QP Energy Services LLC

Risk Management Program

HSE Manual Section 11

Effective Date: 5/30/15

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Prepared by: James Aregood Date: 5/30/15 Approved by: James Aregood Date: 5/30/15

Contents

1.0 Purpose

- The intent of this policy is to set out QP Energy Services approach to the identification and management of HSE risks and hazards and should be read in conjunction with QP's Health and Safety, Environment and Incident Reporting Policies.

2.0 Scope

- This policy applies to all personnel, visitors, and contractors at QP Energy Services LLC. This procedure applies to all functional areas of the QPES facilities including all yards, offices and storage areas.

3.0 Definitions

- ***HSE Risk Management*** is a systematic approach to managing workplace hazards so as to reduce or eliminate the HSE risk posed to employees, visitors, consultants, contractors, employees of contractors, persons employed through labor hire agencies and volunteers.

- ***A hazard*** is anything which is a source of potential harm to a person's health, safety and welfare in the work place.

- ***Risk*** is the chance of the potential harm from an identified hazard. It is measured in terms of the likelihood of exposure to the hazard and the resulting consequences.

4.0 Roles and Responsibilities

- HSE Risk Management is the responsibility of everyone at QP, although individuals may have different roles. At the same time all levels of management are accountable for HSE matters within their responsibility, all workplace participants must adhere to the HSE Risk Management Process.

4.1 Managers are responsible for:

  - Committing to making HSE Risk Management a part of normal business operations;
  - Engaging team members from all levels in the management of HSE risks;
  - Ensuring, so far as is reasonably possible, the health, safety and welfare at work of their employees, visitors, consultants, contractors, employees of contractors and consultants, persons employed through labor hire agencies and volunteers;
  - Consulting with their employees and all other persons with obligations under HSE laws;
  - Reporting any incidents, accidents or hazards.

4.2 Employees, consultants and contractors are responsible for:

- Participating in risk management processes;
- Performing their work in a safe manner;
- Taking reasonable care that their acts do not adversely affect the health and safety of themselves or others.

4.3 The QP Safety Committee is responsible for:

- Monitoring and reviewing on an ongoing basis, the HSE Risk Management process. The Committee will be comprised of management and employee representatives

*** If you become aware of any actual or possible non-compliance with this policy, you should immediately report it to your Manager.*

*** Failure to comply with the obligations under this policy may lead to disciplinary action being taken by QP in accordance company policy or by termination of engagement for contractors.*

5.0 Process

- The HSE Risk Management Process is a four stage approach adopted by QP Energy Services to manage, control and/or eliminate workplace hazards and their associated risks.

5.1(1) Identification of Hazards/Risks - The identification of hazards and risks canbe undertaken in the following manner:

- Proactive identificationof foreseeable HSE hazards/risks which might cause harm and completing risk assessments and reporting back to the HSE Committee's.

- An incident report must be completed whenever there is a work-related accident, injury, illness or near miss, in accordance with QP Energy Services' Incident Reporting Policy.

- Investigation of such events typically includes a review of written safety procedures and current work practices and involves discussions with:

  - The injured/ill employee, contractor or visitor;
  - The employee's supervisor or manager; and
  - Any witnesses.

- Incident & hazard reporting assists QP with identifying existing or potential hazards and the adequacy of existing control methods. It also assists in developing potential controls.

- QP will undertake regular inspections of each area of the work place. *Workplace Inspections Form*(see Appendix A) will be completed following an inspection and be compiled and reviewed by theQP Safety Committeeas part of QP's ongoing HSE audit regime.

- Workplace risk audits are a systematic approach to identifying workplacehazards and will usually be conducted annually. The recommendations flowing from these audits will be reviewed by the QP Safety Committee and by QP management.

- Before any design and/or purchasing decision, QP will:

    - Consider the HSE risks associated with the design, procurement, construction, installation, operation maintenance and decommissioning of the product/s or processes throughout the lifecycle of those product/s or processes and
    - Take steps to make sure that these risks are eliminated or reduced

- QP understands and accepts its obligation to consult with employees,managers and contractors, as well as all other persons with obligations under HSE laws. The QP Safety Committee will provide employees witha reasonable opportunity to provide input when identifying or assessing hazards or risks to health or safety; and making decisions about:

    - Measures to be taken to control those risks;
    - Adequacy of facilities for the welfare of employees;
    - Procedures for resolving HSE issues in the workplace;
    - Monitoring of employees' health;
    - Providing information and training to employees;
    - Any proposed changes to a workplace that may affect employees' health or safety.

