

HAM-LET

Advanced Control Technology



HSE Plan

January 2012

Table of Contents

Chapter	Page
Scope	3
1. Leadership and Accountability	3
Ham-Let's Organizational Structure	4
2. Policy and strategic objectives	5
3. Regulatory Compliance and Corporate Standards	6
Ham-Let's HSE Policy	8
4. Competence and Training	9
5. Contractor and Supplier Management	10
6. Risk Management	11
7. Emergency and Crisis Management	12
8. Incident Analysis and Prevention	13
9. System Measurement and Improvement	14
10. Communications and Stakeholder Awareness	15
11. Documentation and Records	16
12. Engineering Controls	17
Ham-Let's HSE Management System	18
Procedures for Health and Safety	18










SCOPE

The Purpose of this HSE Plan is to provide a framework and context for all operating functions at Ham-Let. The Site Health, Safety and Environmental Plan (hereinafter referred to as the Site HSE Plan) is the document that specifies all HSE activities, studies and requirements for the promotion, development and implementation of Project HSE Management System throughout all stages the Company's operations.

1. Leadership and Accountability

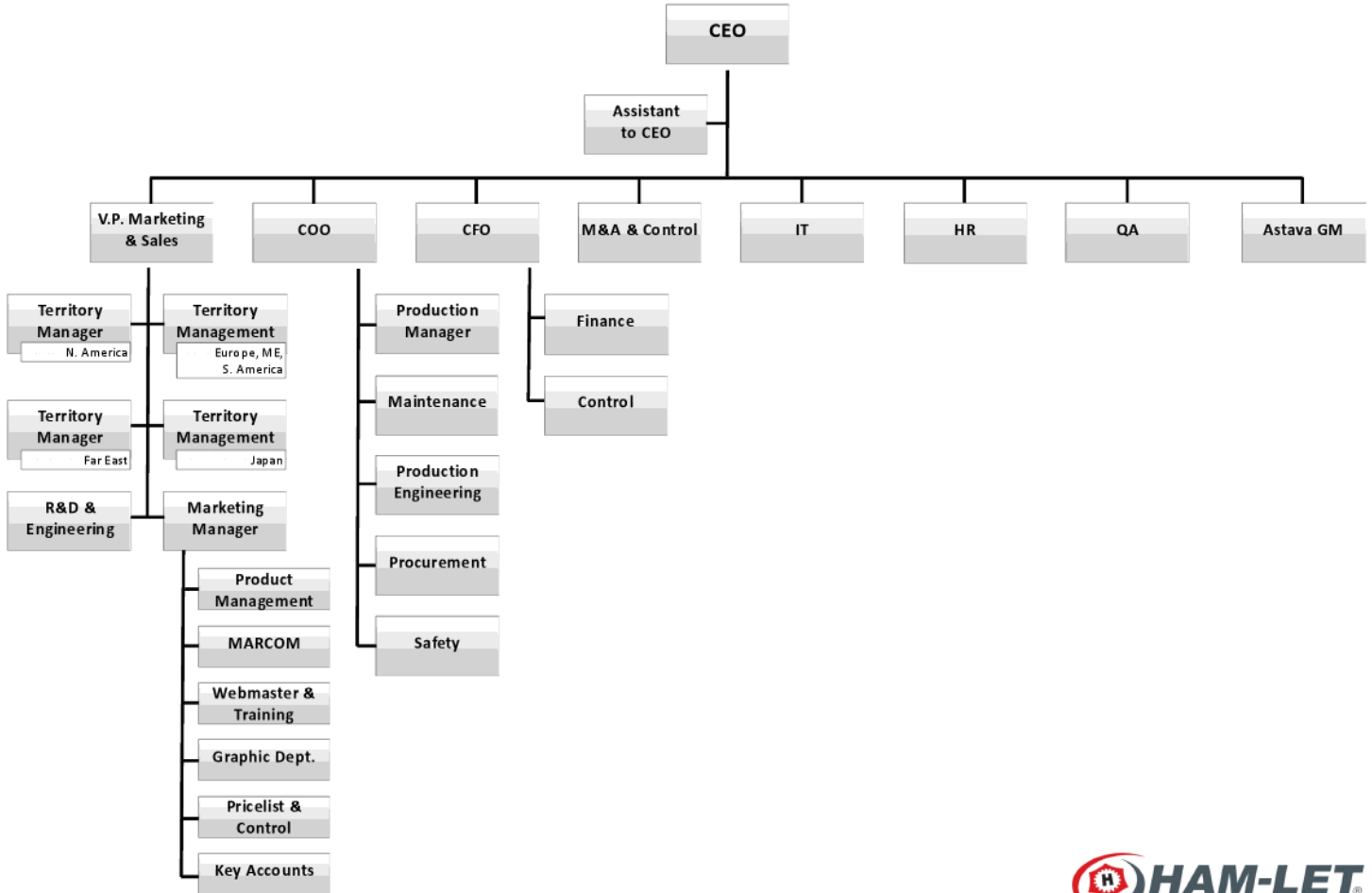
Effective health, safety and environment (HSE) management relies on the commitment of all Ham-Let personnel to achieve excellent performance. Leaders within Ham-Let operating groups are expected to champion the HSE management system. These people are held accountable for personally leading the effort by demonstrating behaviors that are supportive of our HSE objectives, by clearly defining HSE roles and responsibilities, by providing needed resources, and by measuring, reviewing and continuously improving our HSE performance.

