

**QUALITY, HEALTH, SAFETY & ENVIRONMENT
(QHSE)**

**INTEGRATED MANAGEMENT
SYSTEM MANUAL**



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LOCKHART
INDUSTRIAL SERVICES LTD.

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General

This document forms part of the official Quality, Health, Safety & Environmental Management System of LOCKHART. It has been compiled to meet the requirements of OHSAS 18001:2007, ISO 14001:2015, ISO 9001:2015 and similar National and International Standards.

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1-Company profile

- A **LOCKHART** has been operating in K.R.G. for several clients for many years till now.
- B We are general service company provide support in **(Tubular Handling & Running - Equipment Supply & Services and Wellhead & Xmas Tree Supply & Services)**
- C Employing technical and professional staff, clients' actual or implied needs are translated into specific definitions of requirements.
- D **LOCKHART** a company that encourages innovation and efficiency among all its employees, to the ultimate benefit of the customer. An established on-going program of technical, quality and HSE training throughout the company ensures that all staff, from senior management to the housekeeping personnel, continues to develop their technical, communications and teamwork skills. **LOCKHART** aim is always to provide only services and products of the very highest quality in a safe and environment friendly manner.
- E Our highly trained and extremely motivated team performs the operations under the guidance of our experienced and knowledgeable supervisors. **LOCKHART** managers using latest techniques work with the client to provide the best solutions.
- F "Safety is everyone responsibility" is our motto. We provide continuous safety training thereby ensuring all operations are carried out in, a safe and efficient manner.

2-Introduction

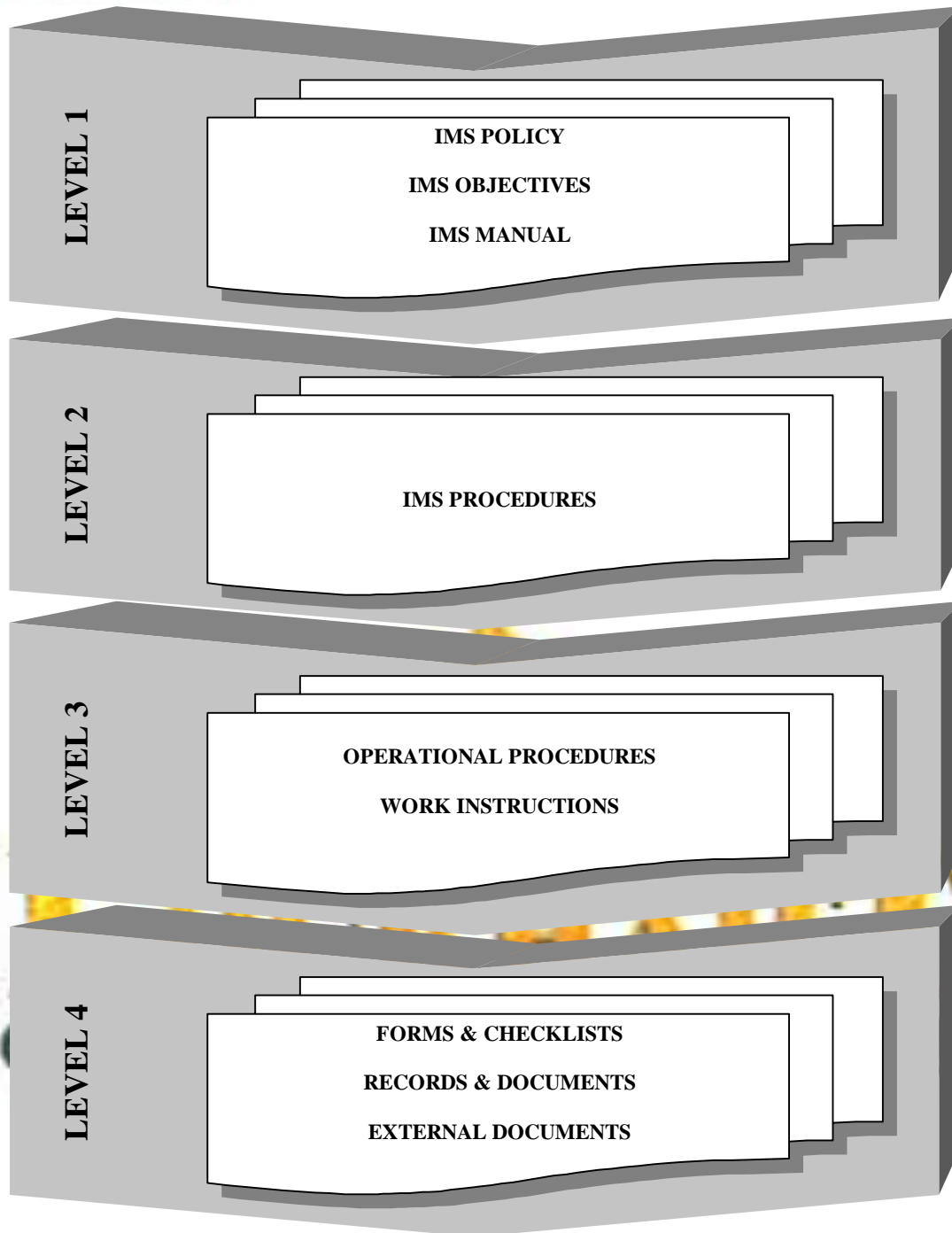
2.1 Introduction and Scope

- A **LOCKHART** regards Quality, Health, Safety and Environment (QHSE) as being fundamental to its business success. The management of QHSE therefore forms an integral part of the total management system.
- B **LOCKHART** Integrated QHSE Management System (IMS) has been developed to provide detailed information and resources required to effectively manage Quality, Health, Safety and Environment. All the relevant policies and objectives are defined and clearly stated. The organizational structure and associated responsibilities for all parts of the business are highlighted, and the arrangements put in place (e.g. standards, procedures, rules & regulations, etc.) to ensure that all policies are implemented, controlled, monitored and improved as required.
- C The implementation of and compliance with the IMS is the responsibility of all personnel. The manual provides the means of enabling everyone to fulfill that responsibility and meet the specified QHSE objectives.

- D The scope of the QHSE Management System covers the organization, responsibilities and authorities, procedures, methods and the resources to achieve and maintain a QHSE of service in accordance with the policy and objectives of the company.
- E The IMS scope will cover all activities of **LOCKHART** in K.R.G. which include but not limited to:
 - i. Contracts and Project Planning;
 - ii. Operations and Field Activities;
 - iii. Services and workshops;
 - iv. Logistics and Transport;
 - v. Store;
 - vi. Administration and Finance;
 - vii. Procurement and Purchasing;
 - viii. Sales activities
 - ix. Office Activities and Support.

2.2 Structure of the QHSE management system

- A **LOCKHART** have based the IMS on the principles contained within ISO 14001:2004 Environmental Management Systems, OHSAS 18001:2007 Occupational Health and Safety Management Systems and ISO 9001:2008 Quality Management Systems. **LOCKHART** recognizes that the Quality, Health, Safety & Environment Management Systems must have mutually compatible aims and objectives. Rather than functioning on a stand-alone basis their close inter-relationship forms an integral part of the overall company management system.
- B The IMS has also been designed and developed in accordance with the HSE management principles put forward by the major operating companies. This relationship between the HSE related standards and ESM provides the common management system principles, which are fundamental to **LOCKHART** achieving its specified HSE related objectives, promoting effective management and the development of the foundation of a safety culture within the company, which provides the necessary environment and motivation required by all concerned parties.
- C The IMS allows **LOCKHART** to apply and implement the principles in a structured manner, detailing the practical QHSE arrangements, which have been put in place to enable line management to fulfill their responsibilities.
- D **LOCKHART** Integrated Management System is formulated with a structured documentation accounting for different levels of applicability varying from level 1 to 4 as illustrated in the figure below.
- E All documents shall be approved by executive director and applicable to all locations and projects.



D-1. Integrated Management System Manual (Level 1)

The Integrated Management System Manual provides an overview of the QHSE Management System of **LOCKHART**. It sets out in broad terms what the company intends to achieve by the adoption of an Integrated Management System. It defines the responsibilities for a structure of the system. It provides details on how the system complies with the, ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 Standards requirements.

D-2. IMS Procedures (Level 2)

The procedures contain instructions for carrying out activities under the control of **LOCKHART** management system. The procedures are consistent with the integrated requirements of ISO 14001:2004, OHSAS 18001:2007, ISO 9001:2008 standards and **LOCKHART'S** QHSE Policy, the procedures update is the responsibility of **LOCKHART** head office.

D-3. Operational Procedures (Level 3)

The Specific Operational Procedures contain further detailed instructions to be carried out by **LOCKHART** personnel covering all related operational activities.

D-4. Work Instructions (Level 3)

The Work Instructions further amplify procedures by describing an activity step by step. They have been formulated as reference documents, which will be used to assist in the development of Area or Project QHSE plans.

D-5. Standard Forms and Checklists (Level 4)

The completion and retention of controlled forms and checklists provide objective evidence of compliance to the Integrated Management System. A completed sample of each form and checklist is retained behind the relevant procedure for guidance on how to complete it, wherever applicable.

D-6. External Documentation (Level 4)

Documents of external origin, which are essential to the Integrated Management System of **LOCKHART**, such as client's specifications, national rules and regulations, national or international codes or standards.

2.3 Use and application of the QHSE management system manual

A The IMS Manual contains the detailed information required to enable all staff to understand **LOCKHART'S** methodology in organizing and managing Quality, Health, Safety and Environment throughout the organization. Correct use of the manual and the proper application of the documented system will allow **LOCKHART** to assure the following:

- All operational activities meet the specified QHSE aims and objectives;
- A systematic methodical approach has been used to meet these objectives;
- Improvement is a continual process achieved through assessment, monitoring, audit and review;
- Compliance with all legislative and statutory requirements; and,
- The provision of documented evidence of the above being fulfilled.

2.4 Permissible exclusions

A Clause 7.3(design and development) is excluded.

2.5 Amendment and re-issue of the manual

A This manual shall be reviewed annually.

