



Lusail Real Estate Development Company

Health, Safety, Security, Environment, Logistics & Quality Department

Lusail Construction Safety Management Procedure – Failure to Comply with Lusail Policy & Procedures

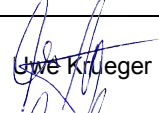
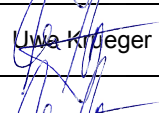
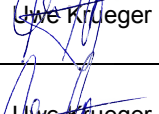
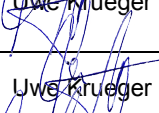
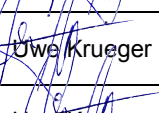
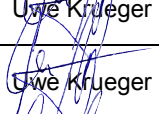
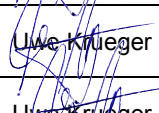
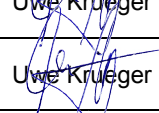

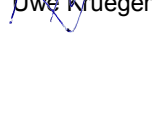
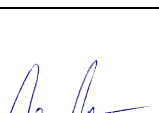

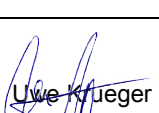
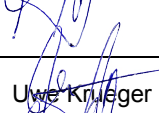
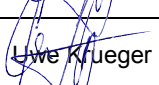

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COMPANY PROPRIETARY INFORMATION

Prior to use, ensure this document is the most recent revision by checking the Master Document List. To request a change, submit a Document Change Request to the Document Control Representative. Master copy of this document will be maintained by the LREDC QA/QC Manager. Not controlled if printed.

Amendment Record

This document is reviewed to ensure its continuing relevance to the systems and process that it describes. A record of contextual additions or omissions is given below:

Rev .No	Description / Comments	Prepared By	Checked By	Approved By	Issue Date
01	(Pg. 4) Sec. 3.1 & 3.1.4 - Deleted all other regulations and indicated solely HSE General requirements	HSE Working Group	Michael Ford		3 Feb 2014
01	(Pg. 6) Sec. 3.3 - Criteria & Table	HSE Working Group	Michael Ford		3 Feb 2014
02	(Pg.7) Sec. 4.0 - Roadmap for Application of HSE Performance Deductions – LREDC Contracts	HSE Working Group	Michael Ford		13 Feb 2014
02	(Pg. 8) Sec. 4.0 - Roadmap for Application of HSE Performance Deductions – Developers	HSE Working Group	Michael Ford		13 Feb 2014
03	(Pg. 4) Sec. 1.0 - Description	HSE Working Group	Michael Ford		16 Feb 2014
03	(Pg. 4) Sec. 2.0 - Definitions	HSE Working Group	Michael Ford		16 Feb 2014
03	(Pg. 4) Sec. 3.1 - General	HSE Working Group	Michael Ford		16 Feb 2014
03	(Pg. 5) Sec. 3.1 - General	HSE Working Group	Michael Ford		16 Feb 2014
03	(Pg. 5) Sec. 3.2 - Performance Deductions	HSE Working Group	Michael Ford		16 Feb 2014
03	(Pg. 6) Sec. 3.2.1 - Deleted	HSE Working Group	Michael Ford		16 Feb 2014
03	(Pg. 6) Sec. 3.2.2 - Replacement for 3.2.1	HSE Working Group	Michael Ford		16 Feb 2014
03	(Pg. 7) Sec.4.0 - NOTE: The Departments as indicated on the Road Map shall be issued with the Performance Deduction Receipt Form for information, record and necessary actions. – LREDC Contracts	HSE Working Group	Michael Ford		16 Feb 2014
03	(Pg. 8) Sec.4.0 - NOTE: The Departments as indicated on the Road Map shall be issued with the Performance Deduction Receipt Form for information, record and necessary actions. – Development Plots	HSE Working Group	Michael Ford		16 Feb 2014
04	(Pgs. 7-8) Sec. 4.0 - Roadmap for Application of HSE Performance Deductions	HSE Working Group	Michael Ford		2 Mar 2014
04	(Pg. 5) Sec. 3.1 - Payment Deduction – Change to Performance Deduction	HSE Working Group	Michael Ford		23 Nov 2014
05	(Pg. 1) Company Propriety Information – Not controlled if printed has been	HSE Working Group	Michael Ford		1 st April 2015

