



## **CONTRACTOR MANAGEMENT**



## Purpose

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The purpose of this program is to outline how **Validus Energy** will develop, implement, and manage the contractor safety program company wide.

## Scope

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This program applies to all sites operated by Validus Energy.

## Process

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Validus Energy may conduct operations on a “**multi-employer worksite**” as the **controlling employer** and expects that anyone creating or observing a hazard will take the necessary steps to correct it.

All contract workers are expected to execute operations, perform work, and maintain general supervisory authority over their respective worksite, including the obligation to correct safety and health hazards created or observed by the contractor, its subcontracted workers or employees.

Validus Energy expects all Contract Workers to follow the requirements of the established MSA or other service contract that has been put in place. Validus will utilize a “contractor management system” to store pertinent documents, insurance certification, applicable contract company programs assessments and training for field Contract Workers.

Validus Energy will provide all field Contract Workers with an annual Validus Energy Safety Overview and requires the contractor to provide its employees and subcontract workers an oil & gas specific orientation, appropriate emergency response training and all training necessary to safely complete the scope of work contracted to perform.

An **Approved Vendor List (AVL)** of Contract Workers that meet all accounting and HSE criteria to work for Validus energy will be maintained and available to all Validus employees.

## Responsibilities

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Leadership	Commit to, follow and reinforce the requirements set forth in this program. Provide sufficient resources for implementation.
Supervisors	Ensure Validus employees have the knowledge and skills to follow this program. Verify that Contract Workers are on the <b>AVL</b> prior to use.
EHS	Provide technical advice and resources to monitor contractor compliance. Maintain an auditing mechanism to verify compliance and provide reports to leadership.
Validus Employees	Follow the requirements of this program and only use Contract Workers included on the <b>Approved Vendor List</b> .



## Definitions

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**Approved Vendor List (AVL)** - The list of Contract Workers that have been vetted and approved for use on Validus Energy jobsites.

**Contract Workers** – Workers that do not work for Validus Energy and are hired for a specific project or task due to their expertise in a particular area.

**Controlling Employer** - is the employer who has general supervisory authority over the worksite, including the power to correct safety and health violations itself or require others to correct them. Control can be established by contract or, in the absence of explicit contractual provisions, by the exercise of control in practice.

**Multi-employer Worksite** - A worksite at which two or more entities are performing tasks that will contribute to the completion of a common project.

**Program Assessment** – A review of a contractor’s safety programs that takes place away from field activity and includes document and process reviews.

**Reasonable Care** - The level to which a controlling employer ensures that Contract Workers working on its sites meet applicable regulatory standards.

## Policies

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Contract Workers awarded work by Validus Energy must complete the requirements outlined in the Vendor Onboarding Procedure (Appendix 2) prior to beginning work for Validus Energy.

Any vendor not on the **AVL** must be approved in writing prior to use by Vice President of Drilling and Completions, Vice President of Operations or Chief Operations Officer.

All Approved vendors are required to maintain a subscription to VeriforceONE unless they are classified as an office (non-field) contractor or marked as exempt on the **AVL**.

All approved vendors must have a drug and alcohol policy that specifically prohibits being under the influence, possession or consumption of drugs and alcohol while working.



## **Removal**

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If a contractor fails to meet the requirements set forth in the MSA, fails to progress regarding inspections and incidents or commits an egregious violation or disregard for the safety of its own or other workers on site, the contractor will be removed from the **AVL** and disqualified from being awarded additional work until the deficiency is corrected.

## **Assessments**

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Validus Energy will exhibit **reasonable care** to ensure Contract Workers are meeting the expectations set forth in the MSA and are operating within federal and state regulatory guidelines.

Regular **program assessments** will ensure that Contract Workers have a system to address recognized and/or identified hazards.

**Program assessment** frequency will be determined by the Contractor Risk Classification Matrix. (Appendix 1)

Validus Energy will utilize a progressive system of follow-up assessments to ensure progress is being made.

Validus Energy may elect to conduct **program assessments** more frequently than listed on the Risk Classification Matrix.



## **Appendix 1**

### **Field Contractor Risk Classification Matrix**



**Hazard** – Rating of the primary job function that the contractor will be performing for Validus Energy.

**Frequency of Use** – How often the contractor will be doing work on behalf of Validus Energy.

**Incidents** – Frequency of incidents that the contractor has sustained while working for Validus Energy and other companies.