B The QHSE manager is responsible for reviewing and implementing any changes to it and retains the Master Copy of the IMS Manual. Controlled copies will be made available to relevant persons (e.g. auditing bodies, employees, etc.). All other copies are clearly marked uncontrolled and are not subject to automatic updating.

2.6 Definitions

Accident	Unplanned event giving rise to death, ill-health, injury, damage or other loss.
Audit	A systematic and, wherever possible, independent examination to determine whether activities and related results conform to planned arrangements and whether these arrangements are implemented effectively and are suitable to achieve the organization's policy and objectives.
Authorization	Approval granted to an employee by his Department Head or Supervisor for the purpose of performing a service.
Complaint	Anomaly reported by a Client, End User or Authority
Continual Improvement	Process of enhancing the QHSE management system to achieve improvements in overall environmental performance in line with the organization's QHSE policy.
Contract	Set of services supplied and invoiced by suppliers of LOCKHART . Activity performed by a qualified and competent organization applying its own methods in accordance with the terms of the contract between LOCKHART and the supplier.
Controlled Document	The document which is prepared, reviewed, approved, distributed and revised in a controlled manner to ensure that the right document will be available at the right time in the right place and to avoid unintentional use of obsolete documents.
Corrective Action	Action taken to eliminate the causes of an existing non-conformity or defect or other undesirable situation in order to prevent recurrence.
Environment	Surroundings in which an organization operates, including air, water, land, natural resources, flora, fauna, humans and their interrelation.
Environmental Aspects	Element of an organization's activities, products or services that can interact with the environment.
External Documents	Any document used as a reference apart from the QHSE Procedures e.g. K.R.G.i laws, client specifications.
Hazard	A source or situation with a potential for harm in terms of human injury or ill-health, or a combination of these.
Hazard identification	The process of recognizing that a hazard exists and defining its characteristics.
QHSE Management System	The part of the overall management system that includes organizational structure, planning, activities, responsibilities, practices, procedures, processes and resources for developing, implementing, achieving, reviewing and maintaining the QHSE Policy.
QHSE	The goals in terms of QHSE performance, that an organization sets itself to

Objectives	achieve and which should be quantified wherever practicable.
Incident	Unplanned event which has the potential to lead to accident.
Interested Party	Individual or group concerned with or affected by the QHSE performance of the company.
Litigation	Complaint in the form of legal action, or liable to be subject of discussion before the courts
Monitoring	Action of controlling and verifying that activity services, products, emissions, etc. are as required.
Non-Conformity	Failure to meet the requirements stated in the internal documents or contract documents
Organization	Company, corporation, firm, enterprise, authority or institution, or Part or combination thereof, whether incorporated or not, public or private, that has its own functions and administration.
Preventive Action	Action taken to eliminate the causes of potential non-conformity, defect or other undesirable situation in order to prevent occurrence.
Procedures	The Procedures contain instructions for carrying out activities under the control of the system.
Qualification	Set of skills needed for a person to be able to perform functions or carry out given jobs; also applies to the process of acquiring such skills
Quality	Degree to which a set of inherent characteristics fulfills requirements.
Record	All data and other objective evidence supporting the implementation of the QHSE system.
Report	Any document recounting the result of an activity performed by a person, Division, Department, Section or Unit. Such report may take the form of Technical Memo, Official Record, Inspection Report, Notification, Formal Statement or certification.
Retention Period	The time period, up to which the record shall be kept at LOCKHART , before it is either discarded or destroyed.
Risk	The combination of the likelihood and consequence of a specified hazardous event occurring.
Risk Assessment	The overall process of estimating the magnitude of risk and deciding whether or not the risk is tolerable or acceptable.
Root Cause	Fundamental deficiency that results in a non-conformance and must be corrected to prevent recurrence of the same or similar non-conformance.
Status Review	The formal evaluation of the QHSE Management System
Technical Document	Internal or external reference document, specifying the technical requirements for a given product or service
Uncontrolled Document	The document, preparation, review, approval, distribution and revision of which are not necessary to be done in controlled manner.

3-QHSE Polices

- A **LOCKHART** has established, documented, and approved an QHSE Policy by its Top Management stating the company's vision and commitment towards:
- i. Health and safety of its employees and the surrounding people;

- ii. Protection of the environment;
 - iii. Quality of its products and services;
 - iv. Compliance with client and legal requirements.
- B **LOCKHART** QHSE Policy is attached in Appendix 1.
- C The company's QHSE Policy shall be made available to all employees, visitors, clients, and other interested parties.
- D The content of the policy shall be explained and introduced to all existing and new employees.
- E **LOCKHART** will regularly review (during the Management Review) and update (where needed) its policy to keep it applicable to the company's scope.
- F **LOCKHART** will develop and implement some other policies (e.g. No Smoking, Driving, Drug and Alcohol, etc.) as per client or contract requirements and will be kept in Policies file. These policies will be similarly communicated, reviewed and updated, as required.

4-Management system

4.1 General requirements

- A **LOCKHART** has established, documented and implemented a QHSE management system in accordance with the requirements of ISO 9001:2008, ISO 14001:2004, and OHSAS 18001:2007.
- B The QHSE Management System Manual has been developed after a thorough review of **LOCKHART** existing arrangements for the management of QHSE. Existing arrangements were compared against the following:
- Client Requirements;
 - HSE legislative requirements;
 - Existing guidance on QHSE management available within the organization;
 - Best practice and performance in the (oil and gas, construction) industry and other related industries; and,
 - The efficiency and effectiveness of the existing resources allocated to the management of QHSE.

4.2 Documentation requirements

4.2.1 General

- A The Company has established a documented QHSE Management System in the Company, which includes, at least, Policy statement, Objectives, Manual, Procedures, Operating Procedures, Work Instructions and Records.
- B The management system documentation is laid out and structured in the simplest manner, to comply with the standards, to provide documented evidence of compliance to Clients, regulatory and other requirements, and to provide documented evidence of compliance with all company procedures and instructions.

4.2.2 QHSE manual

- A The QHSE manual is considered as a first tier document and outlines the overall QHSE system in which the company's QHSE policy and objectives have been included. It describes the core elements of the system and their interaction and reflects the needs of the organization for the proper control of risks and for the full implementation of **LOCKHART** QHSE plans and programs, and the aims and objectives stated in the QHSE Policy.
- B The interactions between all the company processes shall be illustrated in a schematic way in the Process Interaction Map (Appendix 2).
- C The QHSE Procedures are considered as a second tier documents and describe in sufficient detail the responsibilities and methods to be followed for carrying out various activities and tasks. These are confidential and their circulation is restricted to internal use within the company.
- D Operation procedures and equipment manuals are for guidance and they document specific instructions relating to equipment and the servicing there of.
- E Forms, when filed become records and are maintained in accordance with the relative procedures to provide evidence that the requirement of the QHSE management system is up to standard.

4.2.3 Documentation, records and data control

- A The company has established and maintained procedures for control of all documentation & records relating to the QHSE system. The system establishes controls to ensure the validity of any/all documentation, approval, distribution and recall those which may have an influence on QHSE of services and/or the QHSE of the company's operational responsibilities.
- B Heads of Departments/Supervisors of all departments and functions are responsible for the documents preparation, approval and distribution within their area of responsibility, along with the QHSE department.
- C All documentation essential for the accomplishment of work and the achievement of QHSE within a department are prepared, numbered, approved, registered, distributed, revised, and filed in accordance with detailed instructions and procedures.
- D A master list of all documents, their area of issue and department responsible for them is held within the QHSE Department. All obsolete documents are removed from point of use and issue. Any retained documents for legal purposes are adequately identified.
- E The company QHSE Policy and Objectives shall be approved by the executive director. The QHSE Manual and Procedures shall be reviewed by the QHSE Management Representative. All the revisions must be approved by the executive director. All operational guideline manuals shall be approved by the

- Operations Manager. All manuals and revisions shall be issued via a receipt acknowledgment transmittal system, which also ensures the withdrawal and destruction of outdated documentation.
- F All amendments to documents are reviewed, approved and issued by the same functions that performed the original review and approval.
- G A procedure has been established for the maintenance and control of all QHSE records within the company which demonstrate conformance to all necessary requirements and the effective operation of the QHSE management system.
- H All QHSE records shall be:
- Legible and Up to date and complete;
 - Identifiable and traceable to specific activities;
 - Stored in such a manner that they are readily retrievable;
 - Protected against damage, deterioration or loss;
 - Recorded and filed manually or electronically as appropriate; and,
 - Retained in accordance with legislative and client requirements.
- I QHSE records will include, but not limited to, the following:
- Legislative and client requirements and Customer complaints;
 - Validation records and Minutes of management reviews;
 - Non-conformity and corrective action reports;
 - Inspection, maintenance and calibration records;
 - Incident reports; and Incident statistics;
 - Qualification records; and Training records;
 - Emergency response exercise reports;
 - Risk assessment reports;
 - HOC Reports;
 - Audit reports;
 - Safety meeting reports;
 - Accident book;
 - First aid records;
 - Pre-job safety meetings (toolbox talks);
 - Safety memos and correspondence
- J All QHSE records unless otherwise stated or as requested by Client shall be retained for the period of contract plus one year. The company shall afford its Clients responsible access to quality records, which pertain to his contract.

5-Management responsibility

5.1 Management commitment

- A **LOCKHART** top management, who is fully committed to implement the QHSE Management System in the Company, provides evidence of its commitment through:

- Communicating with all employees, the importance of meeting Customer requirements as well as Statutory and Regulatory requirements, wherever applicable;
- Establishing QHSE Policy and Objectives;
- Conducting periodic Management Review Meetings; and,
- Ensuring the availability of adequate resources, for the effective implementation of the QHSE Management System.

5.2 Customer focus

- A The company has established a procedure, which requires that inquiries, quotations, contracts and orders are reviewed and studied, to ascertain that Client's requirements are adequately defined and are well understood, also to verify that the company has the capability to meet the offer and contract requirements.
- B The procedure requires that any ambiguities or requirements be clarified with the Client prior to submission of the offer.
- C The awarded contract or order is further reviewed to ascertain that any differences between the contract or order and the company's offer are resolved prior to acceptance of such contract or offer. Records of the contract review are maintained.
- D In cases where the need has arisen to make an amendment to a contract, the Manager concerned is responsible for ensuring that the amendment is documented and passed to all concerned in the company. Any amendments to accepted contracts and/or purchase orders shall be processed as per original order. It may be necessary to hold the processing of any contracts and/or purchase orders if the amendments are going to affect the process of the contract.
- E Complaints received from the Clients are analyzed and appropriate Corrective and Preventive Actions are planned in order to maintain and improve Customer Satisfaction.

