



PETRONAS

HEALTH, SAFETY, SECURITY AND ENVIRONMENT POLICY

PETRONAS ENERGY CANADA LTD.

DOCUMENT AUTHORIZATION

Approved By:

Name	Mark Fitzgerald
Position	President & CEO
Date	28-FEB-2018

Document Owner:

Name	Neil Horbachewski
Position	VP, HSSE
Date	28-FEB-2018

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1. Summary Statement

This Policy sets forth the Company's requirements with regards to its Health, Safety, Security, and Environment (HSSE) activities, consistent with the expectations and plans of the Company, and in consideration of PETRONAS Global's requirements.

The Company is committed to HSSE excellence in all activities wherever it operates.

The Company shall identify and manage risks of injuries, occupational illnesses and damage to properties.

The Company shall ensure that measures are taken to protect the environment and that natural resources are used sustainably.

The Company shall:

- Ensure that the facilities the Company operates, and the services that are provided, are in accordance with HSSE legal requirements and company standards;
- Provide the necessary resources and organisation, and where appropriate, engage with key stakeholders on HSSE matters;
- Ensure that contingency plans are in place to deal with emergencies; and
- Ensure continual improvement in HSSE management and performance, leveraging on people, process and technology.

2. Objectives

The objectives of this Policy are to:

- Establish the Company's requirements for the HSSE Management System;
- Provide Employees, Contractors, and Consultants with clear direction on their individual and collective responsibility to fully comply with the procedures and standards detailed in the HSSE Management System and relevant regulatory and contractual requirements;
- Establish the principals of a standardized approach and system of work across the Company to prevent injuries, occupational health illnesses, environmental impacts, asset damage or loss, or regulatory non-compliance; and
- Protect the Company's reputation and corporate image.

3. Scope

This Policy applies to Employees, Contractors, and Consultants.

4. Definitions

Capitalized terms used herein have their meanings set forth in the [Master Glossary](#).

5. Requirements

5.1 Leadership and Commitment

Executive Management and front line supervisors must support the requirements and implementation of this Policy and the HSSE Management System. The Health, Safety, Security and Environment Leadership Guideline outlines the Company's expectations and commitment to HSSE Management.

5.1.1 Visibility

Executive Management will promote a culture in which Employees, Contractors, and Consultants share a full commitment to HSSE in alignment with the Health, Safety, Security and Environment Leadership Guideline.

5.1.2 Set Targets

Executive Management will set criteria for measuring HSSE performance, benchmarking performance against industry peers, and communicating the results in a timely manner in accordance with the Health, Safety, Security and Environment Performance Management Framework.

5.1.3 Informed Participations

Executive Management will actively support the HSSE Management System and provide knowledge and leadership in HSSE activities in alignment with the Health, Safety, Security and Environment Leadership Guideline.

5.1.4 Manage HSSE Risks

Risks associated with technical and operational integrity of facilities and equipment will be managed in accordance with the requirements of the Hazard and Effects Management Framework, HAZOP Framework, and Pre-Start Up Safety Review Technical Standard.

HSSE risks will be managed in accordance with, but not limited to:

- Blanking and Blinding Framework;
- Bypass of Safety Critical Equipment Technical Standard;
- Confined Space Entry Framework;
- Exposure Control Planning Technical Standard;
- Fatigue Management Technical Standard;
- Fire Prevention and Ignition Management Technical Standard;
- Ground Disturbance Technical Standard;
- Health Risk Assessment Technical Standard;
- Hearing Conservation Technical Standard;

- Journey Management Technical Standard;
- Lifting Technical Standard;
- Lockout Tagout Framework;
- Permit to Work Framework;
- Remediation and Reclamation Management Technical Standard;
- Respiratory Protection Technical Standard;
- Safe Operating Procedure Technical Standard;
- Safe Vehicle Operations Technical Standard;
- Safety Meetings Technical Standard;
- Work Site Management Framework;
- Working Alone Technical Standard; and
- Working at Heights Technical Standard.

5.1.5 Drive HSSE Culture

Executive Management will assign responsibility and accountability to manage HSSE risks as appropriate, and hold individuals accountable for HSSE behavior and performance in alignment with the Health, Safety, Security and Environment Leadership Guideline.

5.2 Policy and Strategy Objectives

5.2.1 HSSE Management System Content

Any Employees, Contractors, or Consultants who, upon their termination, have possession of any Confidential Information will deliver the same to their Vice President, on or before the final day of their employment.

For a period of two years after the cessation of an Employee's relationship with the Company, the Employee will not make use of business opportunities arising from his/her relationship with the Company's vendors, suppliers, Contractors, Consultants, principals, and/or other business partners, or cause or attempt to cause the diversion of such business opportunities from the Company or to cause or attempt to cause the termination of contracts or other business relationships of the Company without first obtaining the prior consent of the Company.

