

10 April 2015

Addendum to HSE and Human Rights Policies

1. **Report for 2014/2015.** *There have been no reports of accidents or safety breaches to any HSE policies for the year. All requirements of HSE must be briefed to employees of Parami before they conduct operations on site or applied within the SBU where they are issued and are intended. Site operational HSE procedures must be planned, briefed and implemented by the site supervisor. The addendum is aligned to the recommendations provided by the MCRB in Myanmar's O & G sector.¹*
2. The following addendum complements Parami's current HSE and Human Rights policies, which are as follows:
 - a. **Development of HSE Action Plan.** A systematic risk based approach to the management of HSE is in place as an integral part of business planning, with HSE goals, objectives and targets established and measured. A philosophy of continual improvement is applied to HSE. Company operational sites and activities must be covered by a relevant HSE Plan that describes the management arrangements required to implement the HSEMS at each site and activity.

The HSE action plans detail the “*What, Where, How, When and How*” HSE matters. This plan are allocated to responsible site supervisors and it must be implemented, measured and reviewed (See figure below).

| Who | What | When | Where | How |
|--|---|--|---|--|
| <ul style="list-style-type: none"> Who are the stakeholders involved? Health - Are the stakeholders certified fit for work? Safety - Who are the safety personnel ensuring that safety procedures are in place? Environment - Who are responsible for overseeing environmental issues? | <ul style="list-style-type: none"> What is the role of stakeholders and those involved? What health issues will they face during work? What are the safety equipment to be used? What are the safety measures to be applied? What are the possible damages to the environment in the course of work? | <ul style="list-style-type: none"> When will they start training or operations? When will they be potentially be exposed to health risks (if any)? When will the safety briefing be conducted? When will environmental implications take place (if any)? | <ul style="list-style-type: none"> Where is the site training/op conducted? Where are the potential sites or areas where health risks are present? Where will be the safety briefing be conducted? Where are the possible sites where environmental damage can be done? | <ul style="list-style-type: none"> How will they conduct their work? How can we prevent health risks from taking place? How will the safety briefing be conducted? How will we prevent environmental damage in the course of training/work? State from start till end. |

Fig. 1 HSE Action Plan Ste-by-Step Guidelines

Every work place is required to have a relevant HSE management plan in place for controlling assessed risks and have processes in place for assessing new risks and addressing corporate and external reporting requirements, close out of audit findings, licence conditions, audit and inspection schedules, training requirements etc.

Appropriate work methods are then developed. These requirements are formalised in Strategic Business Unit (SBU) or Site-based HSE management plans that define the work to be done and the

¹ The recommendations guidelines for O & G companies relevant to this addendum are: (1) take into account local complexities and legacies when assessing the impacts operations may have and integrate the findings (2) integrate consideration of conflict issues – latent, existing and potential – into all phases of operations (3) monitor and track responses to risks and impacts, involving workers and communities (4) communicate with stakeholders, particularly communities, to build understanding and demonstrate transparency and accountability (5) take collective action where appropriate to address environmental, social and human rights issues.



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way that work should be managed. These plans need to include, but are not limited to coverage of the following issues:

- Risk management
- Operational safety
- Environmental management
- Legal compliance
- Safety training (specific to SBU)

3. Land Management, Resettlement of People and Environmental and Social Impact Assessment.

This addendum complements Page 3, Pt.6 of the Human Right policy dated 1 April 2014 on the issue of HSE and Land Ownership policies:

- a. **Land Management and Implementation Plan.** As of 1 April 2015, Parami does not own any land but holds permits to operate in the oil blocks within the Rakhine state. Development work has not started. However, there is a possibility that the company would conduct power generation and other Oil & Gas projects in the short to medium term.

Parami recognizes that land rights are of social and economic importance because they form the basis on which many economic and business activities can take place.

Parami understands that it is the responsibility of the government and civil society to ensure a more equitable distribution of land ownership, and that it plays an important role to ensuring transparent and responsible practices.

In the event where land management is necessary, the following will be implemented:

- i) Parami's role in land management is to provide the necessary policies and mechanisms to facilitate redress legislation and policies. It will participate and conduct consultative meetings with affected parties and involve the necessary government stakeholders, i.e. facilitate the process of negotiation after acquiring new land; allowing the rights of people to participate in a system appropriate to their needs on their new land.