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1. Description

This element of the LREDC Construction HSE General Requirements provides Contractors and Consultants with the criteria by which a Contractor may receive performance deductions for failure to comply with Lusail HSE policies and General Requirements

2. Definitions

Term	Description
Lusail Representative	Shall be as notified by LREDC to the Contractor, and may include LREDC’s HSE Department, PMCM, Supervising Consultant and/or Engineer.
Contractor	Contractor shall also refer to Contractor’s contractors/sub-contractors of any tier, consultants/sub-consultants of any tier, personnel, materialmen, agents, vendors, suppliers, and permitted successors and assigns.
LREDC	Lusail Real Estate Development Company, its representatives, successors, delegates, and/or assigns
Requirements	For purposes of this procedure, the term “Requirements” refers to Lusail HSE Policies. Requirements / Procedures.

3. Failure to Comply with Regulations or Requirements

3.1 General

The CONTRACTOR shall comply with LREDC Construction HSE General Requirements as may be amended or supplemented from time to time. Qatari Diar Real Estate Investment Company (QD) as Master Developer to the Lusail Project is responsible for HSE issues at the LREDC Project. Consequently, QD requires the CONTRACTOR to enter into a HSE Performance Deductions Agreement and the CONTRACTOR shall enter into this agreement when required to do so by LREDC.

Should the CONTRACTOR fail to comply with, implement, impose, or is deemed to be in breach of any of these Requirements, LREDC shall, without prejudice to any rights afforded to it, (whether contractual or otherwise) be entitled to:

1. Provide to the CONTRACTOR Performance Deduction Receipt Form identifying the discrepancy/ violation, required corrective action(s), and required remedying completion date(s). The LREDC REPRESENTATIVE may conduct corrective action verification inspections following the report of corrective action completion by the CONTRACTOR;
2. Should the CONTRACTOR fail to implement the required corrective action(s) prior to the due date as notified by the LREDC REPRESENTATIVE or if a repeat instance of similar discrepancy/ violation be identified, the CONTRACTOR will be issued a Performance Deduction of the relevant HSE violation;
3. Where the CONTRACTOR fails to comply with these Requirements, impose the Performance Deductions as outlined in Sub-Clause 13.2 of the HSE General Requirements in accordance with the H&S Performance Deductions Agreement. Notwithstanding the fact that LREDC imposes Performance Deductions in accordance with these Requirements and the H&S Performance Deductions Agreement, LREDC may incur charges, claims, costs, damages, losses fees and/or expenses as a result of and arising from the CONTRACTOR’s violation of

these Requirements in excess of the Performance Deductions. Therefore LREDC reserves its right to seek and recover such additional compensation for such charges, claims, costs, damages, losses, fees and/or expenses that may be incurred. Furthermore, LREDC may seek appropriate contractual and/or legal recourse against the CONTRACTOR as it deems appropriate. These Requirements may be updated by LREDC from time to time.

4. DEVELOPER shall sign and return the Performance Deduction Receipt form - Appendix 1 (Performance Deduction Receipt) and submit to HSELQ Director for necessary action.

IN SITUATIONS WHERE THE FAILURE BY THE CONTRACTOR IS OR IS DEEMED TO BE LIFE THREATENING THE CONTRACTOR SHALL SUSPEND ANY WORK AFFECTING OR AFFECTED BY SUCH LIFE THREATENING SITUATION.