5.3 QHSE policy

- A **LOCKHART** has defined its QHSE Policy (Appendix 1), which is the highest goal of the QHSE Management System.
- B **LOCKHART** president has prepared the Policy Statement and personnel at all functional levels within **LOCKHART** shall be responsible for adhering and contributing in carrying out their duties, to achieve the same.
- C The contents of the QHSE Policy Statement have been disseminated throughout the company. Copies of the Policy have been issued to all employees and posted on signboards, to communicate and to facilitate better understanding of its contents.

5.4 Planning

5.4.1 HSE aspects and hazards identification and risk assessment

- A Identification of Health, Safety & Environmental aspects and their associated impacts are performed by various functions

whose activities are relevant to QHSE management system under the guidance of the QHSE Management Representative and head of relevant Division. Similarly, risk assessment is performed to ensure that all activities associated risks are considered while setting objectives & targets and management programs.

- B The management of risk is based on identification, assessment, and control of risk. Risk Management is a loss control program where identification of risk and its potential consequence is the key element. Therefore, all employees should be participated Consulate and trained to recognize potential hazards, think defensively and anticipate problems through preparation and planning, to carry out the operation with the proper protection, training, awareness, coordination and skill to avoid incidents.
- C A list of significant HSE aspects and associated risk is maintained and this list will be reviewed and updated as per the procedure for identification of HSE aspect and assessment of risks.
- D All parties involved in the same operation share HSE aspects/hazards and risk assessment. The Division Managers shall determine an immediate corrective action to prevent loss that could result from the identified causes.
- E Risk assessment is an important factor in the effective planning of all **LOCKHART**' HSE activities. All significant HSE aspects associated with **LOCKHART** business are identified, existing control measures assessed, and the required risk control plans are set and implemented.
- F All identified risks shall be reported to the QHSE, Departmental Managers and QHSE Management Representative are categorized, analyzed and prioritized with respect to areas of operations with high potential for loss to be re- appraised and effective changes to be determined, documented, communicated, implemented and monitored.

5.4.2 Legal and other requirements

- A **LOCKHART** management of QHSE protection for all its operational activities is governed principally by the QHSE legislative requirements existing within Kurdistan and any specific Client's QHSE requirements pertaining to these operational activities.
- B Where no specific QHSE requirements exist within Kurdistan, **LOCKHART** will manage the QHSE function ensuring compliance with **LOCKHART** and with all Client QHSE requirements as specified in Client's policies, rules and regulations, procedures, engineering standards etc. As a means of providing clients with the highest possible QHSE standards based on "best industrial practices".
- C The QHSE Department has the responsibility for advising senior management and line departments of all QHSE legislative requirements affecting **LOCKHART** operational

activities. This includes the review and appraisal of any draft legislation and guidance.

- D When new legislation is introduced, the QHSE Department will inform all line departments likely to be affected, and provide advice on departmental strategy and implementation.
- E All new legislative requirements will be documented in the QHSE Management System. It will be the responsibility of the QHSE Department to review, update and incorporate these new requirements into the system.
- F The QHSE Department will inform and advise line management of any additional training requirements imposed by any new legislation.
- G Compliance with legislative requirements is a line management responsibility and as such will be subject to verification by audit. Statutory compliance will be a key feature of the QHSE Management System Audit.

5.4.3 Objectives and targets

- A **LOCKHART** defines set objectives and targets for Integrated Management System to enable and prove to be continually improving QHSE performances. QHSE Management Representative and Division Managers are responsible for setting QHSE Objectives and Targets on an annual basis. Objectives & Targets are prioritized on the basis of customer requirements, significant HSE Aspects/Impact & legal requirements.
- B The following inputs will be considered for setting objectives:
 - QHSE Policy;
 - Legal and other requirements;
 - Customer Requirements;
 - List of significant HSE aspects/hazards and risks;
 - Views of interested parties;
 - Operational and business requirements; and,
 - Financial and technological options.
- C **LOCKHART** will establish and maintain documented QHSE objectives and targets at different levels of the company. Actual performance against specified targets will be measured and documented on a quarterly basis. The specified objectives and targets will be consistent with, and reflect the corporate QHSE objectives as stated in the **LOCKHART** QHSE Policy.

5.4.3.1 Corporate objectives

- A **LOCKHART** is committed to achieving the following Quality, Health, Safety & Environment Objectives:
 - To prevent all accidents and incidents at the workplace and to ensure that where they do occur, preventative measures are taken to prevent recurrence.
 - To promote the health and safety of all its employees and all others affected by its operations.

- To minimize customer complaints.
- To provide a healthy workplace for all its employees.
- To protect the environment by ensuring that all emissions and discharges which have a negative effect on the environment are eliminated.
- The establishment and maintenance of safe and environmentally sound working practices and procedures for all its operations.
- To set a high level of health, safety and environmental standards and performance and to provide training to all employees to enable them to meet these.
- To create an awareness of sound health, safety and environmental working practices in all its employees.
- To maintain and improve the competency of the employees.
- The provision and maintenance of all facilities, plant and equipment in a safe condition for operational uses.
- To comply with all **K.R.G.** legislative and statutory requirements concerning health, safety and environmental protection.
- To set standards which demonstrate **LOCKHART'** commitment to health, safety and environmental protection in all aspects of its operations and which at minimum, meet the relevant local statutory and customer requirements for health, safety and environmental matters as these may affect its own employees and others.
- The provision and maintenance of effective response procedures and contingency plans for any emergency at all operational and base locations.
- The maintenance of an effective review and monitoring system to enable needs and trends to be analyzed, performance measured and swift effective action taken as and where necessary.
- The maintenance of an effective system of joint consultation and communication between all employees, on all matters concerning health, safety and environmental protection.
- The provision of competent advice and support to line management to enable them to achieve health, safety and environmental protection objectives.

5.4.3.2 Local objectives

A The company will set specific and quantitative, as much as possible, objectives and targets at the area or project levels for Health, Safety, Environmental and Quality aspects. The objectives will have the following characteristics:

- Specific;
- Measurable;
- Achievable;
- Realistic; and,
- Time Bound.

5.4.4 QHSE management programs

- A **LOCKHART** will establish and maintain yearly QHSE Plans through the process of on-going review and regular monthly Management Review. The yearly QHSE Plan will reflect the following:
- QHSE objectives and targets;
 - Operational control requirements identified through risk assessment;
 - The personnel responsible for achieving objectives and targets;
 - The means and time scale by which they are to be achieved; and,
 - Planning for performance measurement through monitoring, review and audit.
- B The yearly QHSE Plans are intended to provide all clients with a general overview of **LOCKHART** QHSE Management System and effectiveness in ensuring that **LOCKHART** meets all specific client QHSE requirements.
- C If a specific contract requires **LOCKHART** to introduce new or modified work activities, or QHSE requirements, the QHSE Plans might be amended accordingly.
- D **LOCKHART** will establish arrangements to ensure an efficient and timely response to comply with any actions or reporting requirements specified in client QHSE Plans.

5.5 Responsibility, authority and communication

- A The executive director of **LOCKHART** shall be responsible for all disciplines within **LOCKHART** locations. He shall ensure that sufficient resources and qualified personnel are available in order that all aspects of verification activities are satisfactorily carried out. They are ultimately responsible for QHSE within all **LOCKHART** locations.
- B **LOCKHART** QHSE management system and personnel interrelationships are defined and explained within the QHSE manual, procedures, operational instruction, and company organization charts.
- C All personnel described within HR manual are responsible to initiate action and prevent recurrence of any non-conformance and/or corrective actions within their sector of the company and QHSE system.
- D The organization of the company is defined as per the charts attached in Appendix3.
- E Specific job descriptions are prepared for all **LOCKHART** staff describing the expected roles, responsibilities, and authorities for operation and QHSE management.

5.5.1 Structure and responsibility

- A The ultimate responsibility for establishing and implementing **LOCKHART** QHSE Policy rests directly with line management from the executive director through to every employee.
- B At all levels of the organization personnel must be:

- Responsible for the health and safety of those they manage, themselves and others with whom they work;
- Responsible for the protection of the surrounding environment and conservation of natural resources;
- Responsible for the quality of work and activities/services provided to the clients;
- Responsible for client satisfaction;
- Responsible for the health and safety of persons who may be affected directly or indirectly by the activities they control, e.g. contractors and members of the public; and,
- Aware of the influence and effect that their acts or omissions could have on the effectiveness of the QHSE Management System.

C Senior management in particular has the responsibility of leading by example by demonstrating their commitment through their active involvement in achieving continual improvement of QHSE performance. Demonstration of this commitment will be achieved by the active involvement of senior management in the following elements of the QHSE Management System within their areas of control:

- Ensuring that the QHSE Management System requirements are established, implemented and maintained in accordance with ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007;
- Ensuring compliance with all statutory requirements;
- Ensuring compliance with all client requirements;
- The setting of targets and objectives, and making all personnel under their control aware of their responsibilities in the successful achievement of these targets and objectives;
- The auditing of the QHSE Management System to ascertain compliance to the above mentioned standards;
- Ensuring corrective actions are initiated, implemented and completed to rectify all defects identified from the audit process; and,
- Monitoring and reporting of the performance of the QHSE Management System for management review and the subsequent basis for improvement.

5.5.2 Line responsibility

A The responsibility for the health, safety and welfare of all personnel and any other persons who may be affected by our business activities, the protection of the environment from any negative effects, and quality of the provided service is the responsibility of line management. Line management ensure that in the implementation of the **LOCKHART** QHSE Policy, financial or operational considerations must not be allowed to take precedence over the specified QHSE aims and objectives, especially with regard to the control of risks.

- B Line management are therefore responsible for the formulation and adoption of safe and environmentally sound working systems, practices and procedures, which comply with the aims and objectives specified in the **LOCKHART** QHSE Policy and with all statutory and client requirements.