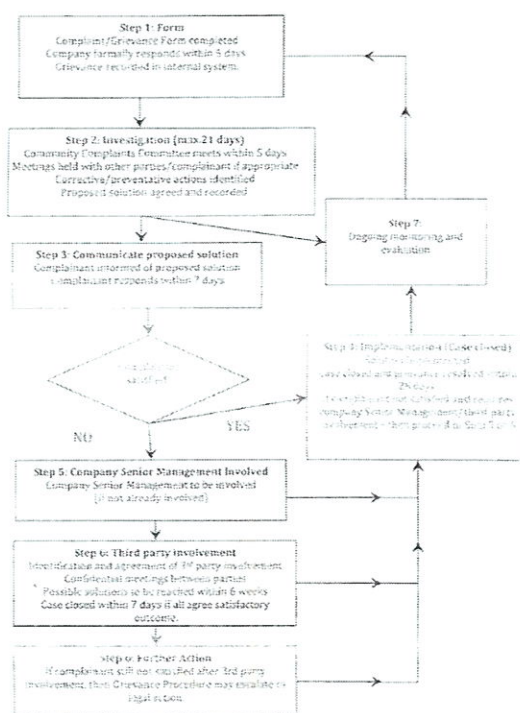


Fig.2 Grievance Mechanism Flow Chart (Ref: MCRB, 2015)

- ii) Parami would raise pertinent issues with regards to land management with the relevant authorities to manage the land management process in Step 6 as seen in the process.
- iii) Parami will take initiative to address and participate in land management issues that seek agreements with communities through the following steps:

1. Identify local stakeholders and understand their problems.
2. Develop an agreement strategy.
3. Build cross-functional alignment with contact points.
4. Develop a tactical negotiation plan with suitable personnel who understands the local culture.
5. Engage the stakeholders involved.
6. Reach an agreement with representatives while emphasize on relationship-building.
7. Develop subsidiary agreements.
8. Discussion with government to establish legitimacy of approval of plan.

Parami will seek an agreement based on interests. An understanding and acceptance of common and mutual interests will enable the agreement making process to progress. Parami will also seek an external consultant to provide independent advocacy and monitoring to ensure that procedures are managed within the scope that it was intended for.



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b. Resettlement of People and Compensation Implementation Plan.

Parami has set policy guidelines for resettlement sites.² It will envisage to facilitate the process of resettlement to reduce the hardship of the affected persons. In the first instance, Parami, in its planning process will seek to minimize all physical impacts by exploring alternative routes. Special attention will be given to avoiding dense populations, schools and other public facilities.

Parami will assign survey teams to provide site-specific maps describing physical impact and project needs. Prior to any land acquisition, Parami will conduct, with the help of independent accredited consultants to conduct public consultation, campaign and information sessions as well as feedback sessions to inform the people in the operation areas and to those involved in project activities.

There will be land acquisition mapping with compensation lists prepared. This will be approved by the senior management of Parami in consultation with local authorities according to Myanmar law under the guidelines of the World Bank and MCRB. The process will be witnessed by a lawyer accredited with international standards of practice.

There will be a redress system implemented as well. Using the grievance flow chart as a yardstick, Parami may also adopt negotiated settlement in agreement with the affected parties. Negotiated settlement shall include land compensation as decided by the relevant authorities. The compensation will also be payable as per the law of the land to those persons who are denied their entitlement. A redress channel will be facilitated by Parami. Determination of amount of compensation payable will be carried out through negotiation with the affected persons in presence of district administration.

Parami will share information and carry out consultation through formal mechanisms. Informal consultations and participation will also be carried out through community-based organizations (CBOs), Non-Governmental Organizations (NGOs), Clubs engaged in social activities etc. In village areas, sharing of information will be carried out through the neighbouring village chiefs and supporting staff.

Environmental and Social Impact Assessment. It is a policy of Parami that a Socio Economic Survey (SES) will be conducted by a professional agency to collect detailed demographic details of the area, which shall form the basis for the preparation of the social impact assessment. Upon completion of the survey, a report shall be generated and submitted to the relevant authorities. This report will be based on environmental and physical data generated throughout the research process.

Parami will work with government and non-governmental agencies that are involved in environment and natural resources management to strengthen environmental conservation strategies. We also take into consideration human rights impacts (See Human Rights policy for details).

** This addendum is subject to change as required.*



Yap Kwong Weng
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² Reference from World Bank Safeguard Policies and Land Resettlement Framework.