The Crowley Management System Manual

The Tier One *Crowley Management System Manual* is designed to provide our employees and customers with an overview of how we run our business.

A management system refers to what the organization does to manage its processes or activities, so that its products or services meet objectives such as:

- Satisfying customer requirements
- Complying with regulations
- Meeting identified objectives and targets

Our Management System framework incorporates the key elements of Safety and Health, Security, Quality and Environmental Stewardship. This manual provides you with an understanding of how our systems, processes and procedures tie together to ensure we work with integrity toward achieving the goals of our organization, while maintaining a focus on these key elements.

An electronic copy of this controlled manual is available to shore based employees on C-Link, the Crowley intranet site, and through a controlled distribution to our mariners. Additionally, this document is shared with our vendors and customers.

Please let us know if you have any questions or comments about the content.

**Crowley’s Safety, Security, Quality, and Environmental Stewardship Representatives are available by email at safetyq@crowley.com**
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>PAGE(S)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MANAGEMENT SYSTEM OVERVIEW</td>
<td>1-2</td>
</tr>
<tr>
<td>Standards Reference</td>
<td></td>
</tr>
<tr>
<td>Our Purpose / Our Values / Our Policy Statement</td>
<td>3-5</td>
</tr>
<tr>
<td>Safety, Security, Quality, and Environmental Stewardship Policy</td>
<td>6</td>
</tr>
<tr>
<td>Management System Framework</td>
<td>7</td>
</tr>
<tr>
<td>Management System Emphasis</td>
<td>8</td>
</tr>
<tr>
<td>Support Services Process Interaction</td>
<td>9</td>
</tr>
<tr>
<td>MANAGEMENT AND EMPLOYEE COMMITMENT</td>
<td>10</td>
</tr>
<tr>
<td>Commitment, Roles, Responsibility, and Authority</td>
<td></td>
</tr>
<tr>
<td>Designated Person Ashore (DPA)</td>
<td>11</td>
</tr>
<tr>
<td>Corporate Management Representative</td>
<td>12</td>
</tr>
<tr>
<td>Communication and Feedback Channels</td>
<td>13</td>
</tr>
<tr>
<td>RESOURCES</td>
<td>14</td>
</tr>
<tr>
<td>Resource Management</td>
<td></td>
</tr>
<tr>
<td>Infrastructure and Work Environment</td>
<td>15</td>
</tr>
<tr>
<td>Training: Invest in Our People</td>
<td>16</td>
</tr>
<tr>
<td>Legal, Regulatory, and Company Requirements</td>
<td>17</td>
</tr>
<tr>
<td>Emergency Preparedness, Response, and Business Continuity</td>
<td>18</td>
</tr>
<tr>
<td>SAFETY</td>
<td>19</td>
</tr>
<tr>
<td>Safety Culture</td>
<td></td>
</tr>
<tr>
<td>Safety and Loss Prevention</td>
<td>20</td>
</tr>
<tr>
<td>SECURITY</td>
<td>21</td>
</tr>
<tr>
<td>Facility and Vessel Security</td>
<td></td>
</tr>
<tr>
<td>QUALITY</td>
<td>22</td>
</tr>
<tr>
<td>Quality Assurance and Quality Control</td>
<td></td>
</tr>
<tr>
<td>Quality Planning Goals and Objectives / Customer Focus / Customer Service</td>
<td>23-25</td>
</tr>
<tr>
<td>Identification and Traceability</td>
<td>26</td>
</tr>
<tr>
<td>Maintenance of Vessels, Vehicles, and Equipment</td>
<td>27</td>
</tr>
<tr>
<td>Procurement and Materials Management</td>
<td>28-29</td>
</tr>
<tr>
<td>Data Collection / Measurement / Analysis of Services and Trends</td>
<td>30</td>
</tr>
<tr>
<td>Continual Improvement Process</td>
<td>31</td>
</tr>
<tr>
<td>Management of Change (MOC)</td>
<td>32</td>
</tr>
<tr>
<td>Audit Program</td>
<td>36-37</td>
</tr>
<tr>
<td>Identifying Management System Deficiencies</td>
<td>38</td>
</tr>
<tr>
<td>Corrective Action Implementation</td>
<td>39</td>
</tr>
<tr>
<td>Review of Management System</td>
<td>40</td>
</tr>
<tr>
<td>ENVIRONMENTAL STEWARDSHIP</td>
<td>41-42</td>
</tr>
<tr>
<td>Safeguarding the Environment</td>
<td></td>
</tr>
<tr>
<td>Improving Environmental Performance</td>
<td>43</td>
</tr>
<tr>
<td>REFERENCE</td>
<td>44-45</td>
</tr>
<tr>
<td>Acronyms / Amendment Record</td>
<td></td>
</tr>
<tr>
<td>Index</td>
<td>47</td>
</tr>
<tr>
<td>------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>3</td>
<td>Crowley Management System</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Mission Statement / Core Values</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>5-6</td>
<td>Safety, Security, Quality, Food and Environmental Policy</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>7-8</td>
<td>Management System Framework</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Crowley Services Process Interaction</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Commitment, Roles, Responsibility and Authority</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>11-12</td>
<td>Corporate Management Representative and Designated Person Ashore</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Communications and Feedback Channels</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>14-15</td>
<td>Resources, Infrastructure, and Work Environment</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>16-17</td>
<td>Resources: Competence, Training, and Awareness</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Resources: Legal and Other Requirements</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Safety and Health / Security**