Notwithstanding anything to the contrary in these Requirements:

The CONTRACTOR's failure to comply with these Requirements shall entitle LREDC and/or the LREDC REPRESENTATIVE to:

- (i) Suspend or terminate the CONTRACTOR's works and/or services.
- (ii) revoke the permits afforded to the (including access to the site) at any time there is a violation of these Requirements
- (iii) report the violation to local authorities;
- (iv) rectify at its own initiative any HSE violations of the CONTRACTOR. Any costs, damages, losses and/or expenses arising from such rectification work shall be solely borne by the CONTRACTOR, and recoverable from the CONTRACTOR by LREDC. If the CONTRACTOR fails to compensate LREDC for any rectification work, and/or to pay any agreed compensation arising from our violations of these Requirements, within 3 days of the notice by LREDC to do so (or less if the urgent rectification is required), LREDC shall be entitled, but not obligated, to deduct such costs, damages, losses, expenses from any amounts under its contract with the CONTRACTOR; and/or
- (v) bring a claim against the CONTRACTOR in respect of the results of any failure by the CONTRACTOR to comply with these Requirements.

Any imposition of or failure by the LREDC REPRESENTATIVE to issue notification of a HSE breach or a failure by LREDC to impose a Performance Deduction shall not relieve the CONTRACTOR of any of his obligations under its contract.

In the event of the LREDC REPRESENTATIVE taking action in accordance with this Clause 13 the CONTRACTOR shall not be entitled to any additional costs or extension to the time for completion of their contract.

Furthermore, none of LREDC or the LREDC REPRESENTATIVE(s) shall be liable for, nor shall the CONTRACTOR be entitled to, any damages, costs, expenses, losses, or compensations for any impacts to its work, project or reputation, following any Performance Deduction(s), suspension, stoppage of work, or permit revocations by LREDC or the LREDC REPRESENTATIVE(s) (as appropriate).

3.2 Performance Deductions

Performance Deductions shall be paid by the CONTRACTOR for its failure to comply with these Requirements and these are subject to LREDC review and Approval. The CONTRACTOR acknowledges that the Performance Deductions are not a pre-estimate of loss or damage which may be suffered to person or property as a result of non-compliance with the Regulations.

The CONTRACTOR agrees that the Performance Deductions are therefore in addition to, and not in substitution of, LREDC's rights at law and shall not be interpreted as full and inclusive compensation to LREDC or any other party against any damages or losses to person or property, including but not limited to LREDC's infrastructure or any improvements to the LREDC Project.

If failures or violations of these Requirements are not corrected within the timescale required by the LREDC REPRESENTATIVE, subsequent compensation "Performance Deductions", shall be imposed upon the CONTRACTOR

The Performance Deduction shall be applied for first instance of failure. Where repeated instance of Requirement violation occurs, or multiple instances of the same violation occur at the same time and location, the LREDC REPRESENTATIVE may apply Performance Deductions equal to the sum of the Performance Deduction multiplied by the number of instances of violation.

The table below has specifically remained silent on other HSE violations that may occur. Those will be dealt with using the remedies available under the specific construction contract or sale and purchase agreement as relevant.

Criteria to raise Performance Deductions

- NCR not closed out within the specified / agreed timescale or as per Contract;
- Repeated HSE Violations;
- Life threatening unsafe conditions / acts on suspension of the activities;
- Corrective actions not closed out / implemented on the agreed date based on HSE Observation / Inspection reports.
- NOTE: Accumulative performance deduction each day may be justified where appropriate.

