

Corporate Major Accident Prevention Policy

1 Introduction, Purpose and Validity

Faroe Petroleum is committed to high standards of health, safety, environmental and quality performance across our business. We have a Zero incident philosophy in matters relating to Health, Safety, Environment and Quality.

The nature of our business is such that our activities may give rise to major accident hazards. However, this document constitutes a declaration of Faroe’s commitment to prevent Major Accidents, by working in a systematic way to build and maintain a culture promoting Health and Safety throughout the organisation and maintaining our Integrated Safety and Environment Management System (BMS) to ensure a high likelihood of continuous safe operation. Our ambition is to reduce major accident risks associated with our activities to As Low as is Reasonably Practicable (ALARP) and continually improve control. Standards in Safety and Environmental Protection are acknowledged and maintained as core values.

To achieve this, The Faroe organisation including senior management and Board of Directors, acknowledge their primary responsibility to develop command and control systems to minimise risk and harm to personnel, the environment and our material assets and monitor the performance of these major accident hazard controls.

This policy underpins the Faroe EHS Policy , applies to all our operations and is communicated to all personnel.

2 Description of Objectives

Faroe Commitments:
Strive continuously for the highest standards in HSEQ performance.
Implement and achieve uniform adherence to Faroe’s HSEQ Policy and CMAPP throughout our business operations regardless of location.
Continuous safety and environmental improvement
Provide an effective and efficient system of identifying major hazards that may arise as a result of our activity, to evaluate their likelihood and severity and provide mitigations to reduce the probability and consequence of the risks.

<p>Consult and actively cooperate with our employees, safety representatives, clients, vendors and regulators to achieve the common goal of preventing major accident hazards.</p> <p>Ensure visible commitment to tripartite consultations and actions arising from them;</p>
<p>Avoid undesirable effects on the environment resulting from our activities</p> <p>Contribute to sustainable development</p>
<p>Mitigate unacceptable risk, integrity or reliability</p>
<p>Systematically evaluate and improve performance and the management systems</p>
<p>Assure contractors have organisations and management systems to support this policy</p>
<p>Routinely monitor and report regularly performance capabilities and goals to the Board of Directors, who will ensure that the necessary resources are provided to fully support this Policy and the Major Accident Prevention Policy.</p>
<p>Maintaining a scheme of rewarding and recognising desired behaviours related to operational EHSQ and empowering individuals to maintain safe operations.</p>
<p>Systematically identify possible emergencies and put in place an emergency plan, which is subject to periodic tests, drills and reviews in order to measure its adequacy and effectiveness.</p> <p>Clearly identify the roles and responsibilities of those involved in the management of major hazards, both contractors and staff.</p>
<p>Ensure necessary resources are provided and made available to minimise and control major accident hazards. Ensure necessary training to meet the required competencies and provide a system of recording, appraising and reviewing competencies.</p>
<p>Develop, implement, examine, monitor and review procedures and instructions for safe operations, enabling their adaptation to changes in regulations, industry standards and advances in technology to ensure continuous improvement.</p>
<p>Ensure a systematic way of evaluating the integrity and reliability of all safety and environmental-critical systems and maintaining their effectiveness.</p>
<p>Encourage and reward reporting of accidents and near-misses and protecting whistle-blowers</p>
<p>Ensure reliability of recorded data through promoting a safety culture and transparency</p>