Expectations

-  Business is conducted throughout all Ham-Let operations in accordance with the Ham-Let HSE Policy.
-  Ham-Let leaders regularly engage the workforce in clear, two-way communications, and model positive HSE behaviors by personal example both on and off the job.
-  Opportunities are sought to reinforce and reward group and individual positive HSE behaviors.
-  HSE considerations are taken into account during strategy development, planning and decision-making processes.
-  Roles and responsibilities are defined and clearly communicated for management of HSE issues and leaders stress the need for active involvement of all personnel.
-  Adequate resources are allocated to meet HSE management system requirements.
-  Specific, measurable and realistic HSE performance goals and objectives are established. HSE performance is assessed against those objectives, based on feedback from line management, peers and others in the Business Unit.
-  The HSE management system is implemented and supported throughout the organization.
-  Sharing of best practices learned inside and outside the company is promoted.

Ham-Let's Organizational Structure (January 2012)

Organization Chart



Document No. 3000.1 Rev 01.

2. Policy and strategic objectives

This section addresses corporate intentions, principles of action and aspirations with respect to health, safety and environment and the aim of improved HSE performance.

The company's management should define and document its HSE policies and strategic objectives and ensure that they:

- ☒ are consistent with those of any parent company;
- ☒ are relevant to its activities, products and services, and their effects on HSE;
- ☒ are consistent with the company's other policies;
- ☒ have equal importance with the company's other policies and objectives;
- ☒ are implemented and maintained at all organizational levels;
- ☒ are publicly available;
- ☒ commit the company to meet or exceed all relevant regulatory and legislative requirements;
- ☒ apply responsible standards of its own where laws and regulations do not exist;
- ☒ commit the company to reduce the risks and hazards to health, safety and the environment of its activities, products and services to levels which are as low as reasonably practicable;
- ☒ provide for the setting of HSE objectives that commit the company to continuous efforts to improve HSE performance.

The company should establish and periodically review strategic HSE objectives. Such objectives should be consistent with the company's policy and reflect the activities, relevant HSE hazards and effects, operational and business requirements, and the views of employees, contractors, customers and companies engaged in similar activities.

3. Regulatory Compliance and Corporate Standards

Achieving compliance with regulations, standards, guidelines and internal policies is vital to our Ham-Let business success. Effective processes exist to help identify, understand and communicate throughout the organization all applicable requirements. All facilities are operated and maintained to ensure safe, secure, and environmentally sound performance while adhering to all regulatory requirements. Ham-Let corporate standards are developed and implemented as needed to establish common HSE practices across all business units.

