

1 PURPOSE

This standard establishes minimum requirements for audit programs that assess the adequacy and effectiveness of operational and Health, Safety, Environmental and Regulatory (HSER) standards and controls as well as assure compliance obligations are effectively identified and achieved.

2 OBJECTIVE

The HSER Auditing program provides senior leadership with assessments of compliance with legal, regulatory and Company HSE requirements, as well as observations around potential risk.

3 SCOPE

This Standard is applicable to:

- Chesapeake Energy and its subsidiaries, including all affiliated companies and joint ventures in which Chesapeake or a subsidiary is the operator or owns a majority interest
- All personnel (Chesapeake employees and contractors) and activities on company property as well as personnel working offsite on the company's behalf

Contractors **shall** have their own Standard that meets or exceeds regulatory requirements.

4 DEFINITIONS

HSER Compliance Obligations – applicable health, safety, environmental and legal requirements, enforceable agreements, and voluntary commitments.

HSER Management System – the framework of processes, compliance measures, internal controls, operating requirements, and governing documents designed to support corporate policy and expectations around safe and compliant operations.

5 RESPONSIBILITIES

5.1 CORPORATE HSER

- Maintain a documented HSER audit process
- Plan, schedule, conduct and communicate results of HSER audits

- Track audit results and corrective actions to resolution

5.2 BUSINESS UNITS

- Provide sufficient resources to support an effective HSER audit program (i.e., personnel and support when hosting a corporate audit team)
- Identify and implement applicable corrective actions
- Monitor the audit tracking system and ensure corrective actions are properly documented/closed

6 REQUIREMENTS

Auditing processes shall be maintained to provide an assessment of HSER compliance obligations in conformance with Company policies and standards, and the adequacy and effectiveness of HSE management system controls.

Auditing priorities will be based upon the inherent risk of business/operations as well as regulatory requirements. Joint ventures, partnerships and contractors shall be addressed in the auditing process.

The HSER Audit function will provide an independent, objective and consistent assessment for company-wide activities. Each business unit shall support the HSER auditing process.

6.1 AUDIT PROGRAM

The HSER audit program shall be documented and include at a minimum:

- Description of the audit process with scope and responsibilities identified
- Audit schedules and frequency of audits
- Audit team make-up, including auditor training and qualification requirements
- Provision of audit procedures, protocols and checklists
- Process for documenting and communicating audit results to management
- Provisions for review, tracking and timely completion of corrective actions

6.2 HSER AUDITORS

Auditors shall be objective and, to the degree practicable, independent of activities being audited. Auditors shall possess adequate qualifications, technical knowledge, training and auditing proficiency to perform their assigned audit tasks.

6.3 AUDIT RESULTS AND CORRECTIVE ACTIONS

Processes shall be in place for timely correction of findings identified and reported after an audit. Corrective actions shall be prioritized in correlation with the risk of the finding. Non-conformances and corrective actions from corporate HSER audits shall be tracked to resolution.

7 TRAINING

When necessary, training will be conducted for guest auditors for alignment with this standard and HSER audit processes.

8 AUDIT REQUIREMENTS

Audits may be conducted for compliance with this Standard. The Standard components that will be audited include, but may not be limited to, the following:

- HSER Audit schedules
- HSER Audit procedure
- Corrective action tracking and closure

9 EXCEPTIONS

Requirements outlined in this Standard be followed, unless a Standard Exception is filed on behalf of, and with the approval of the Operations Manager. The ServiceNow Standard Exception Form may be found in the "Policies & Controlled Documents" section of the MyCHK page. Links to the Quick Reference Guide and Standard Exception Form are provided below.

- [Link: Quick Reference Guide - Standard Exception Process](#)
- [Link: Operations Standard Exception Form](#)

10 DOCUMENT STORAGE AND RETENTION

Shall adhere to the Chesapeake Records Retention Schedule.

11 REFERENCES

11.1 INTERNAL

- HSER Compliance Assurance Audit Procedure

12 APPENDIX

- None

13 DOCUMENT CONTROL TABLE

Title: HSER Compliance Assurance Standard		Document Number: HSER-CHK-STD-039		
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