| 18   | Resources: Emergency Preparedness, Response, and Business Continuity | 3.1.1                | II.F                | 1.4.5          | 4.4.7           | 5.7             | 4.4.7           |
|      |                                                                      |                      | 8                   |                |                 |                 |                  |
| 19   | An Incident-Free Safety Culture                                      | 3.1.1                | II.B                | 1.2            | 1.4             | 4.3.3           | 2.1              |
|      |                                                                      | II.H                | 2.2                 |                |                 | 2.2             | 4.3.3            |
| 20   | Safety and Loss Prevention                                           | 3.1.1                | II.B                | 1.2            | 1.4.5           | 4.3.1           | 7.0              |
|      |                                                                      | II.H                | 7.0                 |                |                 | 4.3.1           | 9                |
| 21   | Security                                                             | 3.1.1                | II.C                | 1.2            | 1.4.5           | 4.3.1           | 7.0              |
|      |                                                                      |                      | 8                   |                |                 | 4.3.1           | 9                |
|------|-------------------------------------------|------------|----------|----------|---------------|----------------|----------------|------------------|
| 22   | Customer Communication                    |            |          |          | 5.2           | 4.4.3          | 5.6.1          | 4.4.3            |
| 22   | Quality Introduction                      |            |          |          | 1.2.2.3       | 1.2.3.1        | 1.4.6          | 1                |
| 23   | Quality Management System Objectives      | 4.3        | 1.2      |          | 4.1           | 5.4           | 7.1            | 4.1              |
| 24-25| Customer Focus and Service                |            |          |          | 5.2           | 7.2           | 8.2.1          |                  |
| 26   | Identification & Traceability             |            |          |          | 7.5.3         | 7.9            |                |                  |
| 27   | Control of Work (Maintenance)             | 5.1.2      | II.A.5   | 10       | 7.4           | 8.2.3         | 8.3            | 7.3.3            |
| 28-29| Procurement                               | 5.1.4      | II.H     | 7.6      | 8.2.3-4       | 8.4            | 4.5            |                  |
| 30   | Measurement, Monitoring and Data Analysis | 6.1        | II.G     | 9.1      | 8.1           | 8.2.3-4       | 8.4            | 4.5              |
| 31   | Continual Improvement Process             |            |          |          | 1.2.2.3       | 1.2.3.1        | 9.12           | 8.5              |
| 32   | Management of Change                      | 5.1.3      | 11.2.2   |          | 5.4.2b        | 5.6.1          | 4.6            | 5.8.1            |
| 33-35| Document and Record Control               | 5.4        | II       | 4.2      | 4.4.4-5       | 4.5.4          | 4.2            | 4.4.4-5          |
| 36-38| Audit Program                             | 6.3        | II.G.1   | 12       | 8.2.2         | 4.5.5          | 8.4.1          | 4.5.5            |
| 38   | Non-Conformance                           | 6.4        | II.G.1a  | 8.2.2    | 4.5.3         | 7.6.5          | 8.3            | 4.5.3.2          |
| 39   | Corrective and Preventative Actions       | 6.4        | II.G.1b  | 8.5.2    | 4.5.3         | 5.7            | 7.10.1-2       | 4.5.3.2          |
| 40   | Management and Vessel Master Review       | 7          | II.G.1b  | 5.6      | 4.6           | 5.8            |                | 4.5.3.2          |
| 41   | Environmental Stewardship Objectives &    |            |          |          | 1.2           | 1.4.1          | 7              | 4.3.3            |
|      | Framework                                 | II.D       |          |          | 1.4.4         | 9.1            | 5.1.5          | 4.4.6            |
| 42-43| Environmental Aspects and Impacts         |            |          |          | 1.4.6         | 4.5.3          | 5.1.5          | 4.3.1            |
Our Purpose

Enriching lives through innovative solutions done right – essentially acknowledges our desire to make life better for all who associate with us – from employees to customers to communities to end consumers. It also highlights that we are solutions oriented – often solving challenges in extraordinary ways – but always doing our work safely and to the highest standards. Our purpose statement will help keep us focused internally.

Since its modest beginnings in 1892, Crowley’s primary goal has been to provide customers with safe and reliable service.

Crowley companies place the highest priority on individual safety, security for our people, facilities, and vessels, protection of the environment, and superior customer service.

Quality performance is the responsibility of all employees, to ensure:

Our work will be done right the first time, every time.

Thomas B. Crowley, Jr.
Chairman, President, and CEO
Crowley Maritime Corporation
Our Values

Over the years, Crowley has evolved into a diverse, worldwide marine solutions, energy, and logistics service company. The foundation for steady growth, strength, and durability is attributed to our adherence to certain fundamental values, and maintaining our focus to meet customer expectations.

SAFETY

Zero harm to people, property and the environment is possible with vigilance

- Put safety first in all activities – take personal responsibility
- Use layers of defense
- Safeguard the environment
- Recognize and correct potential hazards
- Speak up and fully listen

INTEGRITY

Do the right thing

- Act with honesty and fairness
- Treat all with dignity and respect
- Deal ethically in all transactions

HIGH PERFORMANCE

Together as One Crowley, One Team we are stronger than a collection of individuals

- Provide extraordinary service
- Recognize individual contributions
- Be accountable to oneself and each other
- Provide coaching and development opportunities
- Promote employee achievement and accountability
Our Policy Statement

Thomas B. Crowley Jr., Chairman, President and CEO, established Crowley’s Safety, Security, Quality, and Environmental Stewardship policy statement (Policy). The Policy states the company’s commitment to operational excellence and is regularly reviewed.