**Field Assessments** – The aggregate score total of the site assessments done by Validus Energy employees.

Classification (Points)	Hazard	Frequency of Use	Incidents	Field Assessments
1	Low	Yearly	Near Miss Only	90% +
2	Med	Monthly	Near miss (Us) Any recordable	70-90%
3	High	Weekly	Recordable (Us)	50-70%
4	Very High	Daily	Any Fatality	<50%

Assessment frequency will be calculated on an annual basis by adding the classification points for each category.

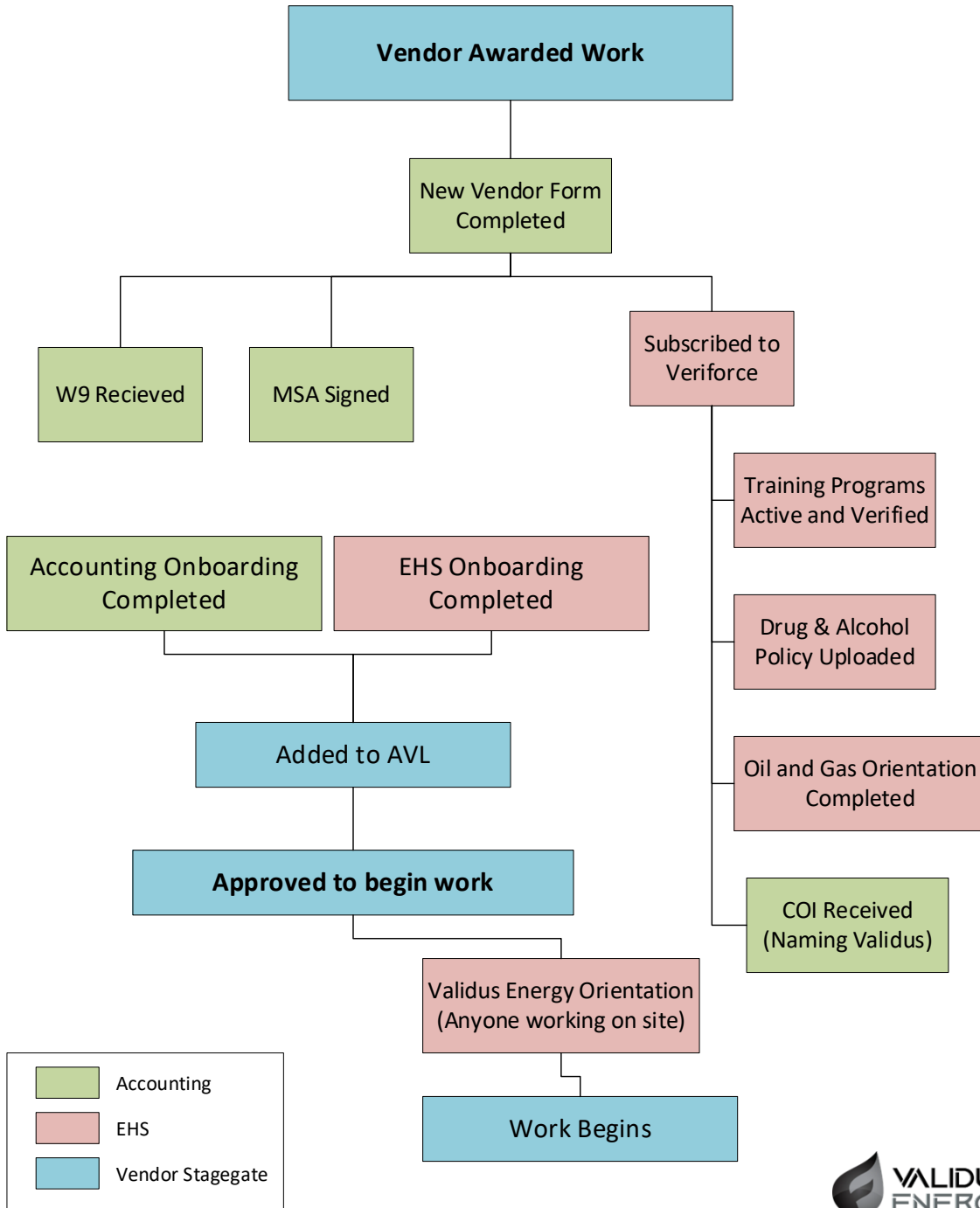
Assessment Frequency (Total of Hazard, Use, Incidents & Field Assessments)			
Every 2 Years	Annually	2X Annually	Quarterly
4 to 8	9 to 11	12 to 14	15 to 16