5.5.2.1 Executive director

- A The Executive director is responsible for establishing the **LOCKHART** QHSE Policy and ensuring the proper implementation of the QHSE Management System. In addition, he is responsible for providing the resources and developing the organization to achieve the above.

5.5.2.2 Management

- A It is the responsibility of designated managers to ensure that all work activities under their control are carried out in accordance with the **LOCKHART** QHSE Policy through the formulation and adoption of safe and environmentally sound working systems, effective and efficient practices and procedures which meet **LOCKHART** QHSE standards and comply with all statutory and client requirements.
- B These responsibilities will be met by applied management commitment and active involvement in the following elements of the QHSE Management System:
- The development of QHSE objectives and targets to meet **LOCKHART** QHSE standards;
 - The development of plans and programs to meet these objectives and targets;
 - The auditing of these plans and programs, measuring progress, identifying deficiencies and ensuring corrective actions and any shortcomings in performance are rectified;
 - The development of appropriate controls to ensure that all activities are carried out in accordance with the arrangements specified in the QHSE Management System Manual;
 - The development and maintenance of effective emergency response procedures and ensuring all personnel under their control are made aware of their specific responsibilities in the event of an emergency;
 - Ensuring that all personnel under their control are made aware of their individual QHSE responsibilities and are assessed against these responsibilities;
 - The proper training of all personnel under their control to a level of competence which enables them to carry out their duties to the required standards of health, safety, environmental protection, and quality;
 - The selection and use of contractors who meet **LOCKHART**' QHSE standards and the monitoring of their work to ensure these standards are met and maintained;
 - Ensuring that all incidents involving, or having the potential to cause injury to persons, or damage to property, equipment or the environment, are thoroughly investigated

and reported. The aim being to identify both immediate and basic causes as a means of preventing recurrence;

- Ensuring all corrective and follow-up actions from incident investigation reports are initiated and reported;
- Ensuring all customer complaints are reported, followed-up, analyzed, and proper action taken for correction;
- Ensuring that any deficiencies in equipment, standards and operational procedures are rectified;
- Ensuring suitable arrangements are made for effective communication and consultation on all QHSE matters to supervisors, employees and contractor personnel;
- Leading by example and developing a high degree of QHSE awareness among all personnel;
- Assuring effective communication and liaison with the QHSE Department to obtain the information, advice and guidance required in order to meet the above listed responsibilities;
- Ensuring assessments of all hazardous substances in use availability to all relevant personnel;
- Ensuring that all personnel are aware of the processes which involve the use of hazardous substances and that personnel take the necessary precautions to prevent exposure; and,
- Ensuring that all personnel are trained to use, handle and store all hazardous substances and are aware of any contingency plans in place and how to implement them.

5.5.2.3 Supervisors

A It is the responsibility of supervisors to ensure that all work activities under their control are conducted properly, safely and in a manner, which has no negative effect on the environment. This will be achieved by ensuring that:

- All statutory and client requirements are met;
- They are actively involved in the implementation of all **LOCKHART** QHSE plans and programs and fully understand their role in the implementation process;
- All personnel under their control are appropriately trained to a level of competence acceptable to **LOCKHART** and the client;
- They are aware of the actions and responsibilities required of them in the event of an emergency;
- All personnel under their control are made aware of the actions and responsibilities required of them in the event of an emergency;
- All personnel under their control are made aware of their responsibilities regarding Quality, Health, Safety & Environment ;
- All personnel under their control are aware of the hazards associated with their work activities with regard to health, safety and environmental protection;

- All personnel under their control carry out their duties in accordance with statutory requirements, client requirements and **LOCKHART** QHSE standards;
- Equipment is maintained in a safe condition and in good working order in accordance with client and **LOCKHART** standards;
- All incidents involving, or having the potential to cause injury to persons, or damage to property, equipment or the environment are reported and thoroughly investigated;
- They, at all times, leading by example, showing visible commitment and active participation in achieving continual improvement in QHSE standards;
- They assure effective communication and consultation with all personnel under their control to encourage their commitment and active participation in achieving continual improvement in QHSE standards;
- They will ensure that all hazardous substances are issued in a restricted manner and that data sheets are available to all personnel using these substances prior to any work taking place; and,
- They will notify the QHSE department of any new substances being ordered or taken into stock.

5.5.2.4 Employees and contractor staff

- A All **LOCKHART** and contractor employees have a responsibility to ensure that they carry out their duties in a manner which does not cause harm to them or any other person who may be affected directly or indirectly by their actions and will not have a negative effect on the environment and quality of the service/product.
- B It follows from this that all personnel and contractor employees have a right, and a duty, to refuse to carry out any work or activity which is demonstrably unsafe in that it has the potential to affect or cause harm to themselves, others, to the environment, and quality of the service/product.
- C To fulfill these responsibilities all personnel and contractor employees must ensure that:
- They perform their work in accordance with the **LOCKHART** QHSE Policy, standards and procedures;
 - They comply with all statutory and client requirements;
 - They are aware of **LOCKHART** emergency procedures and the actions and responsibilities required of them in the event of an emergency;
 - They cooperate fully in the implementation of **LOCKHART**' QHSE plans and programs;
 - They report immediately to their supervisor details of any incident or any situation which has the potential to cause harm to themselves, others or the environment;
 - They keep their workplaces clean, tidy and ensure that all emergency routes and exits remain unobstructed;

- They must not misuse any item provided to them for their health, safety or protection of the environment, and must report any loss or damage immediately;
- They must make full and proper use of any control measures, including personal protective equipment, and to report any loss or defect to their supervisor;
- They will use, handle and store all hazardous substances in the prescribed manner;
- They will cooperate fully in the monitoring of the workplace; and,
- They will cooperate fully in the process of health surveillance.
- They will cooperate in the participation and consultation of identifying the Hazards and risks in the area of their operations.

5.5.2.5 QHSE department

- A The QHSE Department has the responsibility for providing the specialist advice, information, guidance and assistance to the line with regard to all of **K.N.R**' work activities.
- B The Department Manager reports directly to the executive director. The QHSE Department acts on behalf of the company in the monitoring of all **LOCKHART** work activities to ensure that in conducting these activities **LOCKHART** gives the highest priority to the health and safety of all personnel (including contractor personnel), the protection of its property and equipment, the protection of the environment, and quality of the provided services.
- C The QHSE Department has access to management at all levels and provides the active support required by the line for the management of QHSE. The independent functioning of the QHSE Department provides the proper checks and balance for the line managers and supervisors and acts to ensure that financial and operational considerations are not allowed to take precedence over the control of risks. It is also the responsibility of the QHSE department to facilitate the active involvement of all the employees and sub-contractors of **LOCKHART** in the Hazard Identification and Risk Assessment process.
- D The competence of QHSE Department personnel is assured through the staff selection processes described in this manual. Job descriptions are reviewed on a regular basis and any additional training requirements identified through performance appraisal and particular client requirements.
- E The QHSE Department will maintain a close liaison with all clients, industry and academic bodies, as well as other statutory bodies, on all QHSE matters in relation to **LOCKHART** business activities.
- F The QHSE Department has the following responsibilities:
 - Custodian of the QHSE Management System;

- The provision, review and update of all QHSE documents, including the Statement of Policy, the QHSE Management System Manual and all relevant standards and procedures;
 - The monitoring and auditing of line management performance to ensure that company standards are being maintained in accordance with all statutory and client requirements;
 - The provision of information within the organization on statutory requirements, approved codes of practice, codes of practice, as well as client and company standards;
 - The provision, maintenance and monitoring of the effectiveness of emergency response procedures and contingency plans;
 - The establishment and maintenance of QHSE training standards;
 - The initial assessment of all contractors/suppliers to ensure they meet the required QHSE standards and the subsequent monitoring and auditing of contractors and supplier's products to ensure these standards are maintained;
 - The monitoring and review of the reporting, investigation and follow-up to incidents;
 - The recording and dissemination of incident information and statistics;
 - The provision of specialist advice and assistance in the areas of Emergency Response, Operational Safety, QHSE Management, Risk Assessment, Occupational Health and Hygiene, HSE Legislation, Unsafe Act/Condition Auditing, Incident Analysis, QHSE Training, Environmental Protection, Waste Disposal, Hazard Management, Environmental Impact Assessment;
 - The assurance that assessments have been carried out at all **LOCKHART** bases and compile these assessments;
 - The assurance that all Material Safety Data Sheets are updated and revised on a regular basis, and this information is distributed to the bases; and,
 - The establishment, implementation, and regular testing and review of contingency plans to cope with any spillages or other HSE hazards.
- G In addition the QHSE department will provide assistance and support to clients and external bodies during the auditing of the QHSE Management System and ensure that any deficiencies highlighted are auctioned and rectified in an effective and timely manner.
- H QHSE department will also be responsible for maintaining all PC backups on a monthly basis for all types of data, controlled software and any other program. This will include passwords also. All these backups will be kept in QHSE department.

5.5.3 Communications

- A Effective communications are an essential element of the **LOCKHART** QHSE Management System. This refers not only to the communication of information within the organization but also to/and from external sources (clients, legal authorities, contractors, public, etc.).
- B **LOCKHART** will ensure that arrangements are in place throughout the organization to effectively communicate all the relevant QHSE information to those who require it. This is specified as a line management and QHSE department responsibility and as such the performance of those personnel will be reviewed and appraised on a regular basis.
- C **LOCKHART** will utilize all means available to facilitate the effective communication of information, both formal and informal, i.e. written, verbal (meetings, telephone, presentations, and seminars) electronic (internet, tele-fax, video presentation) visual (overheads, posters etc...).
- D **LOCKHART** management decided to communicate externally about its significant environmental aspects. A method of communication has been established.
- E Effective arrangements will include the following:
- The identification and reviewing of relevant QHSE information from sources out with the organization including:
 1. New or amended legislation;
 2. Client comments, feedback, and complaints;
 3. Information relating to hazard identification and risk assessment;
 4. Information and developments relating to QHSE management;
 5. Information on new or amended client standards.
 - It will be the responsibility of the QHSE Department to receive, assess and disseminate this information throughout the organization and to provide the specialist advice and guidance to the line to comply with any new or amended statutory or client requirements.
 - Ensuring that all relevant QHSE information is communicated to all personnel within the organization who require it. Arrangements will include:
 1. Determination of information needs;
 2. Hazard Identification and Risk Assessment process
 3. Ensuring needs are met and the information is presented in a form and manner which is easily understood by those receiving it;
 4. Information communication is a two way process flowing in both directions from **"THE TOP DOWN"** and also **"THE BOTTOM UP"**;
 5. QHSE matters will not be restricted to meetings only but will be open to discussion at any meeting whether formal or informal;

6. The reporting deficiencies in the QHSE arrangements.
7. The communication of the results and learning outcomes from Incident Reports and Customer Complaints, QHSE Aims and Objectives, Yearly QHSE Plans, QHSE Audits and Inspections, Risk Assessments and Unsafe Act / Condition Reporting.
 - Ensuring that all relevant information is communicated to persons out with the organization who require it. This is the responsibility of the HSE department and will be conducted in an efficient and timely manner bearing in mind at all times the needs of those receiving this information.