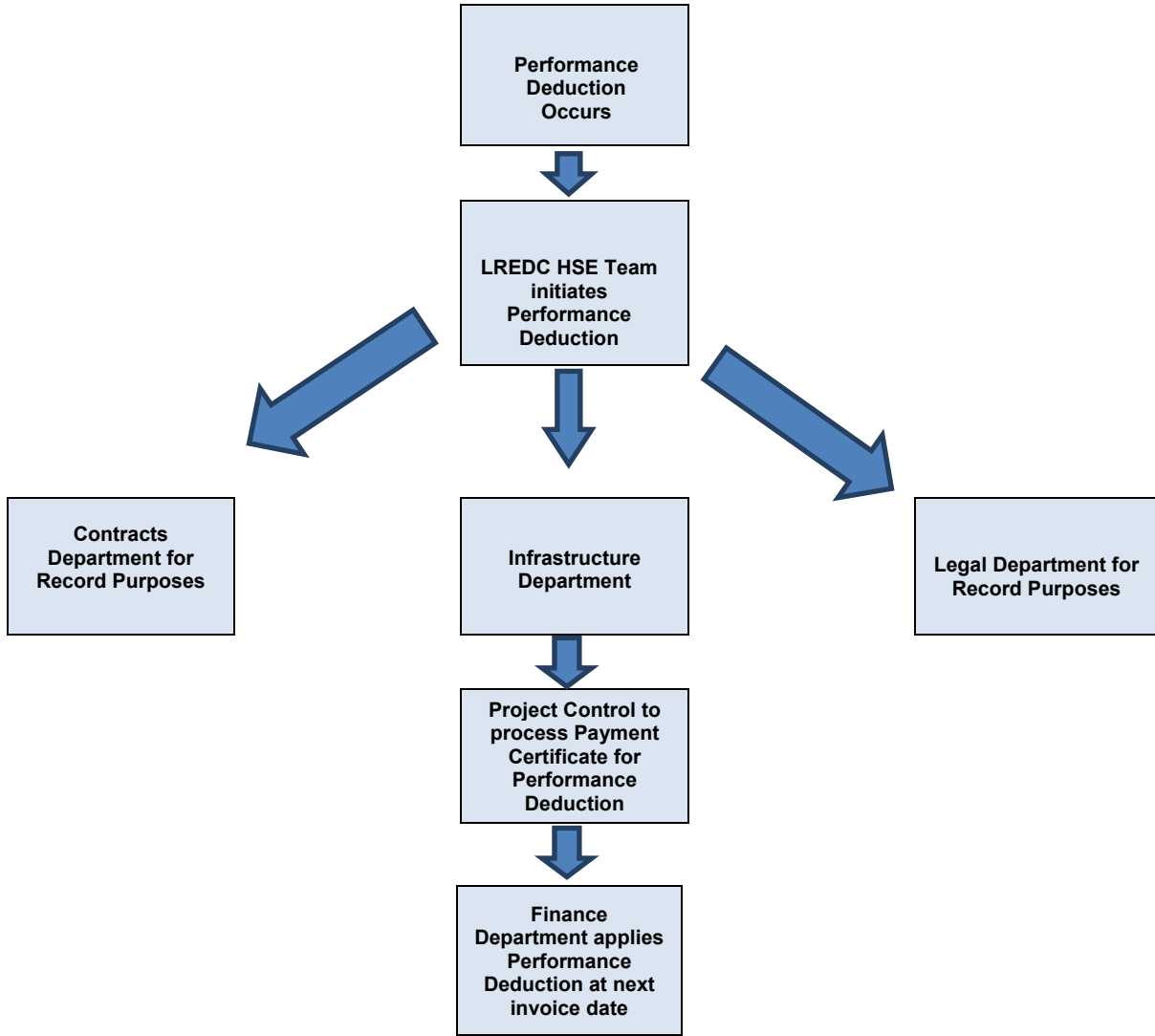
Table of Performance Deductions per Occurrence (in Qatari Riyals)

No.	<u>Type of CONTRACTOR Violation</u>	<u>Performance Deduction (QAR)</u>	<u>Date Of Violation</u>	<u>Violation Completed</u>
1.	Failure to produce and submit to LREDC approved HSE Documentation e.g. HSE Plan, Method Statements, OH Plan, EMP Reports, etc.	5000		
2.	Failure to implement a safe system of work and the Requirements of LREDC OCEMP.	5000		
3.	Failure to conduct emergency drills as specified.	2000		
4.	Failure to comply with LREDC with regard to Incident / Accident Notification, reporting and investigation requirements.	2000		
5.	Failure to appoint competent HSE staff	10000		
6.	Failure to report a potential high risk activity.	10000		
7.	Failure to provide staff training in HSE and/or appropriate inductions	5000		
8.	Failure to provide safe access and egress to LREDC Project sites.	2000		

* This deduction is in addition to all damages and losses LREDC may claim in order to cover as a result of the CONTRACTOR's failure to comply with the LREDC HSE Required Standards.