Crowley’s Policy is communicated and reinforced at all levels of the organization.

The Policy is:

• Posted at company facilities and on vessels
• Published on C-Link, the Crowley intranet site and is available on Crowley.com
• Incorporated into training programs
• Discussed at employee meetings
• Publicized in company newsletters
• Introduced in new-hire orientations
Crowley companies place the highest priority on individual safety, security, customer satisfaction, and environmental stewardship. The Crowley Management System provides a framework to implement strategies that support a high performing organization based on a safe and healthy workplace; security for our people, vessels, and facilities; quality service to our customers and protection of our environment. The Management System is critical to Crowley’s commitment to operational excellence and is the responsibility of all employees.

TO FULFILL OUR COMMITMENT WE WILL
- Follow procedures, speak up, and stay engaged
- Promote the safety, health, and security of our employees
- Ensure the safety and security of our vessels, equipment, and facilities
- Provide quality services to our customers
- Prevent pollution and protect the environment
- Create an environment of sustainability and stewardship
- Provide employee training opportunities that foster a learning environment
- Operate our vessels and facilities in compliance with regulations and best practices
- Develop safety, security, quality, and environmental objectives and targets
- Regularly review and improve our Management System

AT CROWLEY OUR PRIORITY IS TO ACHIEVE
- ZERO Harm to People
- ZERO Damage to the Environment
- ZERO Damage to the Equipment

Thomas B. Crowley, Jr.
Chairman, President and CEO
Crowley Maritime Corporation
November, 2014
Management System Framework

The framework for Crowley’s Management System consists of four key functions – safety and health, security, quality, and environmental stewardship – and is based on the following international and U.S. standards:

SAFETY AND HEALTH
- International Safety Management (ISM) Code for the Safe Operation of Ships and for Pollution Prevention.
- The American Waterways Operators (AWO) Responsible Carrier Program
- Maritime Labor Convention (MLC)
- Specifications for Occupational Health and Safety
- Specification Standards for Food Safety Management

SECURITY
- Maritime Transportation Security Act (MTSA)
- American Bureau of Shipping (ABS) Guide for Ship Security
- Customs-Trade Partnership Against Terrorism (C-TPAT)
- National Industrial Security Program Operating Manual (NISPOM)

QUALITY ASSURANCE

ENVIRONMENTAL STEWARDSHIP
Management System Emphasis

There are four key functions within our Management System:

- Management and Employee Commitment
- Resource Management
- Processes and Procedures
- Measurement and Analysis

Below are examples of how we use the four key functions to drive the Management System elements of Safety, Security, Quality Assurance, and Environmental Stewardship.

<table>
<thead>
<tr>
<th>Management System Emphasis</th>
<th>Management &amp; Employee Commitment</th>
<th>Resource Management</th>
<th>Processes and Procedures</th>
<th>Measurement and Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAFETY AND HEALTH</td>
<td>Set expectations and accountability for safe behaviors; establish guidelines for identification and control of risks arising from workplace hazards to establish and maintain a safe and healthy working environment</td>
<td>Provision of adequate tools to support trained employees; Wellness programs that establish guidelines and incentives for healthy lifestyles</td>
<td>Emergency planning, preparation and drills; Install emergency management systems and set process of utilization</td>
<td>Establish leading indicators that promote zero harm to people, property, and environment</td>
</tr>
<tr>
<td>EXAMPLE: Safety and health through improving work environment; promote participation of workers in process; enabling healthy choices; encourage personal development</td>
<td>EXAMPLE: Develop and maintain training matrices; assure training is appropriate to accomplish task</td>
<td>EXAMPLE: Incident Management Team established; teams train together and discuss lessons learned</td>
<td>EXAMPLE: Near miss/loss reporting, tracking and trending reports; recognize and correct potential hazards</td>
<td></td>
</tr>
<tr>
<td>SECURITY</td>
<td>Dedicated employees assigned and trained to establish safe and secure working environments</td>
<td>Facilities access restrictions; integrated access control system for our existing facilities</td>
<td>Security assessments; Security incidents and nonconformities reporting through a common system</td>
<td></td>
</tr>
<tr>
<td>EXAMPLE: Assigned facility and vessel security officers</td>
<td>EXAMPLE: Cargo transfer chain of custody / U.S. Customs C-TPAT Program</td>
<td>EXAMPLE: Vessel, terminal, and security plans; security and salvage operation plans; networking regulated facilities to monitor activity</td>
<td>EXAMPLE: Utilization of Crowley QMS to track incidents and corrective actions</td>
<td></td>
</tr>
<tr>
<td>QUALITY ASSURANCE</td>
<td>Set, Support, and Communicate Management System requirements</td>
<td>Ensure financial, human, and structural resources are available to meet customer, legal and other requirements</td>
<td>Maintain Company customer and regulatory compliance</td>
<td>Incident reporting process; Injury, equipment damage, and spills; near miss/hazard recognition reporting process</td>
</tr>
<tr>
<td>EXAMPLE: Set Goals and Objectives that drive their business and support organization’s Values.</td>
<td>EXAMPLE: Management System reviews</td>
<td>EXAMPLE: Internal and external audit process and customer vetting</td>
<td>EXAMPLE: Track &amp; Trend incidents through Corporate Scorecard, establish robust corrective and preventive action measures</td>
<td></td>
</tr>
<tr>
<td>ENVIRONMENTAL STEWARDSHIP</td>
<td>Advocate for programs that safeguard our environment; Recognize and embrace environmental standards</td>
<td>Funds dedicated to environmentally sound equipment</td>
<td>Establish key environmental programs; identify business’ activities aspects and potential impacts</td>
<td>Manage risk; Set controls and monitor Company environmental impact</td>
</tr>
<tr>
<td>EXAMPLE: Membership in AWO/API/IMO; Join local groups that promote safe operations; Partner with state and local agencies</td>
<td>EXAMPLE: Trucks and vessels are designed to lower emissions; due diligence assessments for property acquisitions</td>
<td>EXAMPLE: Manage environmental programs to include Air Quality, Waste Minimization, Pollution Prevention, and Resource Conservation; Vessel General Permit, Ballast water, Asbestos; Position controls to mitigate risks</td>
<td>EXAMPLE: Use risk assessment process to evaluate and assess potential risks, Communicate risk controls through the Management of Change process</td>
<td></td>
</tr>
</tbody>
</table>
Support Services Process Interaction