5.5.3.1 Management meetings

- A These are held at **LOCKHART** premises on a regular basis and are attended by all departmental heads. The QHSE matters discussed will include the following:
- Incident reports and statistics;
 - QHSE audit reports;
 - QHSE performance;
 - Feedback of information from the workforce;
 - Customer concerns and complaints.
- B All management meetings are documented and records held on file within the QHSE Department.

5.5.3.2 Safety meetings

- A These are held on a monthly basis at **LOCKHART** premises and are attended by all available personnel.
- The objective of monthly safety meetings is not only to pass on HSE related information, but to seek the active participation of all personnel. Feedback of information is essential in achieving continual improvement in HSE performance.
 - The meetings will be conducted by a member of the QHSE department.
 - The attendance at safety meetings will be recorded as specified attendance figures will be a target detailed in the yearly QHSE aims and objectives.
 - The content of the safety meetings will be documented and records held on file within the QHSE department.

5.5.3.3 Pre-job safety meetings (tool box talk)

- A These are held at the location work site prior to any operation commencing.
- The objective of pre-job safety meetings is for the supervisor to ensure that all personnel involved are aware of the following:
 1. The nature of the work to be carried out;
 2. The hazards associated with the work activities;
 3. The safe working procedures to be followed;
 4. The location of escape routes and muster points;
 5. The location of safety and firefighting equipment;

6. The safety precautions prescribed in the client's Permit To Work;
7. The actions to be taken in the event of emergency;
8. Individual responsibilities.

5.5.3.4 Safety Notices

- A **LOCKHART** prominently displays safety communications on Safety Notice Boards at all bases.

5.5.3.5 Safety promotions

- A **LOCKHART** supplies various items of promotional material to increase the level of safety awareness amongst all personnel.

5.6 Management review

- A The QHSE Management System shall be subject to review by senior management in regular basis. Management Review is intended to ensure the continuing suitability, adequacy and effectiveness of the QHSE Management System to meet legislative requirements, client requirements and corporate QHSE objectives, and to reaffirm **LKRT** commitment to the continual improvement of QHSE performance.
- B The following topics are the meeting agenda that to be reviewed during the meeting as found necessary in addition to the agenda proposed by the Management Representative.
- Review of the minutes of the last meeting and right implementation of the agreed Actions,
 - Internal and external audit results
 - Process performance & product conformity
 - Supplier performance
 - Non-conformities, accident, potential hazards and emergency situations
 - Corrective and preventive actions
 - Training needs/requirements and right implementation of the actual Training Plan,
 - Resources: Adequacy of existing Resources and Resource Requirements including QHSE (qualified personnel, workspace and associated facilities, infrastructure, equipment – hardware & software – supporting services, work environment services),
 - Feedback from customer & interested parties
 - Client 's Complaints and Actions taken,
 - Overall effectiveness of the management system
 - Areas of continual improvement
 - Legal & other requirements
 - Changes that could affect the Quality & HSE Management Systems and the Continuing Suitability in relation to the Changing Conditions and Information
- C The review will highlight the need for changes / improvement to:

- QHSE Policy and objectives;
 - QHSE plans and programs;
 - QHSE Procedures & process ;
 - Services related to customer requirements
 - Resource needs
 - Training requirements; and,
 - Any other elements of the QHSE Management System.
- D The records of Management Reviews detailing observations, conclusions and recommendations will be documented for necessary action and held on file within the QHSE department.

6-Resource management

6.1 Provision of resources

- A The management of **LOCKHART** has identified and established resources required to satisfy the requirements of its Clients, regarding personnel, equipment, technology, and finance.
- B The executive director and Operations Manager are responsible to ensure that adequately trained personnel are assigned to manage, perform and verify work affecting quality of product and services supplied to Clients, health and safety of personnel, and the environment.

6.2 Human resources

- A QHSE procedures have been established to cover the requirements and responsibilities for the training of all personnel performing activities affecting QHSE. The company considers the requirement for training in general to be of the highest importance.
- B The QHSE Management Representative shall be responsible for the coordination of all QHSE related training and shall be directly responsible for all management system and standards awareness training and all manual and the company QHSE policy and objective training.
- C Departmental Heads/Supervisors shall be responsible for the training of their personnel with respect to on the job training, operating procedures training and equipment operating manual training.
- D All new employees on arrival at the company shall be given induction training. This shall include an introduction to the company's QHSE management system, QHSE policies, procedures and a general outlook of the company structure including an introduction to all personnel.
- E All employees' employment shall be based on a relevant minimum requirement for education, training and/or experience. Each employees training requirement shall be assessed as a minimum on an annual basis and the requirement documented onto a training matrix.

- F All employees shall have a file, which shall include as a minimum the following:
- CV, Job description; Induction training; QHSE training.

6.3 Infrastructure

- A The Management of **LOCKHART** determines, provides and maintains the infrastructure needed to achieve conformity to product requirements.
- B **LOCKHART** ensures the availability of the infrastructure necessary for achieving effective and efficient product realization while considering the needs and expectations of interested parties and its process include the following:
- Provision of an infrastructure, defined in terms such as objectives, function, performance, cost, safety, security and renewal;
 - Development and implementation of maintenance systems to ensure that the infrastructure continues to meet the organization's needs; these systems consider the type and frequency of maintenance and verification of operation of each infrastructure element, based on its criticality and usage;
 - Evaluation of the infrastructure against the needs and expectations of interested parties; and,
 - Consideration of environmental issues associated with infrastructure, such as conservation, pollution, waste and recycling.

6.4 Work environment

- A The Management of **LOCKHART** is committed to manage the work environment needed to achieve conformity to product requirement and safe working conditions.
- B **LOCKHART** ensures that the work environment has a positive influence on motivation, satisfaction and performance of people in order to enhance the performance of the organization. The creation of a suitable work environment, as a combination of human and physical factors, includes the following:
- Creative work methods and opportunities for greater involvement to realize the potential of people in the organization;
 - Safety rules and guidance, including the use of protective equipment;
 - Ergonomics;
 - Workplace location;
 - Social interaction;
 - Facilities for people in the organization;
 - Heat, humidity, light, airflow; and,
 - Hygiene, cleanliness, noise, vibration and pollution.

7-Product realization

7.1 Planning of product realization

- A **LOCKHART** plans and develops the processes needed for product realization. Quality and HSE plans are prepared covering the quality and HSE objectives and requirements for the product, needed processes and documents, provision of resources, required validation, verification, monitoring, inspection, test activities, HSE management and records needed for evidence.
- B Quality control and HSE plans are usually documented as part of Clients requirement and are intended to give the Clients a general view of the company QHSE system and ensure that specific Client quality and HSE requirements are carried out on a particular contract.
- C As far as quality planning is concerned with regards to the QHSE system as a whole, this is controlled through the management review system and any other relevant quality improvement methods adopted by **LOCKHART**. At any situation where a Client has a quality or HSE requirement outside of the company's existing procedures, a quality or HSE plan shall be implemented.

7.2 Customer related process

- A The company has established a procedure, which requires that inquiries, quotations, contracts and orders are reviewed and studied, to ascertain that Client and regulatory requirements are adequately defined and are well understood, also to verify that the company has the capability to meet the offer and contract requirements.
- B The procedure requires that any ambiguities or requirements are clarified with the Client prior to submission of the offer.
- C The contracts or orders awarded are further reviewed to ascertain that any differences between the contract or order and the company's offer are resolved prior to acceptance of such contract or offer. Records of the contract review are maintained.
- D **LOCKHART** determine and implement effective arrangements for communicating with customers in relation to:
 - Product information;
 - Enquiries, contracts or order handling, including amendments; and,
 - Customer feedback, including customer complaints.
- E This means that **LOCKHART** has defined processes for communicating effectively and efficiently with its customers and other interested parties. **LOCKHART** has determined the processes required for collecting and analyzing data related to customer satisfaction. **LOCKHART** implements and maintains processes to ensure adequate understanding of the needs and expectations of its interested parties, and for translation into requirements for the organization. These processes include

identification and review of relevant information and actively involve customers and other interested parties. Examples of relevant process information include:

- Requirements of the customer or other interested parties;
- Contract requirements;
- Competitor analysis;
- Benchmarking analysis; and,
- Processes due to statutory or regulatory requirements.

7.4 Purchasing

- A The purchasing of materials, products, and services that directly affect QHSE are controlled by a documented procedure. The procedure ensures that purchased products and services meet all specified requirements.
- B The procedure ensures that all requirements, general, technical or documentation necessary to assure adequate quality are referenced on all documents pertaining to the procurement of materials, products and services. I.e. date, quantity, grade, specification, certification, price, part numbers, etc...
- C Suppliers/vendors are subject to review and assessment of their quality and HSE management systems and/or supply and services capability. The performance of approved vendors will also be monitored.
- D Verification arrangements 'if required' and authority to release a product from subcontractors shall be identified and the subcontractor notified. All goods received at **LOCKHART** premises shall be verified against the purchase order.

