



SMS Principle 1 Management Commitment

" Management Commitment to and Leadership in Health and Safety."

Objectives of the principle

1. To ensure that Management commitment is evident in Griffin Energy Ltd., Corporate Management will provide sufficient resources to enable the Safety Policy and Safety Management System to be implemented.
2. To ensure that there is Management leadership. The objective will be to secure the involvement of the workforce in all aspects of Safety management and encourage attitudes for continuous improvement.

Responsibilities for Implementation

- ✓ The Chief Executive is responsible to the Board of Directors of Griffin Energy Ltd. for the establishment of a Safety Policy and the implementation of a Corporate Safety Management System in the organization.
- ✓ The Chief Executive and the Directors will ensure that the budgets contain sufficient resources (financial and manpower) to enable the Corporate Safety Policy and the Safety Management Systems to be implemented. The Country Managers and Functional Managers, and other Line Managers, will be responsible for supplying the appropriate budget information in their areas to the Directors.
- ✓ The Chief Executive will demonstrate management commitment and leadership by demanding that the Countries and other Line Managers set suitable Safety Targets and Performance Standards.
- ✓ These Safety Targets and Performance Standards will be set on an annual basis in consultation with the appropriate line management organization. The Targets and Performance Standards will be part of the Annual Business Planning processes and Operations will be measured against the agreed Targets and Performance Standards.
- ✓ The Chief Executive will ensure that Management Commitment is demonstrated by regular site inspection visits by appropriate senior management.
- ✓ The Country Managers will demonstrate the necessary line management leadership in their areas by co-operation with Safety Representatives and participation in Safety Committee, as implemented in their Local Safety Management Systems.
- ✓ The Chief Executive is responsible for ensuring that the Country and other Line Managers themselves are also providing the necessary leadership initiatives in Safety to secure the workforce involvement in Safety and encourage attitudes for continuous improvement in Safety performance.

SMS Principle 2

Accountability and Responsibility

"Defining the accountability and responsibility for Health and Safety".

Objectives of the principle

1. To define the responsibility for the documentation of the Company Safety Management System (Corporate and Local).
2. To define accountability and responsibility for Safety throughout the Griffin Energy Ltd. organization.
3. To ensure that specific responsibilities for Safety are assigned by Corporate Management in order to achieve the Company's compliance with legislation as it applies to Safety.

Responsibilities for Implementation

- ✓ The Corporate Safety Management System consists of the Health and Safety Policy supported by subordinate Systems, Standards, Guidelines and Procedures as required. The Chief Executive will ensure that the workforce have been through proper consultation processes before the Corporate Safety Management System is authorized and issued throughout the Griffin Energy Ltd. organization. The custodian of the Corporate Safety Policy is the Group HSE Manager.
- ✓ Safety, in Griffin Energy Ltd., is a line management responsibility. The Directors and Country Managers will be accountable to the Chief Executive for the planning, development, implementation and monitoring of the Corporate Safety Management System and their Local Safety Management Systems as applicable. The appropriate Country Manager or Functional Manager will be the custodian of any such Local Safety Management System and responsible for ensuring that it is compatible with the Corporate SMS.
- ✓ Country Managers will be responsible for ensuring that the Local Safety Management System contains the accountability and responsibility provisions to meet Corporate requirements.
- ✓ The Directors, Country Managers and Functional Managers will ensure that where consultants or contractors fill staff positions, these personnel are fully aware that they have the authority, accountability and responsibility as staff employees in ensuring that the Griffin Energy Ltd. HSE Management System is implemented.
- ✓ The Chief Executive will ensure that the Country Managers and Functional Managers are assigned with the specific responsibilities to assist the Griffin Energy Ltd. Board of Directors in achieving compliance at all times with safety related legislation, changing work practices and safety initiatives in their areas.



SMS Principle 3

Training and Competent People

"Selecting, training and developing competent people to work in safe ways".

Objectives of the principle

1. To ensure that the employees, consultants and contractors in the Griffin Energy Ltd. organization are competent to work safely in the duties for which they are employed.
2. To ensure that each person has a job description in terms of the qualifications, training, skills and experience, knowledge and personal qualities required for working safely.
3. To ensure that employees or consultants in staff positions, will have periodic development assessments to review competency and training needs for safe working.