Our Corporate Services departments work closely with the businesses to support the internal and external customer requirements for safety, security, quality, and environmental stewardship.

The diagram below illustrates the two-way interaction within our organization.

*This diagram displays a sample of the Crowley Services support functions.*
Commitment, Roles, Responsibility, and Authority

**Senior Leaders** are accountable for the effectiveness of Crowley’s Management System and ensuring that the Management System achieves its intended results.

**Business Leaders** are responsible for providing adequate resources to implement and annually review the Management System, and to align Management System policies with the strategic direction of their organization.

**Crowley Management** teams establish processes, procedures, and guidelines to ensure safe operation of activities and to provide qualified personnel.

The **Health, Safety, Security, and Environmental** team facilitates the implementation of health, safety, and environmental stewardship programs to ensure compliance, and to define aspects and mitigate potential negative impacts.

The **Operations Integrity/Quality** teams facilitate the implementation of the Management System and provide guidance and support on the continual improvement process for safety, security, quality, and environmental stewardship.

**Safety, Security, Quality, and Environment Stewardship (SSQE)** is responsible for communicating the Management System requirements including development and oversight of safety programs, security for employees and facilities, the document control process, the audit program and the continual improvement process, environmental protection, and sustainability opportunities. The SSQE department staff provides coaching, guidance, and resources that support the businesses and corporate objectives.

**Vessel Masters and persons in charge (PIC)** are responsible for the effective implementation, administration, and communication of the Management System aboard their vessels. Vessel Masters and PIC prepare and submit a review of the vessel’s Management System, at least annually.

**Vessel Masters and persons in charge have the authority, and the responsibility, to deviate from the written procedures when it is believed that such a deviation is necessary for the safety of personnel, vessel and facility, or to prevent a pollution incident.**

**All Employees** are responsible for adhering to the Management System and taking preventive measures, including speaking up, looking out for others, and stopping the job if they believe a hazard exists. Employees are responsible for submitting a corrective action request anytime a Management System deficiency is identified and to provide continual improvement feedback to management.
Designated Person Ashore (DPA)

To fulfill Crowley’s commitment to safe vessel operations and responsible environmental stewardship, the businesses’ senior leadership assigns a DPA dedicated to these core values of Safety, Integrity, and High Performance. The DPA serves as a confidential conduit for mariner safety and environmental concerns. The DPA advances mariner concerns to the highest level of Crowley management so that issues are corrected efficiently and completely.

The DPA is bound and authorized to:
- Communicate with upper management and follow-up on crew concerns regarding safe operations of the vessel and environmental concerns
- Monitor safety and pollution prevention activities aboard the vessels
- Ensure adequate resources are made available
- Ensure shore-based support is applied as required
The Corporate Management Representative is a designated member of the Senior Management team (top management) that may be contacted to advance your safety, quality, security, and environmental concerns, after communicating through your chain of command.

The Management Representative and appointed Operations Integrity and SSQE team members are available to assist to:

- Ensure communication processes within the organization are effective regarding the Management System
- Report to top management on the performance and continual improvement activities of the Management System
- Communicate with external parties on behalf of Crowley
- Promote and support all elements of the Management System
Communications and Feedback Channels

Crowley has both internal and external customer communication programs to inform employees and interested parties about the Company’s Management System.

**External communications include:**
- Customer Surveys
- Electronic Mail
- Customer Meetings
- Crowley Publications
- www.crowley.com
- Participation in meetings that support industry

**Internal communication programs include:**
- Town Hall Meetings
- Seminars
- Manuals and Handbooks
- Training (online and classroom)
- Publications: Connections, Crowley NewsBytes, Crew News
- C-Link Intranet
- Alerts and Notifications
- SSQE SharePoint site
- Electronic Mail

**Customer and employee suggestions / feedback**
Continual improvement is an integral part of the communication process. Our internal and external customers are encouraged to make comments and suggestions. Customer and employee surveys are used to help improve our organization.

**Contact channels include:**
- Email: Safetyq@crowley.com
- Website: www.crowley.com
- Toll Free: 1-800-CROWLEY (276-9539)
- Individual businesses’ customer hotlines
Resource Management

The organization determines and provides the resources needed for the establishment, implementation, maintenance, and continual improvement of the management system.