5.2(2) Assessment of Hazards and Risks

- QP Energy Services will assessthose hazards identified to determine theHSE risks.

- The following factors will be taken into account:

    - The likelihood of the hazard or risk;
    - The degree of harm;
    - The frequency/duration of exposure to the hazard;
    - The most realistic consequence/severity of the hazard or risk; and
    - Any human factors involved, for example the age, skill level, physical makeup and training/education of the employee undertaking a task whilst exposed to the hazard.

5.3 (3) Control of Hazards and Risks

- When assessment and prioritization of the identified hazards has beencompleted, QP will work to eliminate or manage and control each hazard.

- QP recognizes that elimination of hazards and risks is the best result, but where this is not reasonably practicable, QP will look to minimizerisk by preventing or reducing the exposure to hazards and risks so far asis reasonably practicable. When determining what is reasonablypracticable, QP should have regard to factors such as:

    - what QP knows, or ought reasonably know, about:

        - the hazard or the risk; and
        - ways of eliminating or minimizing the hazard or risk the availability and suitability of ways to eliminate or minimize the hazard or risk; and

    - The cost associated with available ways of eliminating or minimizing the hazard or risk.

- QP must consider control strategies in the order of the following hierarchy of controls:

    - Elimination through job design;
    - Substitution by replacing materials, equipment or processes;
    - Engineering by controls, mechanical aids, barriers, ventilation or insulation;
    - Administrative through job rotation, changing work tasks, procedures and training
    - Personal Protective Equipment (PPE) to reduce potential exposure.

5.4 (4) Ongoing Monitoring and Review ofControls

- QP recognizes that hazards can change and that risk control measures need to be reviewed on an ongoing basis to determine their effectiveness, therefore QP shall ensure that processes are put in place for the ongoing monitoring and review of controls.

6.0 Training

Training as outlined below will be provided at the following times:

- At time of initial assignment;
- Annually thereafter;
- Whenever a new hazardous are introduced or when the program elements change;

- Whenever the program administrator or other management members determine through observation that retraining would be beneficial.

7.0 Records

- QP Energy Services, LLC will maintain HSE records such as:

    - Documents relating to risk assessments;
    - Safe Work Method Statements, Job Safety Analyses, Safety Data Sheets, permits and other work-specific documents required by HSE laws;
    - HSE qualifications of employees;
    - Inspection and review reports;
    - Audit reports;
    - Incident/accident and hazard reports;
    - Minutes of HSE meetings;
    - Induction and training records.

- Audit and other compliance measures will be implemented from time totime to review compliance with policy.

8.0 Revision History Record:

Revision Number	Section	Revised By	Description
0	NA	NA	Original document.

Appendix A

QP Work Place Inspection Form

Inspectors:	**Date:**		
Location:			
	Yes	**No**	**N/A**
Chemical Exposures			
Is employee exposure to chemicals kept within acceptable levels?			
Are eyewash fountains and safety showers provided in areas where caustic corrosive chemicals are handled?			
Are all employees required to use personal protective clothing and equipment (gloves, eye protection, respirators) when handling chemicals?			
Are flammable or toxic chemicals kept in closed containers when not in use?			
Where corrosive liquids are frequently handled in open containers or drawn from storage vessels or pipelines, are adequate means provided to neutralize or dispose of spills or overflows (properly and safely)?			
Have standard operating procedures been established, and are they being followed when chemical spills are cleaned up?			
Are respirators stored in a convenient and clean location?			
Are emergency-use respirators adequate for the various conditions under which they may be used?			
Are employees prohibited from eating in areas where hazardous chemicals are present?			
Is personal protective equipment provided, used, and maintained whenever necessary?			
Are there written standard operating procedures for selecting and using respirators where needed?			
If you have a respirator protection program, are your employees instructed on the correct usage and limitations of the respirators?			