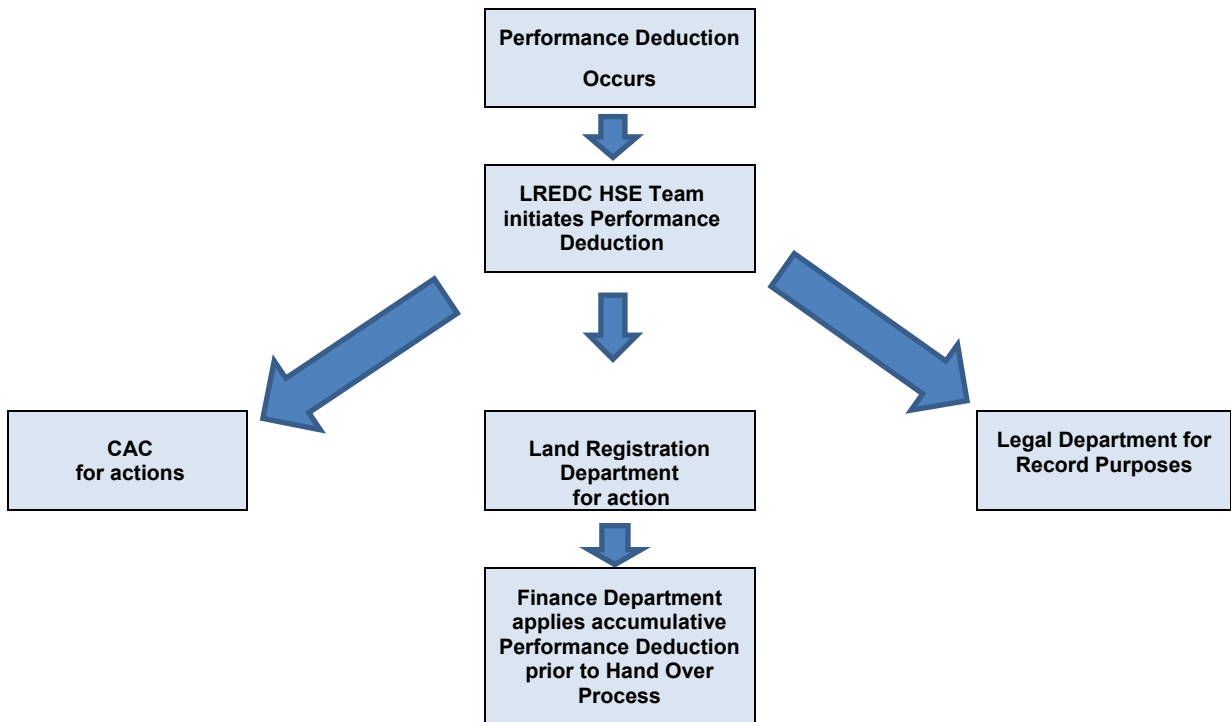
4.0 Roadmap for Application of HSE Performance Deductions

LREDC Contracts



NOTE: The Departments as indicated on the Road Map shall be issued with the Performance Deduction Receipt Form for information, record and necessary actions.

Development Plots



NOTE: The Departments as indicated on the Road Map shall be issued with the Performance Deduction Receipt Form for information, record and necessary actions.

Appendix 1 – Performance Deduction Receipt Form - [LUS-HSE-FM4-446-090](#)