Through planning, management of change, project management, and management review, resources are determined, identified, and put into place to deliver results in accordance with customers’ requirements and the organization’s policies. Resource management ensures the Management System requirements are met.

The Organization’s services, projects, and contracts are implemented to meet customer requirements through:

- Targeted operational plans to safely meet customer requirements
- Documented processes and procedures
- Resources identified to ensure Management System requirements are met; including human resources, such as the implementation of Operations Integrity/Quality and HSE teams, financial resources, technology, and specialized training and development programs
- Verification, validation, and monitoring services to specified requirements and to ensure desired results are attained
- Guidelines established to meet statutory and regulatory compliance
- Involvement and support from Corporate Services
- Assessment of risks and opportunities in accordance with customer, legal, and regulatory requirements, and plan and implement the appropriate actions to address the identified risks.

Actions taken to address risks and opportunities shall be proportionate to the potential impact on the conformity of products and services.
Infrastructure and Work Environment

Crowley maintains a strong and evolving infrastructure to promote a culture of safety and achieve customer requirements and regulatory compliance.

This infrastructure includes:
• Vessels, commercial motor vehicles, and other equipment that support our business endeavors
• Terminals, warehouses, and shore-based offices
• Maintenance shops, equipment, and tools
• Technology and electronics
• Support services, such as Strategic Engineering, Purchasing, and Information Technology

To achieve conformity in our services, Crowley maintains controlled procedures and processes that:
• Identify customer requirements in relationship to the product or service and delivery of the product or service
• Specify resource requirements, including Management System requirements
• Identify statutory and regulatory requirements
• Verify and validate through monitoring and measurement and through inspection
• Set expectations, identify roles and responsibility
Training: Invest In Our People

At Crowley, we take pride in our workforce. A valued and empowered workforce is critical to the organization’s ability to safely meet customer requirements.

**COMPLIANCE AND REGULATORY TRAINING**

We work hard to ensure that our employees are trained to work safely, protect the environment, and ensure quality practices, while maintaining compliance with company, customer, and regulatory agencies. Management ensures that employees under their supervision are suitably qualified, competent, and trained.

Marine Development and Compliance and SSQE partner with Business Leaders to identify the required training for their operations. Together they develop flexible training plans and industry leading solutions, such as:

- Navigation Assessment Program
- The Crowley Safety Program (CSP)
- Crowley’s PureSafety (web-based training modules)
- Offsite specialty-skills and officer development training
- Safety, Security, Quality, and Environmental Regulatory Training

**PEOPLE DEVELOPMENT AND LEARNING (PDL)**

Crowley strives to ensure employees are competent to do their jobs. Training needs, based on defined company competencies, are evaluated and discussed during annual performance reviews and learning goals are adopted by the supervisor and employee. Training targeted to improve individual performance is offered through the Crowley Performance Suite. The training focuses on key concepts that support the Crowley culture of learning and accountability.

In collaboration with their Supervisor, shore-side employees are expected to take ownership of their professional development and help define their ongoing training needs. Employees are encouraged to invest in a minimum number of hours toward training each year.

We value quality training.

Programs are evaluated by the learner along side the company’s training professionals to continually improve the effectiveness of the learning experience and to assure that the training meets the governing codes.
Legal, Regulatory, and Company Requirements

Management and operational personnel maintain up-to-date knowledge of Crowley operations and its associated statutory, regulatory, and legal requirements.

This is accomplished by:

- Discussion of industry changes during Operation Integrity meetings, operational planning, and management review of the Management System
- Review and discussion regulatory requirements pertaining to environmental aspects and their applicability to our operations
- Planning for change to requirements that may affect environmental aspects or our ability to meet customer requirements
- Membership in organizations which set industry standards, share best practices, and communicate updates to requirements
- Review of Crowley’s contractual obligations, activities, and processes and procedures with legal counsel as appropriate
- Subscription to safety, security, quality, and environmental compliance publications and services

Sources for legal and industry guidelines impacting the Management System can include:

- American Bureau of Shipping (ABS)
- American Waterways Operators (AWO)
- American Petroleum Institute (API)
- Bureau of Safety and Environmental Enforcement (BSEE)
- Code of Federal Regulations (CFR)
- Department of Homeland Security (DHS)
- International Maritime Organization (IMO)
- Transportation Security Administration (TSA)
- Federal and State Safety and Environmental Regulations
- U.S. Coast Guard (USCG)
- U.S. Department of Transportation (DOT)
- U.S. Port Associations
- U.S. Customs and Border Protection (CBP)
- World Shipping Council (WSC)

The SSQE department staff and the Businesses identify and communicate changes to the legal and other requirements issued by regulatory bodies within the scope of the Management System. Applicable changes are discussed during Operations Integrity/Quality and HSE meetings and action is taken when changes occur that effect implementation of the Management System.
Emergency Preparedness, Response, and Business Continuity

Crowley has contingency plans to manage our business in emergency situations. Crowley personnel are trained to respond to hazards, incidents, and emergency situations involving company employees and assets.