Are the respirators NIOSH-approved for particular applications?			
Are respirators inspected and cleaned, sanitized, and maintained regularly?			
Are you familiar with the Threshold Limit Value (TLV) or Permissible Exposure Limit (PEL) of airborne contaminants and physical agents used in your workplace?			
If internal combustion engines are used, is carbon monoxide kept within acceptable levels?			
Is vacuuming used rather than blowing or sweeping dusts whenever possible for cleanups?			
Employer Posting			
Is the TX-OSHA Job Safety and Health poster displayed where all employees are likely to see it?			
Notice of compensation guarantee contract displayed?			
OSHA 300 Summary displayed in February?			
Safety Committee meeting minutes displayed?			
Are emergency telephone numbers posted where they can be readily used in an emergency?			
Where employees may be exposed to toxic substances or harmful physical agents, has appropriate information concerning employee access to medical and exposure records and safety data sheets (SDSs) been made readily available?			
Emergency action plan			
Have you developed an emergency-action plan?			
Have emergency-escape procedures and routes been developed and communicated to all employees?			
Do employees who must complete critical plant operations before evacuating know the proper procedures?			
Is the employee alarm system emergency warning recognizable and perceptible above ambient conditions?			
Are alarm systems properly maintained and tested regularly?			
Is the emergency-action plan reviewed and revised periodically?			
Do employees know their responsibilities for reporting emergecies?			
Do employees know their responsibilities responding to emergency warnings?			

Do employees know their responsibilities performing rescue and medical duties?			
Hazard Communication			
Do you have a written hazard communication program that addresses safety data sheets (SDSs), labeling of products, and employee training?			
Does your program include a master list of hazardous substances that are used in your workplace?			
Is there an MSDS readily available for each hazardous substance used?			
Is someone responsible for obtaining and maintaining MSDSs, labeling containers, including secondary containers that are not used up in a shift or are used by more than one employee, and employee training?			
Do your employees know where to find the MSDSs?			
Is each container for a hazardous substance (vats, bottles, storage tanks, etc.) labeled with the identity of the product and a hazard warning that communicates specific health and physical hazards?			
Do you inform other employers, or contractors, whose employees share a work area with your employees, where hazardous substances are used?			
Do you train employees on the hazardous substances in their work area at the time of their initial assignment and whenever a new physical or health hazard is introduced into their work area?			
Does training include, Information on the “Right to Know” laws?			
Does training include, Hazard communication program details, including an explanation of the labeling system and MSDS, and how employees can obtain and use them?			
Does training include, information on where employees can review the employer’s written hazard communication program, and where hazardous substances are located in work areas?			
Does training include, review of the contents of SDSs for each hazardous substance or class of substances employees are exposed to?			

Does training include, the physical and health hazards of substances in the work area, how to detect their presence, and specific protective measures to be used?			
Hand tools and equipment	**YES**	**NO**	**N/A**
Are all company- and employee-owned tools and equipment in good working condition?			
Are hand tools such as chisels or punches that develop mushroomed heads reconditioned or replaced as necessary?			
Are broken or fractured handles on hammers, axes, or similar equipment replaced promptly?			
Are appropriate handles used on files and similar tools?			
Do employees use appropriate safety glasses, face shields, and similar equipment when using hand tools or equipment that might produce flying materials or be subject to breakage?			
Are jacks checked periodically to ensure they are in good operating condition?			
Are tool handles wedged tightly in the heads of all tools?			
Are tool-cutting edges kept sharp tools will smoothly without binding or skipping?			
Do employees use eye and face protection when they drive hardened or tempered tools, bits, or nails?			
Material handling			
Are materials stored so that they prevent sprains or strains when employees retrieve them?			
Is there a safe clearance for moving equipment through aisles and doorways?			
Are aisles permanently marked and kept clear to allow safe passage?			
Are motorized vehicles and mechanized equipment inspected daily or before use?			
Are vehicles shut off and brakes set before loading and unloading?			
Are containers of combustibles or flammables properly stacked and stabilized when they are being moved?			
Are trucks and trailers secured from movement during loading and unloading?			
Are material-handling aids used to lift or transfer heavy or awkward objects?			