Responsibilities for Implementation

- ✓ The Chief Executive has the responsibility to ensure that the Company has procedures that enable employees, consultants and contractors to be selected on the basis of competency to work safely. In the case of contractors, each Line Manager will ensure that the contractors have adequate procedures of their own to verify that their personnel are trained and competent to work safely according to the Corporate Safety Management Systems and any subordinate Local SMS.
- ✓ Each Line Manager is responsible for ensuring that there is a system for the preparation of job descriptions in their areas of operation. The Corporate Human Resources function is accountable to the Chief Executive for checking the implementation of these systems. The roles and responsibilities for Safety will be clearly established. On this basis, the Country Managers and Functional Managers will be able to recruit individuals who are competent, or who have the potential to be competent through training and supervision, to perform the tasks for which they are employed.
- ✓ Before personnel start work on a Griffin Energy Ltd. operation for the first time, it is the responsibility of the Line Managers to ensure that training records have been checked and induction procedures implemented. The Country Managers will ensure that these provisions are detailed in their Local SMS.
- ✓ The Country Managers will be responsible for ensuring that the Local SMS contains adequate standards and procedures such that training for Safety can be planned satisfactorily. The Local SMS will contain periodic development assessments on their workforce in order to review competency and training needs. Records of Safety training will be kept by the Human Resources function, and the respective Country Managers and Line Managers will monitor the effectiveness of Safety training.
- ✓ It is also the responsibility of each individual in Griffin Energy Ltd. to identify with their line management their training needs to ensure safe working. The Line Managers are accountable for ensuring that the appropriate arrangements are made.

SMS Principle 4

Identifying Hazards and Reducing Risks

"Identifying hazards and reducing risks to as low as reasonably practicable."

Objectives of the principle

1. To ensure that, for all operations where Griffin Energy Ltd. employees, consultants or contractors are employed, that all the hazards have been identified and that risks have been properly assessed.
2. To ensure that risk assessment standards and criteria are developed and agreed in consultation with the line management organization.
3. To ensure that whenever persons are potentially exposed to hazards, that they are made aware of the hazards and the control measures implemented to reduce risks to as low as reasonably practicable.

Responsibilities for Implementation

- ✓ The Chief Executive has the responsibility to ensure that, throughout Griffin Energy Ltd.'s activities, suitable systems and procedures have been put in place to identify hazards and assess risks to persons, production and property.
- ✓ The Country Managers and Functional Managers have the responsibility to ensure that these risk assessment processes are fully described in their Local SMS and implemented throughout the planning, project and operational stages.
- ✓ The Country Managers and Functional Managers, when delegating their responsibilities for hazard identification and risk assessment must ensure that the tasks are carried out by competent persons and that the processes are recorded.
- ✓ The establishment of the risk assessment standards and criteria will be set through proper consultation and discussion with all the relevant parties. At Corporate level, the Group HSE Manager is accountable for providing guidance on the risk assessment standards and criteria to be used throughout the Griffin Energy Ltd. organization at Country and Functional level. The respective Local Safety Management System will then fully describe the standards, procedures and criteria for risk assessments, to be implemented in that particular area.
- ✓ The Local Safety Management System must contain clear procedures for the results of the hazard identification and risk assessments to be communicated by the Country Managers and other Line Managers to their workforce. The workforce must be made aware of the control measures being implemented by the Line Managers to mitigate potential hazards and ensure that the levels of risk remaining are as low as reasonably practicable.
- ✓ Employees and employees of Contractors have a responsibility to themselves and others to act responsibly and not to do anything that may create hazards or increase risks as a result of their actions. This responsibility must be clear in the Local Safety Management Systems.



SMS Principles 5 Standards

"Working to standards set by statutory regulations and to industry codes, guidelines and practices."

