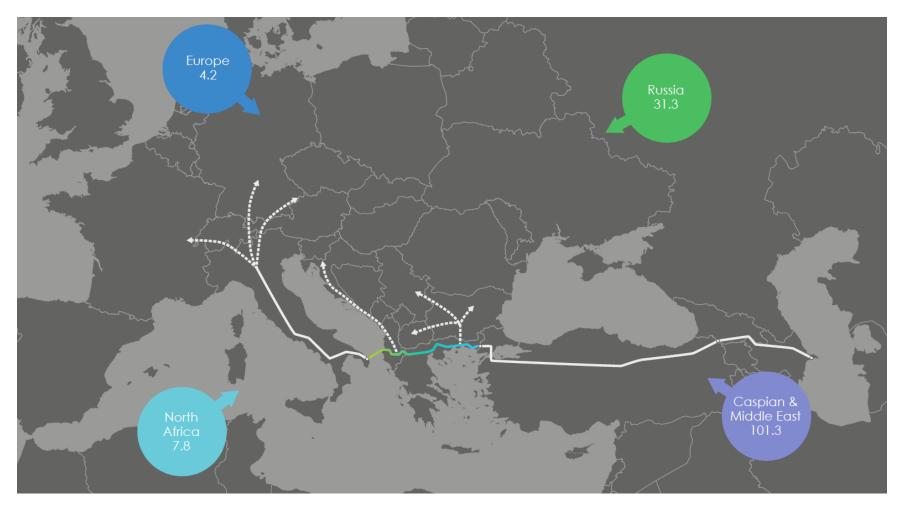


Natural Gas Reserves in Trillion Cubic Metres



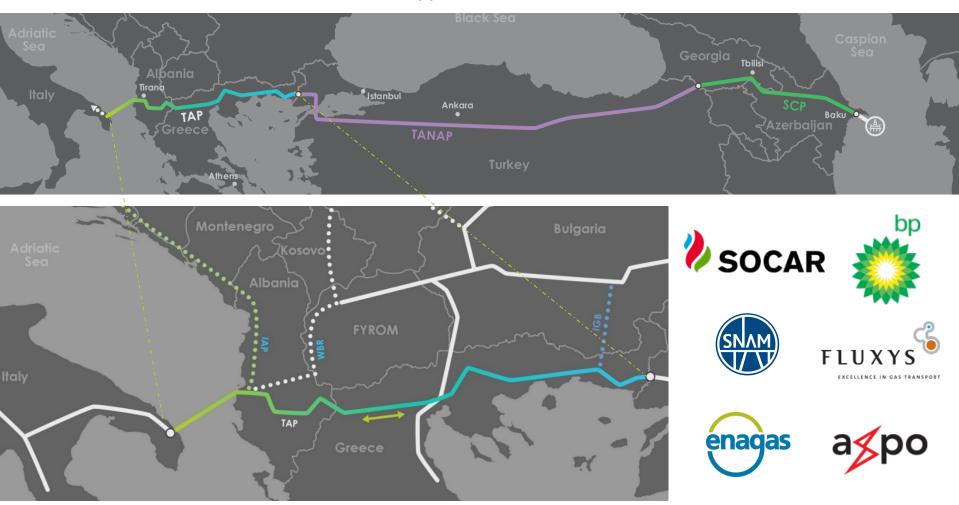


BP World Energy Statistical Review 2016

TAP & the Southern Gas Corridor



3,500 km value chain - investment of approx. USD 40 bln



Political Support from the EU



TAP is a Project of Common Interest (PCI)

Enhances energy supply and security in Europe Supports dev. Does not rely of accession on grants or subsidies country Levels the **Supports** playing field in diversification the industry of supplies Contributes to unbundling

- ✓ In October 2013, TAP received PCI status from the EU Commission and EU member states. TAP's PCI status was reconfirmed in November 2015.
- TAP represents a high priority energy project for the European Union and concerned member states.
- ✓ TAP is also a Project of Energy Community Interest (PECI) and a top priority project for the Central Eastern and South-Eastern European Gas Connectivity (CESEC).