**Appendix 2**  
**Vendor Onboarding Procedure**  
**And**  
**MSA Decision Tree**



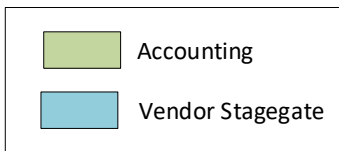
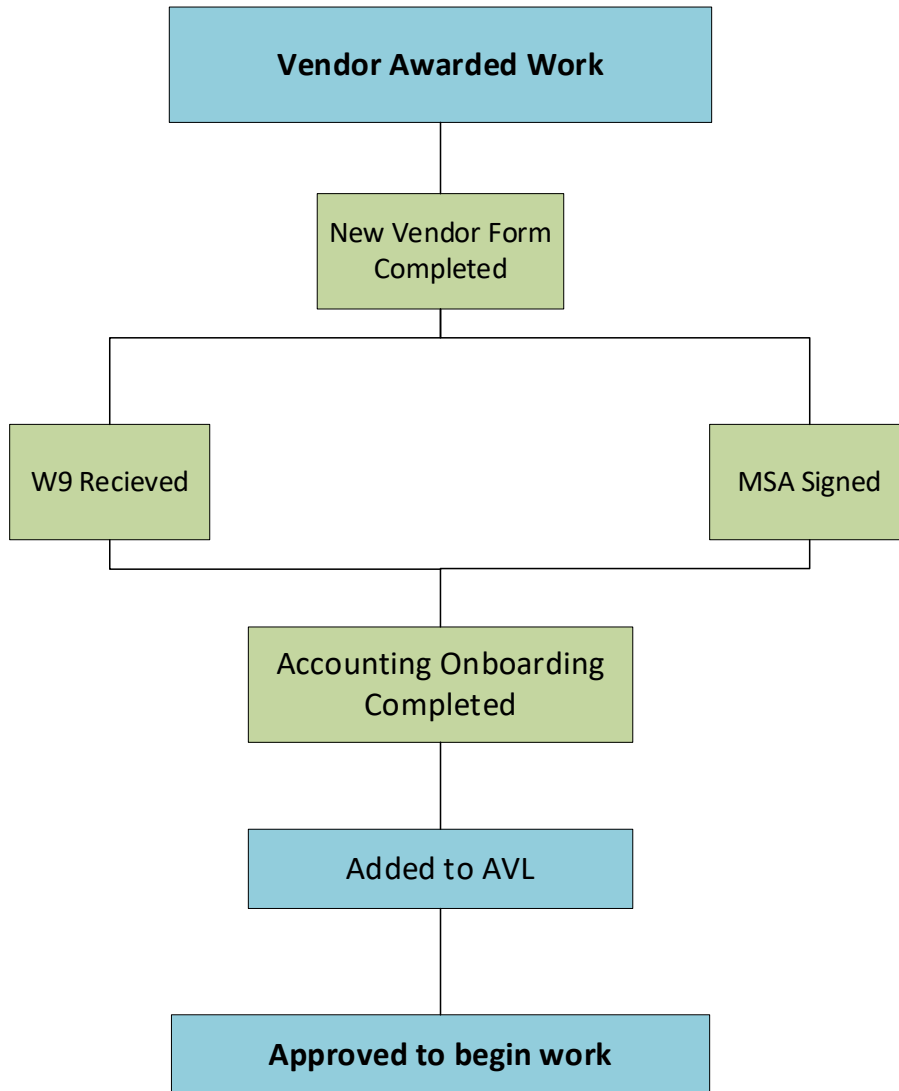
## Field Vendor Onboarding Procedure