These plans are designed to:
• Ensure safety
• Protect the environment and our assets
• Provide continuous service
• Minimize impact to our customer

Crowley’s emergency preparedness, response, and business continuity plans are used to:
• Identify potential threats and emergency situations
• Outline procedures and controls for emergency preparedness, response and “mission-critical” functions in emergency situations
• Define communication protocol
• Explain the incident command system; identify and train Corporate Emergency Management team
• Test, evaluate, and improve emergency response and business continuity plans

EMERGENCY PREPAREDNESS AND RESPONSE PROCESS

1. Identify potential emergency situations
2. Develop emergency response & business continuity plans
3. Test and evaluate through drills and exercises
4. Implement controls to prevent or mitigate impact
Safety Culture

Safety is one of Crowley’s key core values. Our commitment to safety is ongoing and we strive to make it a priority in our daily activities. We believe that safety begins and ends with each Crowley employee.

At Crowley, we take safety seriously both at work and at home.

Safety Objectives of Crowley’s Management System

- Provide a safe and healthy working environment
- Identify hazards and assess risks and establish appropriate controls
- Promote safe work practices
- Encourage open communication and dialog
- Empower our employees through training and drills to mitigate hazards and respond to emergency situations

At Crowley, we have the responsibility and authority to speak up and stop unsafe activities: Safety - It’s Not Silent.

The following Vital Behaviors are expected of all employees.

1. **SPEAK UP**
   - Our employees have been given the authority to shut down unsafe operations
   - Ask for additional information or training
   - Respectfully disagree
   - Praise and reward safety behaviors

2. **FOLLOW PROCEDURES**
   - Establish, verify, communicate, and use procedures and established best practices

3. **STAY ENGAGED**
   - Be fully involved during the task
   - Stay focused from the beginning to the end of the job or voyage
Safety and Loss Prevention

In an effort to reach our goal of ZERO acts of unsafe behavior we surround ourselves with layers of defense. One example is to identify and resolve risks and hazards before incidents occur. By taking a proactive approach through vigilance and commitment we believe that our goal is reachable. Below are some of our safety and loss prevention processes and practices.

PERSONAL SAFETY CHECK CARDS
Used to focus and assess personal safety

RISK ASSESSMENTS
A comprehensive process used to analyze tasks, identify hazards, and apply controls to mitigate risks, tools such as Job Safety Analysis (JSA); Job Loss Analysis; Risk Assessment and Management of Change

SAFETY ASSESSMENTS
Evaluation of job task

NEAR MISS, NEAR LOSS AND HAZARD RECOGNITION REPORTING
To report and trend identified hazards

INVESTIGATIONS AND CORRECTIVE ACTIONS
To identify root cause and prevent reoccurrence of breakdown in the Management System

SAFETY LEADERSHIP TRAINING
Customized workshop and skills practice using leading edge concepts on human performance in operational settings

STOP WORK AUTHORITY
The Company gives employees the responsibility and the authority to stop a job or task they see as a risk

SAFETY AND HEALTH MANUAL
Management System resource guide that documents the organization’s minimum safety requirements
Facility and Vessel Security

Crowley recognizes the importance of security and is committed to providing a secure work environment for our employees and protection of the assets of our customers and the Company.

Security plans are in place to guide the businesses when setting security protocol, and to protect our employees and vendors while working on our equipment or in our facilities, our customers’ equipment and cargo, and our technical and proprietary information. Our plans meet regulatory requirements and cover our operations in the United States and abroad utilizing information and requirements from national, international, and industry standards.

OUR SECURITY PROGRAM

OBJECTIVES

• Protect our employees, assets, and company integrity and reputation
• Identify and anticipate security risks, threats, and exposures
• Notify and advise of changes to security requirements and conditions
• Provide strategy for mitigation of security threats
• Coordinate immediate response to security incidents

SECURITY PRACTICES

To achieve the Organization’s goal of protection and security Crowley implements controls such as:

• Develop and publish security plans
• Monitor and assess potential security threats, exposures, and incidents
• Promote security incident prevention, awareness, and training
• Incorporate security process into emergency response and business continuity plans
• Conduct security reviews and site assessments to ensure compliance
• Respond to and investigate security incidents and take corrective and preventive actions
• Advise management on security exposures and trends
Quality Assurance and Quality Control

Crowley’s Management System incorporates Quality Assurance and Quality Control. Quality is driven by our core values: Safety, Integrity, and High Performance.

The combination of Quality Assurance and Quality Control provides a comprehensive program to make sure our:

- Employees are properly trained for the job
- Equipment is maintained in good working condition
- Management System processes effectively satisfy our customer requirements

Quality Assurance is a process or system to prevent or mitigate deficiencies. Quality Assurance ensures that the work is done safely, achieves results as defined by our operational concerns, and meets our customer’s requirements.

Examples of Quality Assurance are:
- Documented and controlled procedures
- Defined employee qualifications, identified competency expectations, and training requirements
- Management System internal and external audit program to identify, track, and verify corrective and preventive actions
- Continual improvement process

Quality Control is setting standards, such as processes and procedures, and monitoring at critical points to ensure that intended results are met.

Examples of Quality Control are:
- Scheduled inspections of equipment
- The use of checklists
- Equipment calibration and tracking
- Fuel sampling and record keeping
- Security assessments and supporting documentation
- Safety and critical equipment inventory and inspections

In support of Crowley’s mission – To be a leader in our markets by providing world class services that ensure long-term company durability, we remain dedicated to our Quality Goal of creating an environment that encourages superior services that set Crowley above our competitors, while ensuring Safety, Integrity, and High Performance.
Quality Planning Goals and Objectives

Safety, security, quality, and environmental stewardship planning is incorporated into delivered services. Planning includes identifying the resources needed to achieve Management System objectives, understanding and meeting customer requirements, communicating with the customer if changes occur that may interrupt service requirements or affect customer’s expectations, and continually improving the system to achieve the desired results.

