

## **“INEOS Life Saving Rules” Policy**

INEOS is committed to ensuring that it maintains the highest possible safety standards. We have identified **7 Life Saving Rules** hereinafter named “INEOS Life Saving Rules” that are vital for the protection of our staff, our contractors and logistics service providers. These will be applicable to all INEOS Olefins & Polymers Europe North legal entities.

The INEOS Life Saving Rules are:

- 1. No consumption or being under the influence of alcohol or drugs on company property**
- 2. No smoking outside dedicated smoking areas**
- 3. No work on live equipment/machines to commence without authorisation**
- 4. Safety critical devices/interlocks must not be disabled or overridden without authorisation**
- 5. Persons working at height must use proper fall protection**
- 6. No entry to confined space without authorisation and gas test**
- 7. Lifting & hoisting – no unauthorised person to enter the defined danger zone where objects can fall**

Unfortunately, in the last year INEOS has seen 71 cases of lifesaving rules breaches. Each one of them could easily have led to a fatality.

So, therefore, INEOS wishes to introduce terms into our contracts that provide the following rights to INEOS in the event any of the INEOS Life Saving Rules are broken:

1. Immediate removal from INEOS' site of any individual contractor (or subcontractor) employee that has breached any one of the Life Saving Rules.
2. Payment by the contractor of a malus/liquidated damages of any breach of any INEOS Life Saving Rules by the employee of a contractor (or subcontractor). The total malus will be capped to a maximum of four per cent in any twelve month period.
3. Upon the second breach by an employee of a contractor (or subcontractor), INEOS reserves the right to reduce the contract scope or even terminate the contract.

Clearly termination is an extreme step, and based on the severity of the case, it may be that with an acceptable recovery plan in place the contract could continue. However, in line with our own internal philosophy safety has the highest priority within INEOS. As a result, there should be consequences with respect to breaches in safety, and especially to the **INEOS Life Saving Rules**. As a supplier of INEOS, we would request you understand and share our philosophy.

INEOS strongly desires never needing to apply this with you, as our contractor. However, in case needed, the credit value will be donated to a local charity program.

INEOS Procurement Cologne will implement the INEOS Life Saving Rules with immediate effect to all contractors and suppliers. In all future contracts, the INEOS Life Saving Rules will be included in the Terms & Conditions and standard procurement templates.

## **Malus Clause INEOS Life Saving Rules**

This clause is to be added and incorporated as amendment to INEOS' Site General Terms & Conditions and applied to current contracts.

In addition to and in precedence of any of the existing rights and obligations as set out in the current contract/agreement, the contractor has been clearly informed that in the event of any breach of the INEOS Life Saving Rules by the employees of the contractor or subcontractor working for the contractor then the following shall apply:

- a) The individual who breached any INEOS Life Saving Rule shall be immediately removed from the Site (INEOS site or third party site as may be applicable) by the contractor on request of INEOS and the breach shall be reported to INEOS. The individual shall then not be allowed to return to the site or any other INEOS site for subsequent twelve months and only then if adequate evidence of suitable training to prevent re-occurrence can be provided.
- b) Additionally, the contractor shall pay per infringement of INEOS Life Saving Rules as liquidated damages an amount equal to two per cent of the previous calendar year, and in case of a new contractor the year-to-date (YTD) site turnover, based on paid invoices. The total malus will be capped to a maximum of four per cent in any twelve months period.
- c) Should there be a second breach of the INEOS Life Saving Rules within twelve months by the employees of the contractor or subcontractor working for the contractor, then such breach of the INEOS Life Saving Rules shall be considered as a material breach under the contract/agreement, and INEOS reserves the right to reduce the contract scope or even terminate the contract.
- d) Upon such termination, the contractor shall be entitled to payment for any work/services completed up to the date of termination, but shall not be entitled to reimbursement for any costs resulting directly or indirectly from such termination. The contractor shall hand over to INEOS the results of the work which has been produced up to the time of termination (materials, documentation, etc.) and grant unlimited and unrestricted use of such.