

Element 14: Performance Assessment and Continuous Improvement

Contractor must confirm that HSEQ management processes are in place and assess whether they are working effectively.

To demonstrate the level of compliance and effectiveness, contractor must ensure:

- Operations are regularly audited to establish the degree to which operational integrity expectations are met.

- Audit scope and frequency is established based upon the complexity of the operation, level of risk and performance history.
- Audits follow established protocols and are conducted by competent auditors, or audit teams, including expertise from outside the immediate unit.
- Findings from audits are recorded, discussed and agreed with the assessed party.
- Audited parties develop documented action plans to address accepted findings and track and report completion progress to senior management.
- Management review of the HSEQ Management System is conducted periodically to address the possible need for alterations in light of changing circumstances and the commitment to continual improvement. The audit process is to be reviewed periodically to ensure its continuing suitability, adequacy and effectiveness.

Husky Energy East Coast Operations will conduct audits of Contractors to evaluate overall HSEQ Management System performance. The findings and action items arising from the audits will be communicated to Contractor's Management for review and resolution and will be tracked by Husky Energy East Coast to ensure effective and timely implementation.

This document will be used as the basis of Supplier and Contractor Audits conducted by Husky Energy East Coast Operations.