

Arrangement and Assembling Enterprise of Electrotechnical Equipment
ELECTROSEVKAVMONTAG



Health, Safety and Environment Policy

The Company is committed to ensuring the health, safety and welfare of its employees and contractors at work and others who may be affected by our activities as well as ensuring to protect the environment. Our target is to eliminate all injuries and incidents by creating a culture of prevention.

Our HSE commitments are:

No Accidents; No Harm to People; No Damage to the Environment

We will comply with all regulatory and Company health, safety, security and environmental (referred to as "HSE" from herein) requirements and will continually improve our HSE performance. This will be demonstrated by monitoring key HSE performance indicators and auditing and reviewing our facilities in order to reduce the potential for serious injuries and incidents to occur from our activities.

We will provide a safe work environment to our employees and contractors by ensuring all operations are assessed and identified risks are eliminated or effectively managed.

All employees, and those working on behalf of the company, have a responsibility for the health and safety of themselves and others who might be affected by their actions. Every employee has the right and obligation to intervene and to stop any work when observing unsafe behaviours. We will ensure they are well informed and committed to safety and environmental improvement program.

Company management is accountable for ensuring that systems are developed and in place for HSE management and provides adequate training for all employees. All employees and contractors are responsible for preventing injuries and incidents by complying with the standards and policies set by the Company.

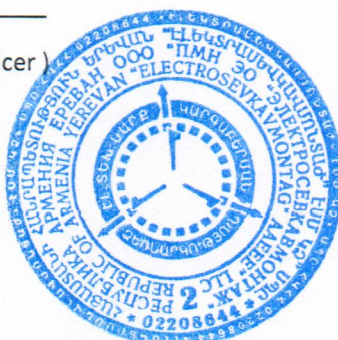
We will keep seeking advanced solutions to avoid, reduce or control the impact that our operations may have on the environment. We recognize that there are technical and economic factors that make this a difficult balance that must be managed.

Signed: _____

(Tigran K. Grigoryan, Chief Executive Officer)

Dated: _____

01.04.2012



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HSE Principles

In support of the above policy, we will establish an effective HSE management system to manage our business activities and the following principles will be followed.

1. HSE compliance

We will comply with local and national HSE laws, regulations and permit conditions and company HSE policies and procedures.

2. Leadership and accountability

People at all levels are responsible for leading and engaging the workforce in meeting our HSE goals and objectives. However, leaders are ultimately accountable for the overall performance. Therefore, leaders will need to ensure they consistently demonstrate the correct HSE behaviors, by clearly defining roles and responsibilities and by providing the necessary resources. HSE performance will be measured and reviewed and we will aim to continuously improve our HSE performance.

3. Staff and responsibility

Everyone who works at AAEEE "Electrosvkavmontag" is responsible for getting the HSE right and providing an injury-free workplace. Good HSE performance, which includes environmental compliance and the health, safety and security of everyone who works for us, is critical to the success of our business. Everyone has the right and obligation to stop any work if they think there is a safety or environmental issue.

4. Occupational health and safety

We will provide a safe place of work and a safe working environment for all of our staff and contractors.

We will systematically and periodically assess the occupational safety and health risks arising from our business and take appropriate actions to eliminate or reduce these risks so that our workforce, contractors

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and members of the public are sufficiently protected. All recognized risks and mitigations will be recorded in an asset risk register, owned by a risk champion who will ensure the register is regularly reviewed. All non routine work will be risk assessed prior to undertaking the work.

5. Risk perception, assessment and management

Perception and management of risk is the cornerstone of all HSE standards and an activity that must be practiced continuously. We will take appropriate action to assess the risks and hence prevent or reduce the impact of potential incidents identified. We will encourage a culture of personal risk assessment before every task.

6. Incidents' analysis and prevention

Incidents will be reported and investigated to establish Root Causes and/or System Failures to prevent recurrence. Corrective actions and preventive measures will be utilized to reduce future injuries, incidents and losses and the effectiveness of these measures will be monitored.

7. Training

We will train all of our staff and where necessary contractors to ensure that they are competent to carry out their work safely and effectively. Competencies will be recorded and regularly reviewed by the management team.

8. Working with contractors and others

Working with the Contractors is a potential activity of our business and doing so safely and efficiently is a key determinant of our success. Once our business needs to do so, we will assess their capabilities and competencies to perform work on our behalf. We will work together with them to ensure that our HSE standards are delivered in full and will provide sufficient training to ensure that our HSE standards are delivered in full and will provide sufficient training to ensure they are aware of the hazards and safe practices associated with our facilities as are our own employees. We will monitor contractors'

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performance and ensure our procurement process prioritise achievement of our standards as a selection criteria.

9. Management of change

Changes to organization, personnel, systems, procedures, will be risk assessed, positively authorised and managed to ensure that HSE issues arising from these changes are addressed and relative risks are reduced to an acceptable level.

10. Crisis and emergency management

We will plan for emergencies; these plans will be tested periodically and maintained to cover all our facilities and office. These plans will identify all foreseeable safety and environmental risks and ensure that the equipment, training and personnel are necessary to protect the workforce, customers, public, environment and our reputation in the event of an incident, and procedures will be in place to prevent health, safety, security and environmental accidents.

11. Assessment, assurance and improvement

We will periodically assess the implementation of and compliance with HSE standards to assure our stakeholders and ourselves that management processes are in place and working effectively. This will involve both internal self-assessments and appropriate external assessments. We will use this information to improve our performance and processes.

12. Facility and Office Security

We will continually raise awareness on environmental protection to our employees and contract staff through provision of training, awareness sessions and other campaigns.

We will implement measures to avoid, reduce or control the impact that our operations have on the environment. We recognize that there are technical and economic factors that make this possible. Besides it is difficult but the balance must be kept.