Expectations

- ❏ All applicable regulatory requirements are met or surpassed and operational integrity is maintained through documented operational, maintenance, inspection and integrity management systems.
- ❏ Where local regulatory requirements are absent or inadequate, standards are set that protect people and the environment. Voluntary program participation is supported where it enhances HSE performance or community relations.
- ❏ Critical Standards and procedures are provided as interpretation for some of the most common risks, implementing lessons learned and translation of key corporate expectations into common practice.
- ❏ In joint ventures and partnerships where Ham-Let is not the operator and has a major ownership interest, we will encourage the implementation of similar HSE management systems.
- ❏ Systems are in place and responsibilities are assigned to identify, interpret, communicate and operate within applicable regulatory requirements, including permit approval, monitoring and reporting requirements, record keeping and other legally binding HSE requirements.
- ❏ Key operating parameters are established and regularly monitored. The workforce understands their roles and responsibilities to maintain operations within these parameters.
- ❏ Clearly defined start-up, operating, maintenance and shutdown procedures are in place with designated authorities identified (e.g., safe work permits, hand-over, equipment and process isolation, etc.)
- ❏ Reliability and availability of protective systems are maintained by appropriate testing and maintenance programs, including management of temporary disarming or deactivation.

- Energy efficiency and resource conservation opportunities are identified and acted upon throughout the operational life of facilities.
- HSE impacts associated with operations, including storage and use of hazardous chemicals, generation of waste, emissions, noise, releases to surface and groundwater, and energy uses are minimized to the extent practicable.
- Comprehensive waste management programs are in place to ensure that wastes are minimized, re-used, recycled or properly disposed of.
- Abandonment, remediation, reclamation and restoration programs are used as needed to minimize land-based impacts associated with our businesses.

Ham-Let's HSE Policy

Environmental, Health and Safety Compliance

As part of overall Company policy, we are committed to environmental, health and safety standards in all aspects of our operations. This includes all regulatory requirements as well as ISO 14001:2004 compliance. We also conduct a number of measures on an ongoing basis to promote environmentally friendly practices, including measures to reduce electrical, gasoline and water consumption.

In addition:

- **Comply with applicable laws and regulations.**
- **Respond to customer requirements.**
- **Integrate environmental and safety issues within overall activity goals, at all applicable levels.**
- **Fulfill our objectives, targets and EHS plans.**
- **Act within an annual improvement plan.**
- **Allocate required resources and means.**
- **Take into consideration environmental issues relating to the development and production processes.**
- **Provide relevant training to employees.**
- **Attain required authorizations, certifications as applicable.**
- **Establish open communication channels among relevant units.**
- **Establish an appropriate working environment for the employees.**
- **Encourage employees to report about hazards and environmental infringements as they occur.**
- **Act towards preventing environmental pollution (air, water, soil, etc.).**
- **Commit to the principle of sustainable development by recognizing natural resources as a public resource.**
- **Make this policy publicly known.**

Date_____

CEO Signature_____

4. Competence and Training

High skill and knowledge levels are essential to supporting strong HSE performance; therefore, our workforce is carefully selected and trained, and skills and competencies regularly assessed.

Expectations

- ❏ Recruitment, selection and placement processes ensure that personnel are qualified, competent and physically and mentally fit for their assigned tasks. Neither employees nor contractors will be required or requested to perform a task unless they have received sufficient training. A system will be implemented to ensure necessary care and attention to inexperienced employees or contractors at the work site.
- ❏ Ham-let personnel practice, encourage and reinforce healthy, safe and environmentally sound behaviors.
- ❏ All regulatory required and position-specific HSE training is identified for Ham-let personnel.
- ❏ Ham-let business units are required to provide and document a minimum of general orientation, contractor site specific orientation and emergency evacuation training to contractors and sub-contractors.
- ❏ New, transferred or visiting employees must undergo appropriate site orientation and induction training that covers HSE rules and emergency procedures.
- ❏ Ham-let business units will maintain a written training plan for each employee and full time contractor that is compatible with the level of training required for that employee's position. A training record is maintained to ensure that all applicable Ham-let employees and full time contractors receive appropriate training at the correct frequency.
- ❏ Ham-let personnel have the required skills and training to competently perform tasks in a healthy, safe, secure and environmentally sound manner. Training is evaluated to determine its effectiveness.
- ❏ Standards are in place to ensure that neither drugs nor alcohol impairs the performance of our personnel and others on our work sites.

