its composition alcohol or alcohol-containing substances.

Bottle means a container having one or two necks for the installation of valves, collets or fittings, intended for transportation, storage and use of compressed, liquefied gases or gases dissolved under pressure.

Briefing means initial acquaintance with safety requirements in force in the premises of the Customer; is held with all newly recruited people regardless of their education, work experience, as well as with temporary employees, secondees, trainees and students who have arrived for the production training or practice. Briefing before the commencement of production work in the premises of the Customer shall be held by the engineer of the HSE Department and shall be accompanied by an appropriate entry in the briefing book.

Harm means deprivation of life, bodily damage or other damage to health, as well as negative impact on the environment.

Tower means a discontinuous lifting machine designed to move people with tools and materials and to work vertically (up, down).

Enclosed Space means a space completely or partially limited, entrances and exits from which are difficult or limited and hinder the rapid passage through them by employees and air exchange. This space is not designed as a workplace and can have:

- atmosphere containing a dangerous concentration of pollutants, or extreme temperatures;
- lack or excess of oxygen;
- danger of blockage etc.,
- limited opportunities for entry and exit.

Some examples of premises and facilities with limited space:

- Silos: raw and cement;
- Tanks, storage tanks;
- Mines, pits, containers, bunkers;
- Means of transportation: tankers, barrels on cargo platforms, spaces in turning nodes on excavators;
- Equipment: presses and rolling plants, feeders, centrifugal collectors, furnaces, clinker coolers, mixer sections.

Excavation work means the production of work related to the opening of the soil to a depth of more than 30 centimeters (excluding plowmanship), driving and sinking of piles for the construction of facilities and structures of all types, underground and terrene engineering networks, communications, as well as landfilling up to more than 50 centimeters in height.

Incident means failure of or damage to technical devices used at the production facility, deviation from the process mode, violation of provisions, regulatory technical documents that establish the rules for performing work.

Qualification of the Employee means a characteristic of the employee's knowledge and skills set in the form of assigning him/her a certain qualification, title, appropriate rank, category or class.

Coordinator means the Customer's employee officially appointed as a person responsible for coordinating the work performed by the Contractor, including monitoring compliance with the HSE requirements.

Handler means the Head of the Customer's structural unit (for example, the head of the repair service of the branch) organizing the work with the involvement of the Contractor. The Handler is responsible for the performance by the Contractor of all HSE obligations established by contract agreement or paid services contract for the benefit of the Company.

The Handler is responsible for appointing the Coordinator(s) based on the specifics of the work performed. The Handler may act as Coordinator.

Medical Examination means one of the forms of medical and preventive care providing for an active examination to determine the state of health and early detection of diseases.

Microtrauma (trauma) means bodily injuries requiring first aid, not causing disability.

Casualty means bodily injuries (trauma), including those inflicted by another person; heat apoplexy; burn; frostbite; drowning; electric trauma, lightning, radiation; bites and other bodily injuries inflicted by animals and insects; damage caused by explosions, accidents, destruction of buildings, structures and facilities, natural disasters and other emergencies, other damage to health caused by external factors entailing the transfer of victims to another job, temporary or persistent disability or death of victims – an event resulting in death, injury or illness of an employee.

Hot Work means operations involving the use of open fire, sparking or heating of parts (structural elements) to temperatures capable of causing combustion of substances, materials and structures (welding, cutting, soldering using arc energy, gas flame and plasma arc,

heating constructions, equipment and communications with electric heaters, soldering lamps, gas and liquid burners, mechanical treatment of metal with the formation of sparks).

Dangerous Situation means a situation which can cause an impact of hazardous and harmful production factors on an employee(s).

Environmental Protection means a set of measures designed to limit the negative impact of human activities on nature.

Labor Protection means a system for preserving the health and life of employees during the work process, including legal, socio-economic, organizational, technical, sanitary and hygienic, therapeutic and preventive, rehabilitation and other measures (Article 209 of the Labor Code of the Russian Federation).

Risk Assessment means a documented process including a description of the sequence of work (individual operations/steps), a list of hazards associated with performing work at each stage thereof, specifying who may be at risk and describing the necessary security measures.

Hoister means a discontinuous lifting machine designed to move people with tools and materials and perform work within the service area.

Personal Lock means a fixing mechanical device that holds a shutoff device in a safe position.

First Aid means a set of measures aimed at restoring or preserving the life and health of the victim performed by persons other than medical employees (mutual care), or by the victim himself/herself (self-care).

Inspection means determination of errors in measuring instruments and determining their suitability for use; is carried out by the metrological service using standards and check gages.

HSE Management Plan means a document containing a list of actions, taking into account the regulations of the Russian Federation, the Policy, objectives etc. of the organization regarding labor protection aimed at ensuring HSE during the Work, with a schedule for the implementation of these actions; there are organizational, sanitary, technical and individual measures.