Corporate Goals and Objectives
Crowley Senior Management team sets corporate goals and objectives for the enterprise. The current goals are:

- **LIVE SAFETY EVERY DAY**
- **INVEST IN OUR PEOPLE**
- **BUILD VALUE WITH OUR CUSTOMERS**
- **GROW THE COMPANY**

Businesses’ leadership set targeted goals and objectives that meet unique requirements for their Business and align with customer expectations. Implementation plans for achieving objectives and targets are documented, updated, and communicated.

All Crowley employees are responsible for meeting the expectations for Safety, Security, Quality, and Environmental Stewardship targets of:

- **ZERO HARM TO PEOPLE**
- **ZERO DAMAGE TO THE ENVIRONMENT**
- **ZERO DAMAGE TO THE EQUIPMENT**

Measurement
A metric dashboard tied to the corporate goals is communicated to employees through C-Link, the Crowley intranet site. Businesses communicate metrics specific to their goals and objectives through news letters, and one-on-one and team meetings.
Customer Focus

At Crowley, we focus on safe operation of our equipment in order to provide secure and timely services for our customers. We regularly poll our customers, listen to their concerns, provide quick responses, and adjust as necessary to meet their changing needs.

Management ensures that customer requirements are determined and met with the aim of enhancing customer satisfaction.

Our emphasis on quality customer service has built strong, loyal and mutually satisfying relationships between Crowley and our customers. We deal ethically in all transactions because our lasting and most beneficial relationships are built on trust and integrity.

QUALITY SERVICE OBJECTIVES
The following principles guide our relationship with our customers and serve as objectives to provide safe, quality service.

We will:
• Be responsible for customer satisfaction at every level of the organization
• Seek input from our customers and provide opportunities for customer feedback
• Seek the root cause of customer complaints and take action to resolve nonconforming products or services
• Use a team approach when working with our customers
• Maintain flexibility to adapt to changing needs
• Respond to our customer needs with a sense of urgency
• Appreciate their business
Customer Service

We take pride in personal relationships with our customers and are dedicated to providing superior service. We accomplish this by operating with integrity and high performance at the forefront. Our team approach requires everyone to align with set expectations and to be accountable for following procedures with the safety and security of our personnel and the protection of the environment at the forefront.

Prior to engaging in contractual agreements, customer’s requirements are identified and documented. Additionally, applicable regulatory and statutory requirements are determined and analyzed. To ensure our service meets customer needs, risks that could affect customer satisfaction are assessed.

Required resources are determined and arrangements are made between the Business and the customer. A company representative is assigned to serve as a single point of contact for a clear communication path throughout the service process is assigned.

The company representative is available to the customer during and after the contracted service, and responds to the customer during and after the contracted service.

Some examples included in a customer service agreement are:
• Definition and documentation of the contract requirements
• Validation of our ability to meet the requirements
• Agreement on when to review the contract
• The communication method when revisions are necessary
• A procedure for acting to resolve concerns or discrepancies, should they arise
Identification and Traceability

Crowley utilizes state-of-the-art systems to monitor cargo. We receive, identify and track cargo from custody to delivery. Our systems ensure that our customers feel confident that their cargo is maintained with integrity.

PROTECTING CUSTOMER PROPERTY AND CARGO

Crowley personnel exercise care with customer’s property and cargo while it is under their control and are responsible for ensuring that customer supplied products, cargo, and materials are controlled and secured in accordance with documented procedures. Customer cargo is verified and inspected upon receipt and at delivery.

CUSTOMER COMMUNICATIONS

While a customer’s cargo is in transit, customers can receive regular communication about estimated time of arrival. One way Crowley communicates cargo status is through voyage position reports. Our customers can also access the status of their cargo electronically or contact their Customer Service Representative. Should cargo damage occur, the customer is notified and corrective action is taken.
Maintenance of Vessels, Vehicles, and Equipment

Crowley equipment is maintained in compliance with relevant rules, regulations, and Company requirements. Every vessel, commercial motor vehicle and piece of equipment is ready to perform its tasks in the manner which reflects Crowley’s commitment to meet our customers’ expectations.

PREVENTIVE MAINTENANCE
Established procedures and guidelines are in place to ensure all equipment is scheduled for preventive maintenance according to company and/or manufacturer’s recommendations. Regulatory requirements for inspections are tracked to ensure that certificates remain valid. Records are maintained according to each Business’s record retention matrix and, where applicable, align with the corporate retention matrix.

MONITORING AND MEASUREMENT EQUIPMENT
Management ensures that control, calibration, maintenance, and storage of monitoring, measuring, and test equipment meet manufacturer’s and specified regulatory or contractual requirements. Employees ensure that preventive maintenance programs are followed according to planned maintenance schedules. Equipment is tested and inspections are conducted within defined periods, and monitoring and measurement equipment is properly stored to protect from damage and deterioration. Equipment measurement records and calibration results are maintained as required.

MACHINERY DEFICIENCIES
Personnel that identify machinery deficiencies report the findings on an appropriate work request form. Managers review and assign repair orders to ensure timely and effective corrective action. Maintenance records are recorded.