5. Contractor and Supplier Management

A cooperative effort between Ham-let and its suppliers and contractors promotes safe working and environmentally sound conditions, attitudes and behaviors. Ham-let uses only competent suppliers and contractors who are properly trained, appropriately equipped, effectively supervised and comply with all applicable industry regulations, standards and policies. We work together with these groups to ensure that our HSE Expectations are aligned, and we monitor their performance to ensure that our HSE Expectations are met.

Expectations

- ❏ Pre-qualification and retention criteria are established for work performed by contractors, suppliers and others.
- ❏ Contractors are expected to have approved and audited basic safety programs that meet or exceed industry standards and protocols. Ham-let companies will communicate the HSE requirements to contractors and suppliers in any solicitation for bid or request for proposal.
- ❏ Ham-let business units must require that contractors and suppliers follow all regulatory and Ham-let HSE requirements as a part of the written contract or purchase order, including documentation.
- ❏ Hazards and risks associated with contractor and procurement activities in our businesses are identified, managed and communicated.
- ❏ All independent contractors coming to work for Ham-let complete a basic orientation which meets business unit and minimum industry standards.
- ❏ Ham-let business units will require documentation that the contractor's employees have the proper qualifications and training, in advance of the work being performed.
- ❏ Ham-let business units require that all contractors develop HSE reporting procedures to address incidents, statistics, emissions, releases and inventory data required by Ham-let.

6. Risk Management

Management of risk is inherent in all aspects of our activities. By regularly identifying HSE hazards and assessing risks associated with our activities, we take appropriate actions to account for acceptable risks and prevent or reduce unacceptable risks to people, the environment and the integrity of materials and equipment.

Expectations

- ❏ Leaders establish and promote the use of processes to identify hazards associated with Ham-let activities, assess risks, control the hazards and manage the risks to acceptable levels.
- ❏ Ham-let companies will consider three categories of risk: Workplace Risk, Process Risk and Business Risk. Risk management decisions must consider both frequency and consequence.
- ❏ With workforce involvement, the physical, chemical, biological, ergonomic, health, security and environmental hazards in the workplace are identified and the risks managed.
- ❏ Potential HSE hazards and risks are identified and assessed for existing operations, business development, acquisitions, new projects, construction, modifications, closures, divestments and de-commissioning.
- ❏ Pre-job HSE assessments are performed before starting any job to ensure equipment, work conditions and procedures are in place to adequately control the hazards associated with the job.
- ❏ Assessed risks are addressed by levels of management appropriate to the nature and magnitude of the risk. Decisions are clearly documented and resulting actions implemented through local procedures.
- ❏ Planned safety and environment inspections focused on work practices and physical conditions of Ham-let operations are conducted on a regular basis and no less than annually.
- ❏ Risk assessments are updated at specified intervals and as changes are planned. Systems are in place to manage risks associated with changes to organization, personnel, systems, processes, procedures, equipment, products, materials, substances, laws and regulations.

7. Emergency and Crisis Management

Effective emergency management planning is key to minimizing the impact of accidental loss or consequences of natural or man made disasters. Emergency preparedness and response plans are maintained to cover all of our facilities. These plans identify equipment, training and personnel necessary to protect the workforce, customers, public, environment, and Ham-let assets and reputation in the event of an incident.






Expectations

- ❏ Written emergency preparedness and response plans are developed and maintained for site-specific, business unit and corporate purposes, based on the risks that potentially impact the business. These plans are documented, accessible, clearly communicated and aligned from the local to the business unit to the corporate level.
- ❏ Appropriate personnel are knowledgeable about relevant emergency preparedness and response plans and trained in crisis management.
- ❏ Equipment, facilities and personnel needed for emergencies are identified, tested and available. Each worksite has access to an appropriate level of medical support and to resources / facilities that promote health and wellness.
- ❏ Emergency preparedness and response plans are tested regularly through drills and exercises, including liaison, involvement and sharing with external organizations.
- ❏ Periodic updates of plans and training are used to incorporate lessons learned from previous incidents and exercises.
- ❏ Mutual aid initiatives within the communities in which we operate are supported.

8. Incident Analysis and Prevention

HSE incidents are reported, investigated and analyzed to prevent recurrence and improve our performance. Our investigations focus on root causes and/or system failures. Corrective actions and preventative measures are utilized to reduce future injuries and losses. The value of the investigation data is enhanced by sharing the results with a wide audience.