Objectives of the principle

1. To ensure that the Griffin Energy Ltd. organization has systems in place to identify the legislative standards for Safety in each area of operation.
2. To ensure that the Safety standards adopted by Griffin Energy Ltd., its subsidiaries and its contractors, meet or exceed those specified in applicable legislation.
3. To ensure that the Griffin Energy Ltd. organization has systems in place for reviewing the standards and working practices being implemented by Corporate, the Country or Subsidiary and improving or changing as required.

Responsibilities for Implementation

- ✓ The Chief Executive is responsible for ensuring that the Griffin Energy Ltd. Organization has systems in place to identify the legislative requirements for Safety and for achieving compliance with legislation. At Corporate level, the Group HSE Manager is accountable to the Chief Executive for achieving compliance.
- ✓ • The Country and Functional Managers must ensure that the Local Safety Management Systems have adequate procedures to identify, and respond to, any changes in legislative standards and then assign responsibility for achieving compliance.
- ✓ The Country Managers and Functional Managers are responsible for ensuring that work, in the Griffin Energy Ltd. organization, is carried out to the Safety standards in legislation as a minimum. The Line Managers will be responsible for reviewing the applicable legislation against the Corporate/ Country standards and other industry standards and assessing the appropriate Standards or Guidelines to be implemented.
- ✓ Said Line Managers will then be responsible for recommending to the Country Manager whether or not Griffin Energy Ltd. should exceed the applicable legislation and to what extent. In this way there is a constant review process to improve or change the standards and working practices as appropriate.
- ✓ The Country Managers and Functional Managers must ensure that the Local Safety Management Systems provide for the workforce to be supplied with the appropriate information regarding the Safety legislation, standards, industry codes and working practices which are being implemented by Griffin Energy Ltd. If there are proposals made by the workforce or others to review the standards and working practices currently being implemented by Griffin Energy Ltd., the Line Managers will ensure that there is a system in place for reviewing the proposals and implementing improvements and changes as appropriate.

SMS Principle 6
Safe Systems of Work
"Developing safe systems of work."

Objectives of the principle

1. To ensure that, in Griffin Energy Ltd., safe systems of work e.g.: "Permit-To-Work" and Change Procedures are established and maintained.
2. To ensure that the equipment used at Griffin Energy Ltd. work sites is built to appropriate codes or standards and operated in accordance with design limits. The equipment must be properly maintained and operated so that persons and property are safe.

Responsibilities for Implementation

- ✓ The Chief Executive has the responsibility to ensure that safe systems of work are being developed and implemented at Griffin Energy Ltd. sites for the protection of persons and property. The Group HSE Manager will be accountable to the Chief Executive for ensuring that this is being achieved.
- ✓ The Country Manager and Functional Manager are responsible for ensuring that their Local Safety Management Systems contains adequate procedures for the establishment and maintenance of safe systems of work. These procedures for safe systems of work will be controlled and monitored by the respective Country Managers and Functional Managers.
- ✓ The Country Managers and Functional Managers are accountable to the Chief Executive, for the implementation of safe systems of work in their Local Safety Management Systems. Such systems must ensure that workplaces used by Griffin Energy Ltd. are in accordance with design limits and are properly maintained and operated so that persons and property are safe.



SMS Principle 7 Managing Contractors

"Selecting and managing contractors whose safety performance will be compatible with the Company's requirements".

Objectives of the principle

1. To ensure that, during the contractor selection process, that Griffin Energy Ltd.'s requirements with regard to the Safety aspects are clear. A contractor must demonstrate the capability to achieve agreed standards before contract award.
2. To ensure that contractors who are selected to work for Griffin Energy Ltd. Are managed such that they implement Safety Management Systems that will be compatible with that of Griffin Energy Ltd. at Corporate or Local level as appropriate.
3. Recognizing that the Safety performance of a contractor working for Griffin Energy Ltd. is as much a statement about Griffin Energy Ltd. as it is about the contractor.