Are dock plates and loading ramps adequately constructed and maintained to support imposed loads?			
Are hand trucks maintained in safe operating condition?			
Are materials handled at a uniform level to prevent lifting or twisting injuries?			
Fire protection			
If your workplace has 11 or more employees, does it have a written fire-prevention plan?			
Does the plan describe the types of fire protection equipment and systems that are available?			
Have you established practices and procedures to control potential fire hazards and ignition sources?			
Are employees aware of the fire hazards of the materials and processes to which they are exposed?			
If your workplace has a fire alarm system, is it tested at least annually?			
Are portable fire extinguishers provided in adequate numbers and types?			
Are fire extinguishers mounted in readily accessible locations?			
Are fire extinguishers recharged regularly, with dates noted on the inspection tags?			
If employees are expected to use fire extinguishers and fire protection procedures, are they trained?			
If employees are not trained to use fire extinguishers, are they trained to immediately evacuate the building in a fire emergency?			
Flammable and combustible materials	**YES**	**NO**	**N/A**
Is combustible scrap, debris, and waste stored in covered metal receptacles and removed from the work site promptly?			
Are proper storage methods used to minimize the risk of fire and spontaneous combustion?			
Are approved containers and tanks used for the storage and handling of flammable and combustible liquids?			
Are connections tight on all drums and combustible liquid piping (vapor and liquid)?			

Are all flammable liquids kept in closed containers when not in use?			
Are bulk drums of flammable liquids grounded and bonded to containers during dispensing?			
Are safe practices followed when liquid petroleum gas is stored, handled, and used?			
Are liquefied petroleum storage tanks guarded to prevent damage from vehicles?			
Are all solvent wastes and flammable liquids kept in fire-resistant, covered containers until they are removed from the work site?			
Are fuel-gas cylinders and oxygen cylinders separated by distance, fire-resistant barriers, or other means while in storage?			
Noice: hearing conservation	**YES**	**NO**	**N/A**
Are there areas in your workplace where continuous noise levels exceed 85 dBA?			
Are noise levels measured using a sound-level meter or an octave band analyzer, and are you keeping records of these levels?			
Have you tried isolating noisy machinery from the rest of your operation?			
Have engineering controls been used to reduce excessive noise?			
Where engineering controls are not feasible, are administrative controls used to minimize employee exposure to noise?			
Is there a preventive health program that educates employees about safe levels of noise and exposure, effects of noise on their health, and use of personal protection?			
Are employees who are exposed to continuous noise above 85 dBA retrained annually?			
Have you identified and posted work areas in which noise levels make voice communication difficult?			
Does every employee working in areas where noise levels exceed 90 dBA use approved hearing protection equipment (noise attenuating devices)?			

Are employees properly fitted and instructed in the proper use and care of hearing protection?			
Are employees who are exposed to continuous noise above 85 dBA given periodic audiometric testing to ensure that you have an effective hearing-protection system?			
Personal protective equipment (PPE)	**YES**	**NO**	**N/A**
Have you assessed workplace hazards that might require PPE and reviewed related injuries?			
Has the assessment been documented?			
Does the documentation identify the workplace evaluated?			
Has training been provided to each employee who is required to wear PPE?			
Has the training been documented?			
Are protective goggles or face shields provided to employees and worn when there may be danger of flying material or caustic or corrosive materials?			
Are ANSI-approved safety glasses worn at all times in areas where there is risk of eye injury?			
Are protective gloves, aprons, or shields provided to employees for protection against cuts, corrosive liquids, and chemicals?			
Are hardhats provided and worn where there is a danger of falling objects?			
Are hardhats inspected periodically for damage to the shell and the suspension system?			
Do employees exposed to vehicular traffic wear high visibility garments that make them stand out from their surroundings?			
Do workers wear reflective garments at night?			
Are appropriate respirators provided for regular or emergency use where they are necessary?			
Is there a written respirator program?			
Are the respirators inspected before and after each use?			
Is a written record kept of all inspection dates and findings?			
Have all employees been trained in work procedures, and proper use and maintenance of protective clothing and equipment for cleaning up spilled toxic or other hazardous materials or liquids?			
Recordkeeping	**YES**	**NO**	**N/A**