Expectations

-  All health, safety, technical integrity and environmental incidents are openly reported, investigated, analyzed and documented. Security incidents are managed on a “need-to-know” basis.
-  Near miss reporting is encouraged and positively recognized as a means of preventing incidents and improving HSE performance.
-  All incidents undergo root cause analysis so that systems, procedures and behaviors can be corrected to eliminate or minimize the likelihood of recurrence. Incident investigations are documented and corrective actions closed-out.
-  Information gathered from incident investigations is analyzed to identify broad trends and develop preventive actions.
-  Key lessons learned from investigations are shared across the organization and, when appropriate, with industry contacts.

9. System Measurement and Improvement

Measurement of performance is important in determining the success of HSE management efforts. We periodically assess regulatory compliance and the implementation of and compliance with our HSE Expectations to assure ourselves and outside stakeholders that risks are being appropriately addressed and that management processes are in place and working effectively.

This involves both internal self-assessments and appropriate internal and external audits. We use this information for continuous improvement of our performance and processes.

Expectations

- ❑ HSE performance standards and indicators are established, communicated and followed by individuals at all levels of the organization. Each Ham-let Company will report the same Key Performance Indicators (KPI's) for both employees and contractors.
- ❑ Performance is measured against objectives, targets and milestones established annually. HSE strategies are updated based on measured results and identified improvement opportunities.
- ❑ A documented audit program exists to independently evaluate progress towards HSE targets, regulatory compliance and the effectiveness of the HSE management system.
- ❑ External audits are carried out within each business unit a minimum of once every three years, and the results reported to Ham-let Corporate HSE.
- ❑ Self-assessments of the HSE management system are conducted on an annual basis within each business unit, and the results reported to Ham-let Corporate HSE.
- ❑ Processes are in place for documenting and tracking results from assessments and audits, including follow-up actions to close out all findings. Audit results are reviewed by the business unit leadership team.
- ❑ Findings from learning processes (e.g., audits, incident investigations, near misses, etc.) are prioritized, tracked and used to systematically improve the HSE management system.
- ❑ Sharing of best practices is enhanced through communication of findings and wide participation in audits and system reviews.

10. Communications and Stakeholder Awareness

Effective internal and external communication performed appropriately and consistently over time promotes a solid understanding of our HSE expectations and performance. We value the importance of community awareness and actively engage in dialogue with various stakeholders to maintain public confidence in the integrity of our operations our commitment to HSE excellence.

Expectations

- ❑ Open and meaningful communications are established and maintained with personnel, regulatory agencies, public organizations and communities regarding the health, safety and environmental aspects of our business.
- ❑ Assessments of new project developments include a review of HSE impacts on local communities, and issues raised are communicated and integrated into the business case.
- ❑ Communication systems are in place to ensure we take responsibility for our operations and act in a timely fashion in responding to community concerns and issues.
- ❑ HSE impacts of any divestment or decommissioning on the local community are reviewed and communicated as necessary.
- ❑ Periodic review of our global HSE performance is externally communicated.

11. Documentation and Records

Good recordkeeping systems and effective and timely availability of relevant, current information assures consistent performance across business units and through time, enhances the transfer of knowledge through personnel changes and accelerates the learning curve for new personnel.

Accurate documentation is essential for due diligence purposes associated with regulatory compliance.

Expectations

- ❏ A system of document controls is in place to securely manage critical and time-sensitive HSE documentation.
- ❏ Filing and document handling systems are in place for maintaining HSE records and reports. Obsolete documentation is identified and removed from circulation.
- ❏ Operating requirements for applicable regulations, permits, codes, standards and practices are documented and communicated to personnel, and records are maintained according to regulatory requirements.
- ❏ Personnel health, medical and occupational exposure records are maintained with appropriate confidentiality and retained as necessary.
- ❏ Up-to-date information on HSE hazards and risks relating to the use, storage, handling, transport and disposal of materials is available to personnel, customers and others.
- ❏ Material Safety Data Sheets, labels and other information are issued to handlers and users in accordance with legislative and customer requirements, and updated as information changes.

12. Engineering Controls

New facilities (e.g. Structure 7) and modifications to existing facilities are designed, constructed and commissioned using recognized standards, procedures and management systems to ensure HSE performance expectations are achievable throughout their operational life. Acquisitions are reviewed for potential HSE issues and impacts.