Responsibilities for Implementation

- ✓ The Chief Executive has the responsibility to ensure that Griffin Energy Ltd. has systems and procedures in place for the selection and management of contractors. Compatibility in Safety Management Systems will be an important factor when contractors are selected to work for Griffin Energy Ltd..
- ✓ The Country Managers and Functional Managers have the responsibility to ensure that the Griffin Energy Ltd.'s Safety requirements are clear throughout the enquiry, bid, tender and contractual agreement processes. The Country Managers and Functional Managers will ensure that their Local Safety Management Systems contain adequate procedures for the review of a contractor's Safety Management System. Safety will be an integral part of the Contractor selection process, which is normally based on technical competence, cost and HSE criteria.
- ✓ It is Griffin Energy Ltd.'s policy to accept the contractor's own procedures where possible because it is deemed safer for the contractor's personnel to be working with the procedures which are most familiar to them. Notwithstanding, in many instances there may be equivalent Policies, Standards, Guidelines and Procedures which have been produced at Corporate level or by Alliance Partners or in the Local Safety Management Systems. If the Systems of the Contractor and Company do not appear compatible in any way, then the Line Manager is responsible for reaching agreement with the contractor prior to the award of the contract or the start of the work. The agreement is often called an "SMS Bridging Agreement".

SMS Principles 8

Audits and Inspections

"Independent audits and inspections to determine compliance or identify improvements."

Objectives of the principle

1. To ensure that the Safety aspects of work are subject to audit, review and inspection on a planned periodic basis by independent, competent persons.
2. To ensure those recommendations arising from audits and inspections are documented, and then reviewed and monitored until satisfactorily resolved by implementation or otherwise.
3. To ensure that the Corporate SMS also has regular independent audits for the purpose of validation, compliance or identifying improvements.

Responsibilities for Implementation

- ✓ The Chief Executive is responsible for ensuring that there are adequate Management Systems in place with sufficient resources to enable audits, review and inspections on a regular planned basis by independent, competent persons. The Group HSE Manager is accountable to the Chief Executive for ensuring that a Corporate Audit Management System is in operation and that an appropriate annual programmed of audits and inspection is planned and completed.
- ✓ The Country Managers are responsible for ensuring that their Local Safety Management Systems contain adequate procedures and annual audit/inspection programmes to meet corporate requirements. Line Managers will review the need for additional Safety audits and inspections if the planned programmed does not demonstrate that the requirements of the Corporate Safety Management System are being met.
- ✓ The appropriate Line Managers, and in particular the Country Managers and Functional Managers are responsible for ensuring that management actions resulting from the findings of Safety audits and inspections are actioned in a timely manner and monitored for completion.
- ✓ The Group HSE Manager, as custodian, has the responsibility to ensure that the Corporate Safety Management System is maintained "live" by initiating a periodic review process. This review process will verify and validate the effectiveness of the Corporate Health and Safety Policy and supporting Management Systems for existing operations and potential changes in the nature of the Company.



SMS Principles 9

Investigation of Incidents

"Investigation of incidents to avoid reoccurrence."

Objectives of the principle

1. To analyze all Safety related incidents, determine the causes and consequences, and to implement remedial actions to prevent reoccurrence.
2. To encourage, without fear of victimization, open reporting of all HSE incidents, near misses and perceived unsafe situations.

Responsibilities for Implementation

- ✓ The Chief Executive is responsible for ensuring that Griffin Energy Ltd. has effective Corporate systems for incident reporting, investigation, analysis, records and remedial actions. The Group HSE Manager is accountable to the Chief Executive for ensuring that these systems are being adequately implemented throughout the organization.
- ✓ Country Managers and Functional Managers will be responsible for ensuring that their Local Safety Management Systems contain satisfactory procedures for implementation of corporate objectives and requirements.
- ✓ Line Managers will be responsible for initiating any independent investigation by Griffin Energy Ltd. of incidents, whether accidents to persons or significant damage, involving contractors to Griffin Energy Ltd.. The Line Manager will recommend if any action is necessary, in respect of the contractor, under the Corporate or Local Management Systems.
- ✓ Line Managers will be responsible for encouraging the open reporting of all accidents, incidents, near misses and perceived unsafe situations without fear of victimization. The Corporate and Local Safety Management Systems will contain satisfactory procedures to ensure that these aspects are fully covered.
- ✓ The Group HSE Manager will be responsible for making internal loss control reports and for producing annual Safety performance statistics. The Country and Functional Managers will ensure that Corporate annual safety performance statistics are integrated into their Local Safety Management Systems for the purposes of continued improvement.