7.5 Production and service provision

7.5.1 Control of production and service provision

- A **LOCKHART** plan and carry out its services under controlled conditions including,
 - Operational procedures;
 - Work instructions, as necessary;
 - Use of suitable equipment;
 - Use of monitoring and measuring devices; and,
 - Implementation of monitoring and measurement.
 - Implementation of Standard equipment maintenance (STEM) program
- B All maintenance, preventive maintenance and service requirements whether at location or at **LOCKHART**' base are controlled by procedures and/or work instructions. It shall be the responsibility of the Operations Manager to ensure these procedures are in place and being adhered to.
- C The procedures ensure that all maintenance and servicing of equipment and all processes, operations and services appropriate to the application of work to comply with company

and Client requirements are carried out in the correct environment.

- D If the need arises by company or by Client requirements, quality and HSE plans maybe generated to control and document processes, operations or services. All process procedures, work instructions or quality and HSE plans shall be approved prior to implementation.
- E Procedures for preventive maintenance shall cover all plant and base equipment and all equipment for service operations. Records of all preventive maintenance, maintenance and operational services shall be maintained.
- F To ensure that the HSE aims and objectives detailed in the QHSE Policy are achieved, the risk assessments, and the plans and programs are successful, practical operational control arrangements have been developed to ensure all work activities are carried out in accordance with the above. These controls shall be in the form of specific policies, documented procedures and safe working practices, safety checklists etc. as appropriate. The method of establishing these controls is through work activity hazard analysis as follows:
 - Identify work activities;
 - Identify associated hazards;
 - Analyze hazards;
 - Identify existing controls;
 - Assess suitability of existing controls;
 - Identify additional controls required;
 - Implement remedial actions;
 - Document and disseminate; and,
 - Review as required.

7.5.2 Validation of processes for production and service provision

The organization shall validate any processes for production and service provision where the resulting output cannot be verified by subsequent monitoring or measurement and, as a consequence, deficiencies become apparent only after the product is in use or the service has been delivered. Validation shall demonstrate the ability of these processes to achieve planned results. The organization shall establish arrangements for these processes including, as applicable,

- a) Defined criteria for review and approval of the processes,
- b) Approval of equipment and qualification of personnel,
- c) Use of specific methods and procedures
- d) Requirements for records, and
- e) Revalidation.

7.5.3 Product identification and traceability

- A Documented procedures exist for the identification and traceability of materials and products from receipt of goods, during storage and through to final use, where necessary.

- B All chemicals received and used at locations are recorded and traceable by consumption records and maintained by the Store Keeper.
- C Records of chemical identity and traceability are maintained for a known period to allow records to be retrieved if any batches of chemicals are found to be defective or contaminated before, during or after operational use.

7.5.4 Customer Property

- A The QHSE Management System has been established to ensure adequate control of any Customer supplied products as well as the Customer property or facilities which **LOCKHART** are responsible for during operations at Customers locations/facilities.
- B Prior to any servicing operations at Customer facilities, **LOCKHART** personnel shall ensure that all facility equipment or products to be utilized are fit for use as per company, Customer and contract requirements. Any product or equipment found to be missing, damaged or otherwise unsuitable for use, shall be recorded and reported to the Customer prior to use.

7.5.5 Preservation of product

- A **LOCKHART** preserves the conformity of the product during internal processing and delivery. This preservation includes identification, handling, packaging, storage, and protection.

7.5.5.1 Handling

- A Handling systems and techniques shall be developed, written into operating procedures and implemented to prevent deterioration of product quality.
- B It shall be the responsibility of everyone handling materials, products and equipment to comply with the methods for the protection of materials, products and equipment starting from incoming goods receiving through to completion of services and delivery.

7.5.5.2 Storage

- A Storage areas shall be designated and controlled for all materials, products and equipment. These areas shall ensure against any damage or deterioration to products.
- B Suitable containers, handling equipment, covers etc. shall be provided together with adequate instructions to protect and prevent abuse, misuse, damage or deterioration of products through mishandling and products shall be clearly identified.
- C The issue and receipt of stocked items shall be recorded to ensure that usage can be accounted for and adequate stock levels are maintained.

7.5.5.3 Packaging

- A Packaging of products or devices shall comply with company or manufacturers recommended practices and safety regulations. Procedures shall consider the method of construction for devices containment and mode of transportation.

7.5.5.4 Preservation

- A All materials, products, devices and equipment being stored within **LOCKHART** store shall be adequately stored, segregated and protected to achieve adequate preservation.

7.5.5.5 Delivery

- A All items and equipment shall be inspected for acceptable status prior to shipment. Items shall be delivered on time.

7.6 Control of monitoring and measuring devices

- A Any inspection, measuring and test equipment used to demonstrate the conformance of servicing equipment shall be controlled by documented calibration procedures.
- B All external calibration/testing facilities 'if required' shall be accessed for suitability and internal calibrations shall be performed by qualified personnel. Any external calibration facilities or internal calibration equipment shall be traceable to national, international or manufacturers standards.
- C The procedures shall define accuracy, frequency, standard, equipment type, and environment and acceptance criteria. Results of calibration shall be recorded and maintained and each piece of equipment shall show its status. Any defective equipment shall be withdrawn for repair or disposal. If defective equipment was used to verify product acceptance, the effect on product quality shall be re-assessed. If necessary, previous calibrated equipment may require re-calibration.

7.7 Emergency preparedness and response

- A **LOCKHART** has established emergency procedures and contingency plans which will be activated in any emergency situation. These have been developed in such a way so as to provide an effective response to any foreseeable emergency to mitigate the HSE impact associated with them.
- B These emergency procedures and contingency plans have been formulated and developed based on the information obtained from Work Activity Hazard Analysis and will be reviewed and revised on a regular basis. In particular after the following:
 - The occurrence of any accidents or emergency situation; and,
 - The introduction of new work activities.

- C **LOCKHART** emergency procedures and contingency plans will compliment and support all client emergency response arrangements.
- D Emergency response exercises will be conducted periodically and wherever possible will be “Live” exercises. Where “Live” exercises are not practicable, “Table Top” exercises will be planned and conducted. All emergency response exercises will be carried out in such a way as to comply with **LOCKHART** QHSE Policy, aims and objectives and meet all client emergency response requirements

8-Management responsibility

8.1General

- A The company has established and maintains documented procedures and/or work instructions for all inspection, testing or maintenance requirements and processes. In general, there is a checklist for each piece of equipment and checks are recorded onto a register. If required by the Client the above processes shall be detailed onto QHSE control plans.
- B All equipment and raw materials off-loaded at the base shall be subjected to a receipt inspection as per purchase order requirements and supporting operating procedures. All rejected materials or equipment shall not be released until rejection has been fully taken. After completion of successful goods receipt, materials are booked to stock. Receipt inspection, shipping and control of materials and stock are the responsibility of the Store Keeper.
- C On the completion of operational services at Client locations, it is the responsibility of the Field Supervisor to ensure that the job and all processes have been completed successfully as per company procedures and Clients written requirements.
- D No equipment or materials shall be booked to stock or released from the base to location until all inspection, testing and maintenance requirement are complete as per company operating procedures and/or QHSE plans.
- E Records for all inspection, testing and maintenance requirements are maintained.
- F The QHSE Management Representative shall review the services that **LOCKHART** provide and where appropriate shall consider the use of statistical techniques within the QHSE management system.
- G Where a particular statistical technique is adopted, it shall be reviewed by the QHSE Management Representative for its application and effectiveness.
- H Statistical techniques may be used in conjunction with specific data collected and analyzed by **LOCKHART**' quality system and/or safety standards, for example:
 - QHSE records and analysis;

- Client complaints/equipment performance;
- Non-conformance report analysis and trends; and,
- Corrective action and internal audits.

8.2 Monitoring and measurement

8.2.1 Customer satisfaction

- A **LOCKHART** has determined and established processes for monitoring information on customer satisfaction and/or dissatisfaction to assess whether the company has met the customer requirements. The methods and measures for obtaining this information and its use are defined in the relevant procedures.

8.2.2 Internal QHSE audit

- A The procedure for internal QHSE audits reviews the adherence to, and effectiveness of the overall company's QHSE Management System.
- B The objectives of QHSE Management System audits are:
- To demonstrate that the QHSE Management System has been effectively implemented;
 - To determine that the planned arrangements for QHSE management are effective;
 - To demonstrate that all legislative and client requirements are being met;
 - To confirm adherence to the QHSE plans and programs;
 - To identify shortcomings in the QHSE arrangements; and,
 - To ensure that corrections & corrective actions are carried out.
- C Scheduled audits shall be conducted under the direction of the QHSE Management Representative in accordance with the internal audit operating procedure and internal audit plan. Internal audits are scheduled on the basis of the status and importance of the activity.
- D All systems within the QHSE management system shall be audited at least yearly and the audit shall cover all aspects which influence product and service quality, health and safety of the employees, and the environment.
- E Additional audits shall be conducted when significant organizational or procedural changes are made or as follow-up to verify the implementation of corrective actions and problems that are identified within the QHSE management system.
- F Audit results shall be documented, reported and filed along with possible non-conformance and recommended corrective actions.
- G Senior management shall review the results and conclusions of internal audit reports, including non-conformances and the relevant follow-up actions, during management review to ensure continued effectiveness. The review shall ensure that

- objectives are being met, defects or irregularities found and positive actions taken to rectify any shortcoming.
- H All personnel involved within internal audits shall be adequately trained as per procedure. Auditors conducting any internal audits must be independent of the area being audited.
- I The terms of reference for QHSE Management System audits will be agreed and made known to both the auditor and the manager of the activities to be audited, and will include:
- The objectives and scope of the audit;
 - The reporting format; and,
 - A list of recipients of the audit report.
- J The audit program will specify:
- The areas and activities to be audited;
 - The frequency of audits; and,
 - The responsibilities for conducting audits.
- K The audit report will:
- Assess overall performance;
 - Identify any deficiencies;
 - Make recommendations on corrective actions;
 - Identify strengths as well as deficiencies; and,
 - Be written clearly and concisely.
- L Action plans developed as a result of audit findings will highlight responsibilities, completion dates and reporting requirements. Follow-up monitoring will ensure that any action plans are satisfactorily implemented.