5.2.2 HSSE Management System Content

The HSSE Management System will be designed and implemented to meet the requirements of this Policy

5.2.3 HSSE Policy Dissemination

This Policy will be made readily available and communicated to all Employees, Contractors, and Consultants. Changes to this Policy and the HSSE Management System will be communicated and documented in

compliance with the Communications Policy and the Health, Safety, Security and Environment Leadership Guideline.

5.2.4 HSSE Strategic Objectives

HSSE strategic objectives will be aligned with this Policy to respond to business needs, issues, trends, best practices, legal requirements, and key Stakeholder expectations. The identification and implementation of strategic HSSE objectives will be managed in accordance with the Health, Safety, Security and Environment Strategic Planning Technical Standard.

5.2.5 HSSE Business Plan

The Health, Safety, Security and Environment Strategic Planning Technical Standard outlines the HSSE targets, assumptions, and key activities for developing an HSSE Business Plan. The annual HSSE Business Plan will be aligned with the Company's Long Term Strategy to identify individuals accountable for specific actions and milestones. The plan and targets will be communicated in accordance with the Communications Policy.

5.2.6 HSSE Program and Activities

Detailed programs and activities will be developed to support the annual HSSE Business Plan along with key Performance Indicators (KPIs) and targets. KPIs will be monitored, tracked, analyzed, and reported to support an effective and timely implementation of the programs. HSSE performance will be coordinated in accordance with the Health, Safety, Security and Environment Performance Management Framework.

All HSSE programs and activities will be communicated and promoted to enhance the HSSE culture.

5.3 Organization, Responsibilities, Resources, Standards and Documents

5.3.1 Roles and Responsibilities (Organizational Structure and Responsibilities)

The HSSE department will:

- Provide input on other departments' roles and responsibilities based on required duties;
- Provide the Human Resources department with HSSE roles and responsibilities based on approved job descriptions and HSSE business needs in accordance with the Talent Development and Management Policy;
- Provide clear accountabilities and responsibilities in support of the HSSE Management System and strategic planning objectives; and
- Provide awareness regarding shared roles and responsibilities on a regular basis.

5.3.2 Management Representative(s)

The HSSE department will appoint representative(s) with direct access to Executive Management.

5.3.3 HSSE Advisors

The HSSE department will have competent HSSE advisors available to provide professional technical advice and support to the organisation in meeting regulatory, policy, and HSSE Management System requirements.

5.3.4 Resources

The HSSE department will have sufficient resource levels to meet the requirements of all HSSE critical roles and be regularly reviewed in accordance with the Health, Safety, Security and Environment Strategic Planning Technical Standard and Talent Acquisition and Deployment Policy.

5.3.5 Employee HSSE Competence

Employees' HSSE competency will be periodically reviewed and assessed. Appropriate training will be provided to help Employees continuously improve in the execution of HSSE activities. An Employee's competency is determined in accordance with the Talent Development and Management Policy.

5.3.6 Contractor HSSE Management

Each Contractor's HSSE Management System and procedures must meet or exceed the Company's requirements. The Company will undertake HSSE Assurance activities to verify the Contractor's compliance with HSSE Regulatory requirements and contractual obligations and alignment with the Company's HSSE Business Plans.

Work performed by Contractors and sub-Contractors must be consistent with this Policy and the HSSE Management System and must be conducted in a manner that ensures safety at the worksite and protection of the environment, neighboring communities, and the Company's assets.

Contractor evaluation, pre-qualification, and selection is determined in accordance with the Supply Chain Management Policy and the Health, Safety, Security and Environment Assurance Technical Standard.

5.3.7 Communication

The Company will communicate timely, consistent, and accurate information to enhance understanding of corporate HSSE expectations, business performance, activities, and HSSE culture. All internal and external communication related to HSSE matters will be managed in accordance with the Communications Policy and the Health, Safety, Security and Environment Leadership Guideline.

5.3.8 Legal, Standards and Other Requirements

Monitoring and tracking regulatory and reporting requirements will be managed in accordance with the Regulatory Policy. Dissemination of the information and related changes to Employees, Contractors, and Consultants (as applicable) will be made in a timely manner in accordance with Communications Policy.

5.3.9 Documentation and Control

Records and information will be managed in accordance with the Information Management Policy, which governs the classification, retention, and destruction of the Company's records and information.

5.4 Hazards and Effects Management

Operational risks will be managed in accordance with the Hazards and Effects Management Framework and the Risk Policy.