SMS Principle 10

Emergency Preparedness

"Emergency preparedness to handle potential emergencies".

Objectives of the principle

1. To draw up Emergency Response and Contingency Plans to respond to potential emergencies.
2. To implement regular training and practice of the Plans to demonstrate the adequacy of the emergency response preparations.

Responsibilities for Implementation

- ✓ The Chief Executive is responsible for ensuring that all the line management organizations have drawn up Emergency Response and Contingency plans and that adequate resources are available for their preparation and implementation.
- ✓ The Group HSE Manager is the custodian of the Corporate Emergency Response Plans for Griffin Energy Ltd. and is accountable to the Chief Executive for ensuring that the Plans provide for an effective response to potential incidents.
- ✓ The Country Managers and Functional Managers are responsible to the Chief Executive for ensuring that the arrangements for Emergency Preparedness in their Local Safety Management System are appropriate for the work being undertaken.
- ✓ Each Line Manager and the relevant workforce must be fully familiar with their pre-prepared plans for Emergency Response in their area of Operations. The duties and responsibilities in the Emergency Response Organization ("ERO") must be clearly defined for the persons involved in the response teams.
- ✓ The Country Managers are responsible for ensuring that the Local Safety Management Systems are provided with adequate resources for emergency response training and practice exercises, review of the response capability and for implementing improvements.



SMS Principle 11 Consultation

"Consultation and dissemination of information to motivate continuous improvement in Health and Safety".

Objectives of the principle

1. To consult with the workforce on Safety and encourage continuous improvement through dissemination of information on Safety.
2. To inform stakeholders on aspects of Griffin Energy Ltd.'s Safety performance and the progress being made.
3. To ensure that efforts made by employees to improve Safety performance towards excellence are recognized and rewarded.

Responsibilities for Implementation

- ✓ The Group HSE Manager and Country Managers are responsible for ensuring that the Corporate and Local Management Systems contain adequate provisions for consultation processes with the workforce on Safety matters
- ✓ The effective dissemination of Safety information to the workforce by Line Managers will assist the motivation towards continuous improvement in HSE performance.
- ✓ The Chief Executive will ensure that there is sufficient communication to stakeholders of information relating to the Company's Safety performance.
- ✓ The Chief Executive is responsible for ensuring that excellent Safety performance, by groups or individuals, is fully recognized by Griffin Energy Ltd.. Safety awards will be made to reward and to encourage both management and workforce in the continuous improvement of Safety performance. The Country Local Safety Management Systems in particular, should contain provisions to recognize and reward Safety performance at all levels in the organization.

SMS Principle 12

Health and Welfare

"Monitoring employee Health and Welfare."

Objectives of the principle

1. To ensure that personnel are medically fit for the work they are asked to do by the company.
2. To reduce risks to health by the implementation of good working conditions and the use of personal protective equipment.
3. Ensure that personnel are properly looked after following exposure to hazards.

Responsibilities for Implementation

- ✓ It is the responsibility of the Chief Executive to ensure that the Griffin Energy Ltd. organization has procedures to ensure that personnel are medically fit for the work they are asked to do. The procedures will also address the concerns of those who believe that their job may be affecting their health. The Human Resources Functional Manager is accountable to the Chief Executive for ensuring that such procedures are in place and being implemented.
- ✓ The Chief Executive is responsible for ensuring that the working terms and conditions for employees and contractors are good and are beneficial to their health, safety and welfare. The Human Resources Functional Manager is accountable to the Chief Executive for ensuring that satisfactory provisions are in place.
- ✓ The Group HSE Manager is accountable to the Chief Executive for ensuring that systems are in place for monitoring the exposure of personnel to hazards, assessing effects and evaluating the standards for Occupational Health Protection and Welfare.
- ✓ The Country Managers are responsible for ensuring that where Griffin Energy Ltd. employees or contractors are potentially exposed to hazards through their work, they are aware of any requirements to use personal protective equipment. The precautions must be described in freely available written Occupational Health hazard information. The provision of personal protective equipment will be detailed in the Local Safety Management System.