8.2.3 Monitoring and measurement of processes

- A The company's QHSE procedures are established to ensure that inspection and test status are known during all processes and operations. The systems are set to ensure that only accepted items and products are released for service requirements. Any discrepancies/non-conformance shall be identified and auctioned according to operating procedures covering non-conformance control.
- B Inspection and test status shall be controlled by tags, paint marking, color coding and system documentation.
- C **LOCKHART** only form of servicing is the inspection, test and assembly and maintenance of new and used equipment to be ready for use. QHSE procedures and work instructions have been developed and implemented for these processes. Check lists, reports and registers are used to record and document the aforementioned processes.
- D The company has established and maintains procedures and/or work instructions for all inspection, testing or maintenance requirements and processes. In the main there is a checklist for each piece of equipment and checks are

recorded onto a register. If required by the Client the above processes shall be detailed onto quality control plans.

- E All equipment and raw materials off-loaded at the site shall be subjected to a receipt inspection as per purchase order requirements and supporting operating procedures. All rejected materials or equipment shall not be released until rejection has been fully taken. After completion of successful goods receipt, materials are booked to stock. Receipt inspection, shipping and control of materials and stock are the responsibility of the Store Keeper.
- F On the completion of operational services at Client locations it is the responsibility of the Field Supervisor to ensure that the job and all processes have been completed successfully as per company procedures and Clients written requirements.
- G No equipment or materials shall be booked to stock or released from the base to location until all inspection, testing and maintenance requirement are complete as per company operating procedures and / or quality plans.
- H Records for all inspection, testing and maintenance requirements are maintained.

8.3 Control of non-conforming product

- A This system shall establish procedures for the control and disposition of all non-conforming materials, items, services or functions wherever applicable. Such controls shall include identification, segregation, documentation and disposition of all non-conforming conditions and shall establish procedures for the subsequent disposition review and recommended action (s).
- B The QHSE Management Representative and/or Operations Manager shall review all non-conformance reports and shall determine whether action is required and by which department/person. Both shall close-out all non-conformance reports.
- C Recommended actions against non-conformance reports can be to rework, repair, scrap, use as is, re-grade or if required returned to vendor. Procedures shall provide for the suitable identification of non -conforming products to prevent, them from unintended use.
- D The procedures provide for the immediate disposition, cause of non-conformance, corrective action and action required to prevent re - occurrence.
- E All non-conformance reports shall be analyzed at regular intervals and any trends highlighted and discussed during management review of the quality system.

8.3.1 Accident/Incident reporting

- F It is the responsibility of all Company personnel to ensure the prompt reporting of all accidents, incidents, near misses to management.

- G Prompt reporting of such information allows heads of dept. and Supervisors to correctly identify the circumstances of each event and select the appropriate level of investigation that might be required to be carried out.
- H The Company recognizes that prompt reporting and appropriate levels of investigation are essential to:
 - Identify the immediate and underlying causes;
 - Prevent similar repetitions of the accident;
 - Allow the identification of changes and improvements that may be required to current QHSE management system arrangements.
- I Heads of dept. and Supervisors are required to respond to all accidents, incidents, and near miss reports in order to identify the facts surrounding each case.
- J No report of an accident, incident, or near miss is to be treated as trivial.
- K In the event of a report of an accident, incident or near miss, personnel are to follow the relevant instructions contained in the Procedure.
- L The Corporate QHSE Management Representative shall be responsible for collation and collection of statistical information relating to accidents that have occurred.
- M Team from the QHSE Department & the divisions are responsible for conducting the investigation QHSE Department shall distribute reports of accident investigation findings and recommendations together with follow up actions, to the executive director and all relevant personnel.

8.4 Analysis of data

- A The QHSE shall review the services that **LOCKHART** services provide and where appropriate shall consider the use of statistical techniques within the QHSE system.
- B Where a particular statistical technique is adopted it shall be reviewed by the QHSE for its application and effectiveness.
- C Statistical techniques may be used in conjunction with specific data collected and analyzed by **LOCKHART**' quality system and/or safety standards, for example:
 - Safety records and analysis
 - Client complaints / equipment performance
 - Non - conformance report analysis and trends
 - Corrective action and internal audits.

8.5 Improvement

8.5.1 Continual improvement

- A **LOCKHART** continually strives to continually the effectiveness of improves HSE & Quality Management System through the

use of QHSE policy, QHSE objectives, audit results, analysis of data, corrective and preventive action and management review. The QHSE objectives are up-graded gradually on routine basis for improving performance of different departments.

8.5.2 Correction, corrective and preventive action

- A This system shall establish the procedural requirement, documented actions and records for the issue, control and subsequent required actions related to Non-Conformance Reports, Corrective Action Reports, Preventive Action Reports and Client Complaint Forms.
- B The Non-Conformance, Correction, Corrective Action, Preventive Action and Client Complaint reporting procedures shall be used as a management tool for the correcting of deficiencies which create significant conditions adverse to quality.
- C N.C.R, C, C.A.R and P.A.R. shall, be controlled by the QHSEMR. These reports shall notify senior management of significant conditions adverse to the quality of products, workmanship and servicing operations that shall require corrective action implementation.
- D Significant conditions that shall require the Issue of a N.C.R, C, C.A.R and P.A.R may result from the following:
- Internal and external audit findings
 - Management review and quality improvement meeting
 - Client feedback, complaints or non-conformance
 - Third party audits
 - Inspection, testing or maintenance operations
 - Field operations.
- E The relevant head shall respond in writing to all N.C.R, C, C.A.R and P.A.R. The response shall comply with the time period specified and it shall indicate the cause of non-conformance, the corrective action proposed, the action to prevent re-occurrence and the date when such action will be implemented and completed. All reports shall be verified and approved by the dated signature of the QHSE or his designee and the relevant head. Prior to the close-out of any reports the QHSE shall review report to determine whether any necessary HSE requirements have been actioned appropriately.
- F The close-out shall only be transacted when all the stated and approved corrective actions have been implemented. Original closed out reports shall be kept within the QHSE department and copies shall be forwarded to the relevant head.
- G All deficiencies identified through the monitoring and review process will be subject to reactive corrective actions and proactive preventive actions.
- H Procedures will be established which:
- Identify the root cause of the non-conformance.

- Record the findings of investigations.
 - Define responsibilities for investigations and corrective and preventive actions.
 - Communicate the findings to all relevant parties.
- I These procedures will specifically relate to:
- Risk assessments.
 - Incident investigation and reporting.
 - HSE Plan implementation.
 - HSE inspections and audits.
 - HSE Management System audits.
- J Any proposed corrective/preventive actions need to be reviewed through risk assessment process prior to implementation.
- K Any required changes to documented procedures resulting from corrective and preventive actions will be recorded and implemented.



Appendix 1: QHSE Policy

LOCKHART for construction and oil services is committed to achieve ISO 14001 requirements and other standards which care for environment.

In all our Businesses we are committed to do not only what is required by law but what is expected of a market leader. In all of our operations we will be guided by the founding principle of sustainable development, namely, meeting the needs of the present without compromising future generations. In this regard we commit to:

The prevention of pollution

Minimizing our impact on the environment

In particular, we will contribute to initiatives that seek to address climate change.

To further these objectives, **LOCKHART** commits to:

Complying at all times with all applicable laws and regulations relating to the environment and where appropriate to exceed or supplement these with our own exacting standards.

Incorporating into our practices the best available environment-friendly technologies that are economically achievable. Bring energy efficiency into our new buildings, structures and equipment and manage energy wisely in all operations.

Reducing the consumption of materials in our operations. We will reuse rather than dispose whenever possible and promote recycling and the use of recycled materials.

Reducing wherever practicable the level of harmful emissions. We will minimize the use of all materials and energy and not use any materials derived from endangered species.

Reducing carbon dioxide emissions. Whenever possible we will set up energy-efficiency program to achieve breakthrough solutions that will contribute to slowing, stopping and reversing global warming.

In addition **LOCKHART** will encourage affiliates at KRG to purchase renewable energy where available and feasible.

Raising employee awareness of environmental issues and encouraging environmentally responsible behaviour.

Developing, maintaining and implementing policies, procedures and management systems that assess and monitor, on a continuous basis, the environmental impact of our operations.

Finding efficient solutions, through dialogue with our stakeholders, to minimize our environmental footprint.

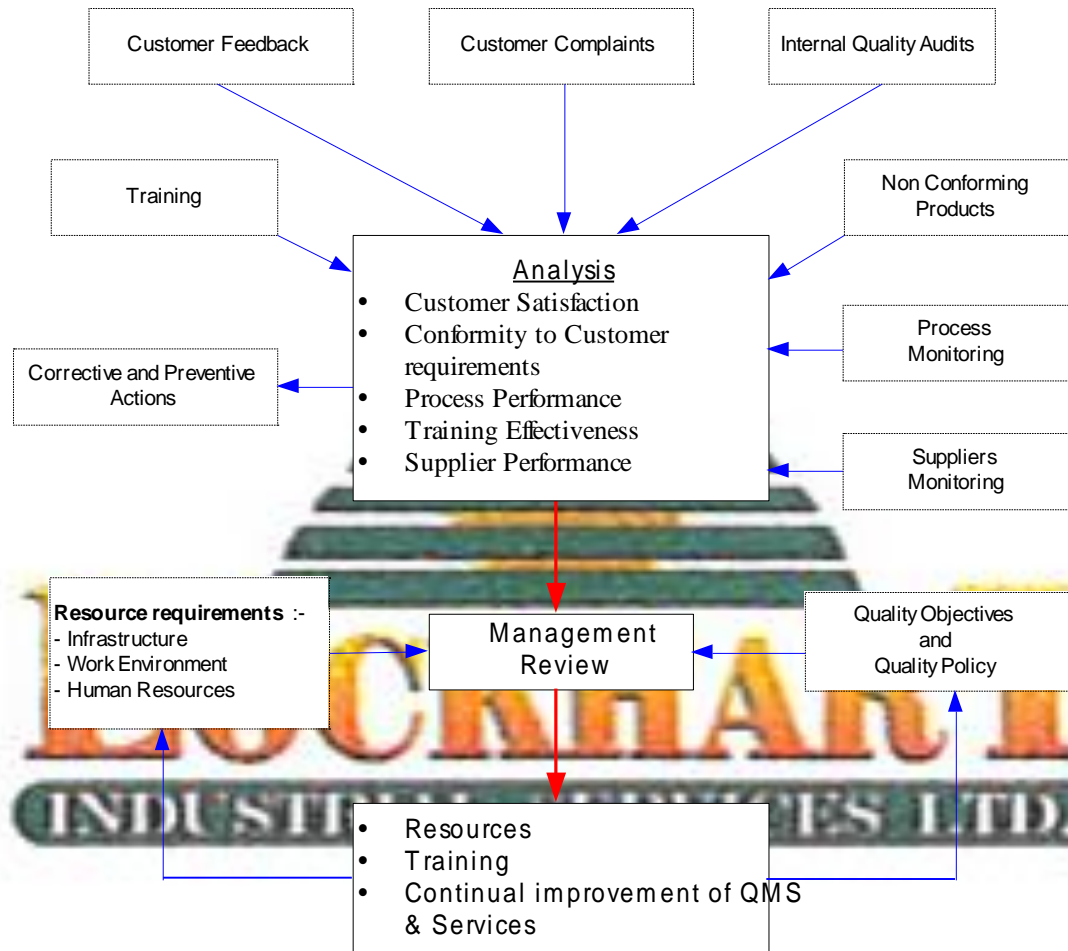
These commitments apply to all employees of the **LOCKHART**, our joint venture partners, agents, intermediaries, consultants and subcontractors. Additionally, we undertake to use our best endeavours to ensure that our business partners also abide by this policy.