The Hazards and Effects Management Framework will include:

- Identification of HSSE hazards and effects;
- Process Hazard Analysis (PHA) and Risk Assessments;
- Control Measures;
- Recovery Measures; and
- HSSE requirements for PHA Tools.

5.5 Planning and Procedures

HSSE risks and improvement opportunities will be included in business planning and forecasting activities. Planning and forecasting activities will be consistent with the Risk Policy and the Health, Safety, Security and Environment Policy, which encompass all significant risks, Regulatory Requirements, and relevant interests of Aboriginal Peoples and key Stakeholders.

5.5.1 Security

The Company will implement an effective Security Management System which will identify, evaluate and manage security risks to our people, property, information and operations, in accordance to the Security Policy.

5.5.2 Asset Integrity and Reliability

Field Assets will be maintained, inspected, and operated in accordance with applicable law and the Field Asset Management and Reliability Policy with the intent to promote safety and limit environmental impacts.

5.5.3 Procedures and Administrative Controls

The Company will use operational programs, plans, procedures, work instructions and other administrative controls as appropriate, to direct its business operations.

HSSE procedures and administrative controls will be created based on operational process needs, HSSE best practices, and risk assessments.

5.5.4 Management of Change

In the event of a significant change in functionality and/or business processes, the Management of Change Policy will be applied to identify any change in risk level associated with the proposed change and manage it appropriately

5.5.5 Emergency Preparedness and Response

The Crisis Management Framework will be used to prevent and respond to emergencies and to meet Regulatory Requirements and expectations for emergency preparedness. The Crisis Management Framework includes Business Continuity Plans and Crisis Communication Plans.

The Crisis Management Framework will be maintained in alignment with the Risk Policy.

5.6 Implementation and Monitoring

The Company will review how activities are performed and monitored and how corrective and preventive actions are taken to meet its HSSE goals, objectives, and targets and to foster continuous improvement.

5.6.1 Performance Monitoring

Executive Management will establish key performance indicators (KPIs), performance benchmarks, and targets for HSSE and the HSSE Management System in accordance with the Health, Safety, Security and Environment Performance Management Framework. Actual HSSE performance will be measured against established KPIs.

5.6.2 Records

Records will be maintained in accordance with the Information Management Policy.

5.6.3 Non-Compliance and Corrective and Preventive Action

Non-compliance, corrective, and preventive actions, improvement opportunities, including deficiencies identified during inspections, incident investigations, and audits will be managed in accordance with the Health, Safety, Security and Environment Incident Management Framework and the Health, Safety, Security and Environment Assurance Technical Standard.

5.6.4 Incident Reporting and Follow Up

Reporting and investigation of HSSE incidents including near misses will be managed in accordance with the Health, Safety, Security and Environment Incident Management Framework, which will require that all HSSE incidents are reported promptly, appropriately investigated in accordance with the Health, Safety, Security and Environment Investigation Framework, and analyzed for learning and improvement opportunities. In addition, the procedure will comply with HSSE Regulatory Requirements.

5.7 HSSE Assurance

An HSSE Assurance Plan, as part of the Company's Compliance Plan, will be used to verify the effectiveness of the Company's HSSE Management System.

5.7.1 HSSE Assurance Plan

The Company's HSSE Assurance Plan will provide a systematic approach to review and verify the effectiveness of the HSSE Management System, in accordance with the Compliance Policy. In addition, the HSSE Assurance Plan will be risk-based and provide frequent, in-depth reviews to ensure compliance with HSSE Regulatory Requirements and HSSE Management System requirements. The Health, Safety, Security and Environment Assurance Technical Standard and the Compliance Framework outline the detailed Assurance review activities process.

5.7.2 HSSE Auditor Competency

HSSE auditor competency requirements are determined in accordance with the Health, Safety, Security and Environment Assurance Technical Standard and the Compliance Framework.

5.7.3 Contractor Assurances

The Company will review the effectiveness of Contractors' audit and assurance programs. Records of Contractors' audits and audit schedules will be maintained in accordance with the Compliance Policy, Information Management Policy, Supply Chain Management Policy, and the Health, Safety, Security and Environment Assurance Technical Standard.

5.8 Management Review

The HSSE Management Committee will review the suitability and effectiveness of its HSSE Management System and implement corrective and preventive actions to improve the HSSE Management System where needed.

5.8.1 Management Review for Continuous Improvement

Management reviews will be used to formulate recommendations for continuous HSSE improvement, which include improving the effectiveness and implementation of this Policy and the HSSE Management System. The Health, Safety, Security and Environment Management Committee Mandate outlines the role and activities of the HSSE Management Committee and the process to identify improvement opportunities for the HSSE Management System.