Emergency Response Plan means the sequence of actions of employees in the event of an emergency.

Vehicle Site Traffic Plan means a document containing the scheme of the vehicle's movement through the territory of the production site.

Organization's Labor Protection Policy means a document describing the general nature of the company's actions aimed at creating healthy and safe working conditions.

Near Casualty (near occurrence) (dangerous occurrence) means any unplanned event that could lead to an accident.

Grave Accident means damage to the body tissues of an employee caused by mechanical effect of the production factor and entailed the need to transfer the employee to another job; temporary or persistent disability; death of the employee.

Industrial Waste means the remaining residue of raw materials, materials, semi-finished products formed during the production or performance of work and lost completely or partially the initial consumer properties.

Disabling and Blocking Procedure means the main and preferred method for controlling hazardous energy types and provides for arranging reliable conditions for disabling/disconnecting power sources and blocking the possibility of their uncontrolled exit while performing work using equipment or mechanisms. Once the mechanisms and equipment are properly disabled or disconnected from the energy sources, they shall be blocked, labeled and inspected.

Blocking means physical blocking of control devices of the machine or equipment (for example, blocking if the valve handle on the pipe).

Labeling means the affixing of information plates warning that at the moment the machinery or equipment is being operated, indicating the names of employees and the date of commencement of work.

Inspection means inspection by testing that the machine or equipment is properly disconnected from the power source and the power supply cannot be restored until unblocking.

Psychoactive (Psychotropic) Substances mean any chemical substance (or mixture) of natural or artificial origin affecting the functioning of the central nervous system, leading to a change in mental state. These changes can be both positive (healing) and negative. Psychoactive substances that are addictive, prohibited by law, are called drugs.

Permitted Substances mean the substances necessary for the performance of Work under the Contract and previously agreed with the Customer.

Risk means a measure of danger characterizing the probability of occurrence of a hazard and the extent of the damage associated with it.

Personal Protective Equipment (PPE) means the means used by an employee to prevent or reduce the impact of harmful and hazardous production factors, as well as to protect against pollution.

Directives and Rules of LafargeHolcim Russia Group mean mandatory internal documents containing information on the procedure for the safe production of certain types of work.

Safety Harness or Safety Belt means the main means of protecting an employee from or while falling when working at height.

Training means a process of obtaining skills and abilities in any field.

Blocking, Fixing Units and Devices mean devices ensuring the fixation of parts of machines or elements of electrical circuits in a certain state, kept regardless of the presence or termination of the impact.

Damage means destruction or damage to property of the State, individuals or legal entities or property of international intergovernmental organizations.

Emergency means a situation in a particular area resulting from an accident, a hazardous natural phenomenon, a catastrophe, a natural or other disaster that may result in or have resulted in human casualties, damage to human health or the environment, significant material losses and disruption of living conditions of people.

Rapid Test means a fast-performing qualitative and quantitative analysis of biomaterial (urine, blood, saliva etc.) for the purpose of research for the presence of psychoactive substances in its composition.

**A person authorized by the Customer to sign a report** is a person specified in the Contract Agreement or a person directly recording the violation of the HSE rules.

Customer: \_\_\_\_\_ / \_\_\_\_\_ /  
Seal here

Contractor: \_\_\_\_\_ / \_\_\_\_\_ /  
Seal here



**CONTRACTOR'S MONTHLY REPORT ON THE RESULTS OF HS WORK**

Подрядная организация / Contractor: ..... Работы по договору / Works under the contract: .....	Отчетный период (месяц, год) / Reporting period (month, year): ..... 20..... г.
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**Показатели работы / Performance Indicators**

Количество отработанных рабочих часов / Working hours	
Среднее число работников на объекте / Average headcount	
Случаев травм с выдачей больничного листа / Lost Time Injuries	
Количество рабочих дней, потерянных вследствие травматизма в текущем месяце / Month's Working Days Lost Due to Injuries	
Микротравм, потребовавших специализированной мед. помощи или повторного обращения к врачу (без выдачи больничного листа) / Micro-injuries Required Medical Treatment or Repeated Medical Treatment without Loss of Time	
Микротравм, потребовавших оказания первой помощи на рабочем месте / Micro-injuries Required First Aid	
Опасных происшествий / Near-misses	

**Примечания и подписи / Notes and signatures**

<b>Представитель подрядчика / Contractor's Representative:</b>				
.....				
.....				
Имя / Name		Подпись / Signature		Дата / Date
<b>Координатор подрядной организации / LafargeHolcim Supervisor:</b>				
.....				
.....				
Имя / Name		Подпись / Signature		Дата / Date

## ***Form of Ticket for the Contracting Agency's Employees***

**Name of organization**

PHOTO	Position	_____
	Surname	_____
	First name	_____
	Patronymic	_____
		● ● ●

Ticket size:    length 85 mm  
                         width 54 mm