Expectations

- ❏ Baseline technical, environmental and safety data are collected before the development of any significantly sized new operation, facility, or major modification.
- ❏ Facilities are designed and constructed using technology which balances costs and benefits to manage technical risk and minimize or eliminate emissions, discharges, releases and other environmental impacts.
- ❏ Project management systems and procedures addressing technical integrity and HSE accountabilities are documented and well understood. Design, procurement and construction standards are formally approved by the designated technical / engineering authority.
- ❏ Operational, maintenance and HSE expertise are integrated early in the project / design stage and collectively complete and approve a Management of Change review.
- ❏ Experience from previous projects and current operations are applied.
- ❏ Deviations from design standards are identified and managed within the business unit, with the reasons documented and retained.
- ❏ Quality assurance and inspection systems are in place to ensure that facilities meet design and procurement specifications, that construction is in accordance with approved standards, and that equipment replacement or modification maintains operations integrity.
- ❏ Documented pre- and post-startup reviews are carried out for all newly installed or modified equipment to confirm that construction is in accordance with design, all required verification testing is complete and acceptable, and all recommendations / deviations are closed and approved by the designated technical authority.

Ham-Let's HSE Management System.

Ham-Let's HSE Management System is made up of Operational Procedures which guide it in maintaining Health, Safety and Environmental Principles of operation.

Procedures for Health and Safety:

Procedure Number	Name of Procedure	Last update
3000	Quality Assurance Policy	10/10/2010
5000	User Safety for storage and use of dangerous substances	6/9/2011
5001	Maintenance and renewal of first-aid kits	16/1/2011
5002	User safety for absorption of a new worker	12/9/2011
5003	Worker conduct in case of fire	15/9/2011
5004	Procedure for treatment and evacuation of wounded	20/9/2011
5005	Procedure for control of fire extinguishing formation	6/9/2011
5006	Procedure for reporting and recording work related accidents	20/9/2011
5007	The Organization of Safety in the Company	15/9/2011
5008	Procedure for identifying safety hazards	15/9/2011
5010	Procedure for the disposal of hazards	15/9/2011
5011	Procedure for Safety Officers	22/9/2011
5014	Safety orders for operating automatic Storage Area	15/9/2011
5015	Safety Orders for operating machine tools	6/9/2011
5016	Work order for operating with heat creating appliances	21/8/2011
5020	Safety Procedures for while employing Sub-Contractors	22/9/2011
5022	Procedure for the Removal of Hazardous Materials	14/5/2009
5024	Safety requirements while clearing hazardous materials for operation lines	25/9/2011
5025	Safety orders for line operators	14/5/2010
5026	Procedure for measuring amount of dangerous material legally permitted on site.	5/5/2011
5027	Procedure for the disposal of used hazardous waste	15/5/11
5030	Procedures for the operation of Safety and Environmental Management Systems	17/5/2011
5031	Procedure for behavior during fire alert	14/7/2011

Procedures for Environmental Management:

Procedure Number	Name of Procedure	Last update
5211	Procedure for HSE Policy	15/2/2011
5221	Procedure for Environmental Aspects	15/2/2011
5222	Procedure for Legal and other Requirements	15/2/2011
5223	Procedure for Objectives, Targets and Plans	15/2/2011
5224	Procedure for Ham-Let's Environmental Management Plans	15/2/2011
5231	Procedure for Resources, Roles and Responsibilities	15/2/2011
5232	Procedure for Qualification, Training and Awareness	15/2/2011
5233	Procedure for Internal and External Communication	15/2/2011
5234	Documentation Procedure	15/2/2011
5235	Procedure for Document Control	15/2/2011
5236	Procedure for Operational Control	15/2/2011
5237	Procedure for Preparedness and Response to Emergencies	15/2/2011
5241	Procedure for Monitoring and Measurement	15/2/2011
5242	Procedure for Evaluation of legislative requirements	15/2/2011
5243	Non-Conformance and Corrective and Preventive Measures	15/2/2011
5244	Procedure for Document Control	15/2/2011
5245	Procedure for Internal Environmental Audit	15/2/2011
5251	Procedure for Management Survey	15/2/2011