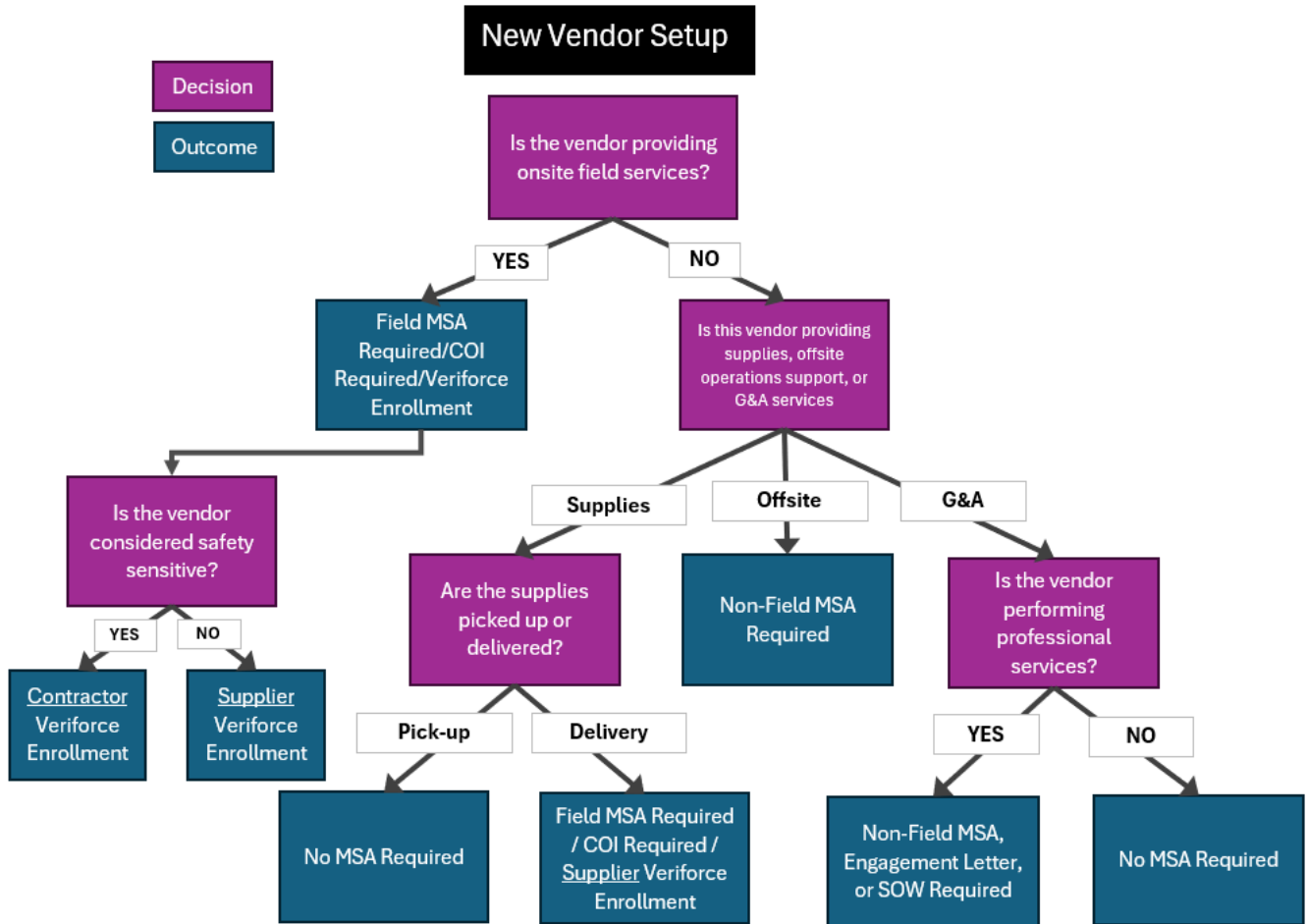


## Office (Non-Field) Vendor Onboarding Procedure





## MSA Decision Tree



\*Contractor Veriforce Enrollment = EMR Verified, OSHA Verified, Insurance Compliant

\*Supplier Veriforce Enrollment = Insurance Compliant; this type will also include field supervision, engineering, environmental work



## Change Log

<b>Date</b>	<b>Change (s) Made</b>	<b>Approved By</b>
6/15/24	Original Document	Justin Stone
7/17/2024	Added MSA Decision tree to Appendix	Jason Nieuwenhuis