National/ Domestic Security Risks

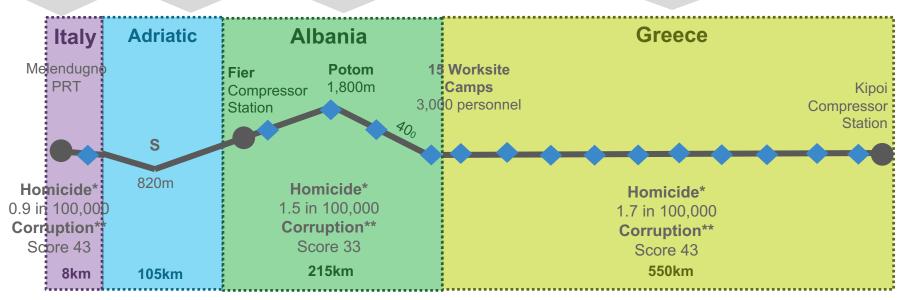


Personal security risk, local political risk, anti-TAP activism. sabotage, intrusion. Boat incursions damage, theft

Maritime theft

Transport risks (safety), firearms incidents. organized crime, refugee camps. theft (diesel)

Domestic terrorist attack. personal security risks, civil unrest in Athens. Anti-TAP activism, refugee camps, theft



878km long (773km Onshore + 105km Offshore), 1.2m diameter, 25m - 50m wide ROW, 1m underground

Switzerland Homicide 0.6 in 100,000 Corruption Score 86

*Note: UNODC, Intentional Homicide Rates, 2012.

**Note: Transparency International, Corruption Perceptions Index, 2015 (0 totally corrupt, 100 totally uncorrupted).

***Note: UK Foreign & Commonwealth Office, Country Risk Reports, 2015.

National Security Laws & International Standards



Greece

- Law 2518, Private Security Undertakings, 21 August 1997
- Amendment of Law 2518, N3707/ 2008
- Amendment of Law 2518, N4058/ 2012

Albania

- Law No. 75, 10 July 2014, Private Physical Security Service
- Law No. 74, 10 July 2014, Weapons
- Law No. 72, 10 July 2014, Use of Firearms
- Council of Ministers Decision, No 303, Dated 15 April 2015, Explosives for Civil Usage

Italy

- UNI 10459/ 2015, Security and Risk Management
- D.M. 269/2010, Private Security Companies
- D.P.R. 153/ 2008, Public and Private Security Law: Security Guard Employment
- Law of 26 September 1952, Private Security Guards
- Royal Decree (R.D.) 635, 6 May 1940, Implementation of the 1935 Law on Private Security
- R.D. 773/1931, Public and Private Security Law

International Standards

- International Standard Organization (ISO) 28000:2007(E), Specification for security management systems for the supply chain, 2015
- The International Ship and Port Facility Security (ISPS) Code
- ISO/ International Electrotechnical Commission (IEC) 27001, Information technology-Security techniques-Information security management systems-Requirement, 2015
- ISO 31000, Risk management-Principles and guidelines, 2015
- The Voluntary Principles on Security and Human Rights, 2000
- International Committee of the Red Cross (ICRC), International Code of Conduct for Private Security Service Providers, 2009;
- ICRC, The Montreux Document, 2008
- European Union, COUNCIL DIRECTIVE 2008/114/EC of 8 December 2008 on the identification and designation of European critical infrastructures and the assessment of the need to improve their protection
- American Petroleum Institute, Security Guidelines for the Petroleum Industry, Third Edition, 2005
- US Transport Security Administration, Pipeline Security Guidelines, 2011
- ASIS International, ANSI/ ASIS PAP.1-2012, Security Management Standard: Physical Asset Protection

Terms of Reference



Mission

In accordance with the company's mission to "safely deliver Caspian gas to Europe by 2020":

TAP's security risk management system shall resist intentional, unauthorized act(s) designed to cause harm/ loss to the company's personnel, assets, operations, and/ or reputation, in order to minimise such risks.

Objectives

In order to achieve this mission, TAP shall:

- Establish and maintain a security organisation and governance and assurance structure.
- Continually identify security risks and implement mitigation measures.
- Implement effective security operations according to international standards.
- Regularly report registered security status to management and shareholders and re-assess.