Are all occupational injuries and illnesses, including those involving loss of life, loss of consciousness, loss of time from work, and those requiring treatment other than first aid, recorded as required on the OSHA Form 300?			
Are copies of OSHA Form 300 and First Report of Injury, Form 801, kept for five years?			
Are employee's medical records and records of exposure to hazardous substances or harmful physical agents current?			
Have arrangements been made to maintain required records for the legal period for each type of record? (Some records must be maintained for at least 40 years.)			
Are operating permits and records current for elevators, pressure vessels, and liquefied petroleum gas tanks?			
Are employee safety and health training records maintained?			
Are safety inspections and corrections documented and maintained?			
Safety Committees and safety meetings	**YES**	**NO**	**N/A**
Is the safety committee composed of an equal number of employer and employee representatives?			
Are all employees in attendance at safety meetings?			
Is there at least one employer representative authorized to ensure correction of safety and health issues in attendance at safety meetings?			
Are employee representatives on the safety committee volunteers or elected by their peers?			
For employers of twenty or more employees, are there at least four members on the safety committee?			
Does the safety committee meet at least once a month except in months when workplace inspections are performed?			
Are safety meetings being held according to the frequency required by the rule?			
If you work in construction and hold safety meetings, are you holding the meetings monthly and before the start of each job that lasts more than one week?			
Are minutes kept at each safety committee meeting?			

If you are an employer engaged in construction, utility, or manufacturing work, are you documenting your safety meeting minutes and retaining them for three years?			
Are you documenting minutes of your safety meetings when all employees are not in attendance?			
Are safety committee and safety meeting minutes available to all employees?			
Are the safety committee and safety meeting minutes maintained for at least three years?			
Are all reports, evaluations, and recommendations of the safety committee included in the safety committee minutes?			
Has a reasonable time been set within which your employer must respond in writing to safety committee recommendations?			
Has the safety committee set up a system for collecting safety-related suggestions, reports of hazards, or other information directly from those involved in workplace operations?			
Is such information reviewed during the next safety committee meeting and recorded in the minutes?			
Do the minutes of your safety committee identify who will be responsible for follow up on recommended corrective actions?			
Has the safety committee established procedures for conducting workplace inspections at least quarterly?			
Does the quarterly inspection team include employer and employee representatives?			
Are members of the inspection team trained in hazard identification?			
Does the inspection team document in writing the location and identity of hazards?			
Are quarterly inspections of satellite locations done by the inspection team or by a person designated at the location?			
Does the safety committee establish an inspection schedule for those mobile locations, infrequently visited sites, and sites that do not lend themselves to quarterly inspections?			
Does the safety committee recommend ways for the employer to eliminate or correct hazards and unsafe work practices in the workplace?			

Has the safety committee established procedures for reviewing safety and health inspection reports and to make recommendations for improvement to management?			
Has the safety committee evaluated the employer's system for ensuring safety and health accountability?			
Has the safety committee made recommendations for improving safety and health accountability?			
Has the safety committee established procedures for investigating workplace injury accidents, illnesses, and deaths?			
Do safety committee members have access to applicable Texas occupational safety and health standards?			
Have safety committee members received safety training in hazard identification and accident investigation?			
Have safety committee members received training on the principles of accident and incident investigations?			
Tools and equipment: portable power-operated	**YES**	**NO**	**N/A**
Do grinders, saws, and similar equipment have appropriate safety guards?			
Are power tools used with the shield or guard that the manufacturer recommends?			
Are portable circular saws equipped with guards above and below the base shoe?			
Are circular saw guards checked to ensure guarding of the lower blade portion?			
Are rotating or moving parts of equipment guarded to prevent physical contact?			
Are all cord-connected, electrically-operated tools and equipment either grounded or of the approved double-insulated type?			
Are effective guards in place over belts, pulleys, chains, and sprockets on equipment such as concrete mixers, air compressors, and the like?			
Are portable fans provided with full guards having openings of 1⁄2 inch or less?			
Is hoisting equipment available and used for lifting heavy objects, and are hoist ratings and characteristics appropriate for the task?			

Are ground-fault circuit interrupters (on all temporary electrical 15-, 20-, and 30-ampere circuits) used during periods of construction?			
Is there an assured equipment-grounding conductor program in place during periods of construction?			
Are pneumatic and hydraulic hoses on power-operated tools checked regularly for deterioration or damage?			