



# **ARROW S ENERGY OPERATING A CONTROLLING EMPLOYER**



## Purpose

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The purpose of this program is to outline the efforts by which Arrow S Energy Operating (the company) will develop, implement and manage the safety readiness of all field operations company wide.

## Scope

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Arrow S Energy Operating is an operator who contracts other employers to execute operations, perform work, and maintain general supervisory authority over their respective worksite, including the obligation to correct safety and health violations created by the contractor or its employees. This control has been established by contract or, in the absence of explicit contractual provisions, by the exercise of control in practice. Arrow S Energy Operating expects all contractors to follow the requirements of the established MSA or other service contract that has been put in place. With exception to the Arrow S Energy Operating safety orientation/s, and in some cases the Arrow S Energy Operating Emergency Response Training, Arrow S Energy Operating will not place additional burdensome safety requirements on contract workers or their employers unless where lawfully appropriate. Because Arrow S Energy Operating will not use company employees outside of the scope and execution of field management activities, the Company retains contractors who demonstrate a high level of knowledge of the various applicable operational and safety standards and a high level of trade expertise to manage and carry out all services in a safe manner.

## Definitions

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**Controlling Employer-** an 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.

**Reasonable Care-** A controlling employer must exercise reasonable care to prevent and detect violations on the site. The extent of the measures that a controlling employer must implement to satisfy this duty of reasonable care is less than what is required of an employer with respect to protecting its own employees and third parties from the risks associated with the contractor's work.

## Reasonable Care:

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Arrow S Energy Operating will exercise reasonable care to prevent and detect violations on company owned or controlled sites. The extent of the measures that the company will implement to satisfy the duty of reasonable care is less than what is required of a consultant or contractor with respect to protecting its own employees and third parties from the risks associated with the contractor's work. This means that Arrow S Energy Operating is not normally required to inspect for hazards as frequently or to have the same level of knowledge of the applicable standards or of trade expertise as the consultants or contractors it has hired.

## Factors Relating to Reasonable Care

Factors that affect how frequently and closely the company will inspect to meet its standard of reasonable care include:

- a. The scale of the project.
- b. The nature and pace of the work, including the frequency in which the hazards change as the work progresses.



- c. History of Incident/ near miss occurrence.
- d. How much the company knows both about the safety history and safety practices of the contractor it controls as well as the contractors' level of expertise.
- e. More frequent inspections will be conducted if the contractor has a history of non-compliance, at the beginning of a project, if Arrow S Energy Operating has never before worked with the contractor, and/or Arrow S Energy Operating is not aware of the compliance history of a contractor.
- f. Less frequent inspections may be appropriate where the company sees strong indications that the contractor has implemented effective safety and health efforts. The most important indicator of an effective safety and health effort by the contractor is a consistently high level of compliance both in practice and in assessment performance. Other indicators include the use of an effective, graduated system of enforcement for non-compliance with safety and health requirements coupled with regular jobsite safety meetings and safety training.
- g. Each time a Arrow S Energy Operating safety assessment is completed, the items identified as deficiencies will be:
  - documented and stored in the Company document management system
  - communicated to the contractor
  - followed up on to ensure correction

#### **Evaluating Reasonable Care**

At a minimum, Arrow S Energy Operating will utilize a contractor to execute the company reasonable care program and its effectiveness in preventing and discovering violations on an annual basis. Three areas of focus will be assessed to determine the effectiveness of the program:

- a) Assess operations to identify regulatory compliance deficiencies.
- b) Do contractors have effective system for promptly correcting recognized or identified hazards;
- c) Do contractors enforce compliance with safety and health requirements with an effective, graduated system of remediation and follow-up inspections.

#### **Maintaining a Safe Workplace:**

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Arrow S Energy Operating has a specific contractual right to control safety on any company owned or controlled interests. The company itself can prevent or correct a violation of items under company control and command, as well as the right to require contractors to prevent or correct violations of items under their control and command. The source of this ability is made through explicit contractual authority that requires the contractor to adhere to safety and health requirements and to correct violations under their control.