Scope

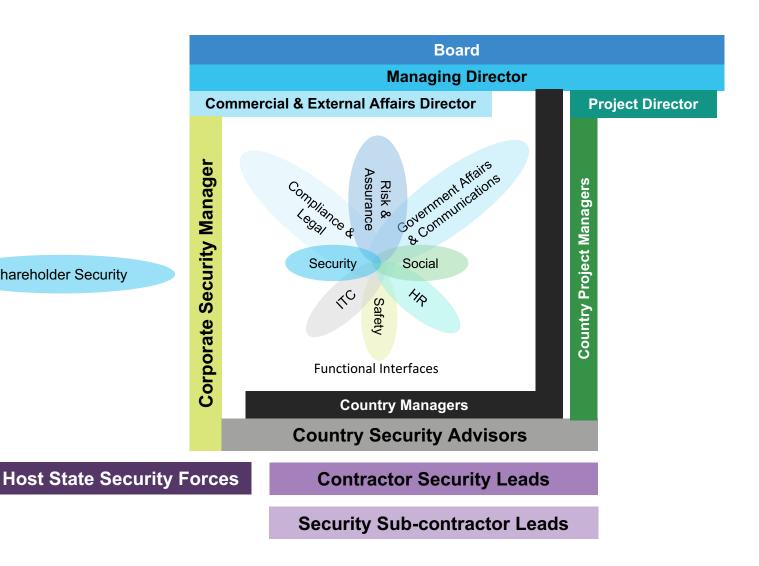
The major aspects of TAP's security scope shall comprise:

- Liaison with host state security authorities according to laws and regulations.
- Voluntary Principles on Security & Human Rights adherence programme.
- Production of international and national security risk assessments and report.
- Security risk mitigation for TAP staff and offices.
- Regulation and inspection of contractors' security operations.



Governance & Organisation





Shareholder Security

Security Management System (ISO 28000, API)





Governance & Organisation

Define accountability, responsibility, and reporting lines for a security organisation from board to security advisor level
Agree a security budget, employ a security manager and country security advisors, and contract security providers
Clarify applicable national and international private security laws, regulations, and standards for compliance
Establish and cultivate functional interfaces with Project, HSE, Government Affairs, Communications, ITC, Risk, HR, etc
Establish and cultivate relationships with security authorities, shareholder security functions, and other security bodies



Assurance & Continual Improvement
Review Security Management System for improvement opportunity
Register lessons Learned, implement corrective actions, and report
Participate in audit and report of the Security Management System
Measure performance of Security Management System and report
Establish and update security document control system

Security Risk Assessment

Identify critical aspects of TAP's personnel, assets, processes, and reputation
Analyse the security threats to TAP's above criticalities
Clarify vulnerabilities in TAP's personnel, assets, processes, and reputation
Assess consequences and likelihood of threats impacting vulnerable criticalities
Produce Security Risk Assessments and distribute for Security Risk Mitigation



Security Risk Mitigation

Produce security policy, plans, procedures, and registers and confirm budget based on Security Risk Assessments Manage the security of personnel travelling on business

Establish ALARP security mitigation measures in TAP offices based on Security Risk Assessments

Inspect, audit, feedback, and report on contractors and security sub-contractors security operations

Implement the Voluntary Principles on Security and Human Rights through training and awareness of stakeholders

Implement security training and awareness campaigns to make staff cognisant of security

Respond to security issues and incidents and all crises and emergencies with HSE and investigate and report

Monitor the handling of confidential hard copy company information, intervene, and report

Voluntary Principles on Security & Human Rights



- In 2000, the Voluntary Principles or "VPs" were established by governments (UK, US, Swiss, etc), corporations (BP, Statoil, etc), and NGOs (Human Rights Watch, International Alert, etc) to guide extractives companies on their alignment of security with respect for human rights
- For TAP, VPs compliance is a shareholder (e.g. BP) and lender (e.g. EBRD) requirement, formally recorded in the country *Commitment Registers* in accordance with the Environmental & Social Impact Assessments (ESIAs) agreed with host governments.

Accordingly, TAP shall adhere to the VPs.

- The VPs comprise 3 main parts:
 - ✓ Risk Assessment
 - ✓ Interactions Between Companies and Public Security
 - ✓ Interactions Between Companies and Private Security