Top management is responsible for ensuring compliance with this policy, including but not limited to the establishment of program and compliance with reporting requirements.

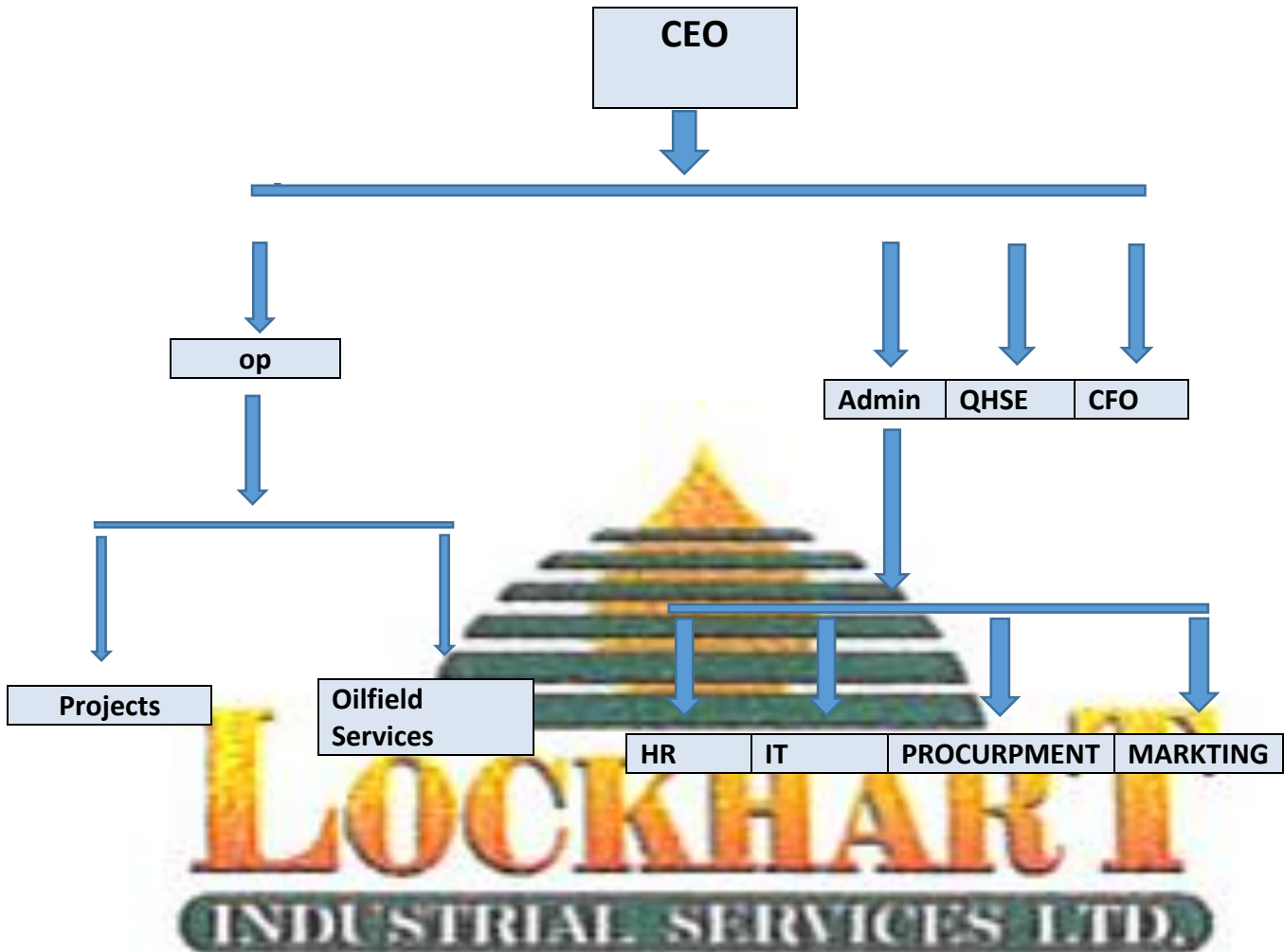
Sustainability, however, is the responsibility of all of us, at every level within our organization.

The Chief Executive Officer of **LOCKHART** is ultimately responsible for this policy and the company's environmental performance and is assisted by the Sustainability Steering Committee, which oversees the implementation of all social and environmental programs within **LOCKHART**. We will publish details of our environmental performance in our sustainability report, at a minimum, on an annual basis.

Appendix 2: Process interaction map



Appendix 3: Organization chart



Appendix 4: List of procedures

No.	Name	Code
1	Document Records Control	LKRT-QHSE-SP-001
2	Risk Assessment Procedure	LKRT-QHSE-SP-002
3	Legal Other Requirements	LKRT-QHSE-SP-003
4	Training	LKRT-QHSE-SP-004
5	Management Review	LKRT-QHSE-SP-005
6	Internal Audits	LKRT-QHSE-SP-006
7	Environmental Aspects Impacts	LKRT-QHSE-SP-007
8	Emergency Preparedness and Response	LKRT-QHSE-SP-008
9	Purchasing and Supplier Evaluation, Register	LKRT-QHSE-SP-009
10	Operational Control	LKRT-QHSE-SP-010
11	Incident Investigation	LKRT-QHSE-SP-011
12	Setting Objectives and Targets	LKRT-QHSE-SP-012
13	Communication and Consultation	LKRT-QHSE-SP-013
14	Corrective Action	LKRT-QHSE-SP-014
15	Preventive Action	LKRT-QHSE-SP-015
16	Structure and Responsibility	LKRT-QHSE-SP-016
17	Records and Control Records Management	LKRT-QHSE-SP-017
18	Management HSE Performance, Measurements and Monitoring	LKRT-QHSE-SP-018
19	Control of non-conformance	LKRT-QHSE-SP-019

Appendix 5: List of SOP (standard operational procedures)

No.	Name	Code
1	Wellhead & Xmas Tree Supply & Services	LKRT-SOP-01
2	Tubular Handling & Running - Equipment Supply & Services	LKRT-SOP-02



Appendix 6: List of forms

No.	Name	Code
1	Document Transmittal Form	LKRT-QHSE-SF-001
2	Master List of Documents	LKRT-QHSE-SF-002
3	Document Holder List	LKRT-QHSE-SF-003
4	Request for Issue Change or Cancel	LKRT-QHSE-SF-004
5	Inventory of Tasks	LKRT-QHSE-SF-005
6	Hazard Observation Card	LKRT-QHSE-SF-006
7	Risk Assessment.	LKRT-QHSE-SF-007
8	Hazard Observation Card Master List	LKRT-QHSE-SF-008
9	Legal and Other Requirements	LKRT-QHSE-SF-009
10	Attendance Sheet Form	LKRT-QHSE-SF-010
11	Training Schedule Form	LKRT-QHSE-SF-011
12	Training Evaluation Form	LKRT-QHSE-SF-012
13	Appraisal Form	LKRT-QHSE-SF-013
14	Agenda Meeting Form	LKRT-QHSE-SF-014
15	Minutes of Meeting	LKRT-QHSE-SF-015
16	Audit Schedule	LKRT-QHSE-SF-016
17	Corrective Action Report	LKRT-QHSE-SF-017
18	Non Conformance Request	LKRT-QHSE-SF-018
19	Environmental Aspect /Impact	LKRT-QHSE-SF-019
20	Check List for Emergency Preparedness Equipment	LKRT-QHSE-SF-020
21	Monthly Fire Extinguishers and First Aid Boxes Inspection	LKRT-QHSE-SF-021
22	Drill &Emergency Exercise Report	LKRT-QHSE-SF-022
23	Approved Supplier List	LKRT-QHSE-SF-023
24	Supplier Evaluation	LKRT-QHSE-SF-024
25	Purchase Order	LKRT-QHSE-SF-025
26	Permit To Work Register	LKRT-QHSE-SF-026
27	Hot-Cold Work Permit	LKRT-QHSE-SF-027
28	Monthly HSE Inspection Check List	LKRT-QHSE-SF-028
29	Incident-Near Miss Report	LKRT-QHSE-SF-029
30	Objectives and Targets	LKRT-QHSE-SF-030
31	Action Plan for Achievement of Objective and Target	LKRT-QHSE-SF-031
32	Monthly HSE Report	LKRT-QHSE-SF-032
33	Violation Report	LKRT-QHSE-SF-033
34	Job Description Form	LKRT-QHSE-SF-034
35	Communication, Participation And Consultation Register	LKRT-QHSE-SF-035
36	Improvement Action Plan	LKRT-QHSE-SF-036
37	QHSE Monitoring And Measurement Sheet	LKRT-QHSE-SF-037
38	Customer feedback	LKRT-QHSE-SF-038
39	Complaints	LKRT-QHSE-SF-039