SPARE PARTS
Spare parts, materials or equipment received from suppliers or vendors after maintenance or repair shall be:

- Inventoried
- Checked for serviceability
- Properly stowed to prevent damage or deterioration

VESSEL CRITICAL SYSTEMS
To prepare crews to respond in the event of sudden operational failure that could result in a hazardous situation, Company equipment and technical systems are identified and are part of a planned preventive maintenance program. Equipment and systems are tested at pre-determined intervals to ensure operational status. A critical spare parts inventory is maintained.
**Procurement and Materials Management**

The Procurement Department, in collaboration with the business and, where applicable, the Strategic Engineering team, is responsible for ensuring that products and/or services conform to the Management System, Businesses, and customer requirements.

Suppliers selection process is defined and includes consideration for the type of service or product purchased and its actual or potential impact on the Company’s service requirements.

**SUPPLIER SELECTION, EVALUATION, AND RE-EVALUATION**

The process of supplier selection, evaluation, and re-evaluation includes:

- Ability to supply products or services in accordance with Company requirements
- Ability to meet the technical and quality assurance needs of the Company
- Ability to achieve planned results
- Financial soundness, integrity, and accounting practices
- Compliance with Company safety, security, quality, and environmental objectives
- Compliance with applicable legal and regulatory requirements

The performance of suppliers is monitored on an ongoing basis and records of supplier evaluations and any required corrective action requests are maintained.

An approved Vendor List is maintained. Vendors and suppliers are selected from the approved Vendor List.

Only emergency purchases, approved by management, are placed with non-approved vendors or suppliers.
Procurement

PURCHASING DOCUMENTS AND INFORMATION
Purchasing documents such as Purchase Orders clearly describe the product materials or service ordered which may include:

- The name, type, class, style, grade, model, or other precise information
- Pertinent issues of specifications, drawings, processes, inspection requirements, and other technical data
- Requirements for approval or qualification of materials, procedures or services
- The required qualifications and certifications of persons providing a service
- Requirements for conformance with applicable safety, security, environmental protection, or quality assurance standards

REVIEW AND APPROVAL OF REQUISITIONS
The Procurement Department establishes purchasing processes to ensure that goods and services meet the specifications of the person submitting the request. Purchasing documents are reviewed and approved for accuracy prior to release.

VERIFICATION OF PURCHASED PRODUCT OR SERVICE
If specifically stated on the purchase or service document, a Crowley Representative will inspect and verify a purchase or service prior to shipment or release from the supplier, such as after a shipyard period.

RECEIPT INSPECTION
A receipt inspection is conducted either on board the vessel, or at the shoreside facility, to ensure that material and equipment meet specifications.

Equipment or systems put into service without an inspection, because of an urgent operational requirement or emergency, are identified so they can be removed if it is determined that they do not meet the ordered specifications.

Equipment or systems that do not meet specified requirements or are determined to be faulty, shall be tagged and removed from the point of service. Corrective action will be taken to ensure the proper equipment is supplied.
Data Collection, Measurement, and Analysis of Services and Trends

Data is collected and analyzed to confirm the effectiveness of the Management System. By analyzing data, Management can identify potential weaknesses in the Management System and implement change before an incident takes place, or customer service is compromised and damage to Crowley’s reputation occurs.

SSQE Representatives, alongside Business Leaders

- Identify key performance indicators that can have an impact on Crowley’s Management System
- Determine what data is to be collected and analyzed
- Monitor, measure, analyze, and track performance to verify that their processes are achieving planned results

Some sources used to collect data and identify trends that may require corrective and preventive action:

- Audit findings, internal and external
- Corrective Action Requests
- Customer feedback
- Employee and customer results
- Regulatory inspections and customer vetting
- Hazard recognition
- Incident investigations
- Loss of containment spills
- Lost time incidents and incident rate
- One-on-one customer communication
- Management System reviews
- Near Miss/Loss Reports
- Safety/Security assessments

The results of this information are used to:

- Determine if our performance achieves the service requirement
- Assess characteristics and trends of processes and services, including opportunities for improvement
- Decide how to respond to customer feedback
- Enhance customer satisfaction
- Identify incident trends
- Identify improvements that make Crowley a better place to work
Continual Improvement Process

Continual improvement is key to how we operate our business and the process approach drives our Management System. The system supports interrelated processes to achieve effective results efficiently. The management of the processes and procedures align with our SSQE policy and drive our corporate targets of ZERO harm to people and ZERO damage to the environment and ZERO damage to equipment.

Crowley management and employees work together to develop relevant and accurate procedures. These procedures are reviewed, revised, and controlled to meet company, customer, and regulatory requirements.

Quality performance is the responsibility of all employees, to ensure that we consistently meet our customer’s requirements.

**STEP 1: PLAN**
- Establish the objectives and supporting components needed to achieve planned results
- Determine risks that could cause deviation from planned results
- Initiated the management of change process to assess the impact of planned change

**STEP 2: DO**
- Identify vital behaviors that promote a safe and professional business culture
- Develop processes and procedures to support the plan; communicate and set expectations for accountability
- Train and involve employees in the continual improvement process to achieve an incident free safety culture

**STEP 3: CHECK**
- Business leaders conduct site visits to ensure Vital Behaviors
- Verify Objectives and Targets using input/process/output key measures (SPC: statistical process control)
- Identify and eliminate those activities that are not supported by the Management System
- Document changes to key processes and procedures

**STEP 4: ACT**
- Validate results or improvements and initiate corrective action; study the potential to standard results in other areas
- Review objectives and targets to achieve higher levels of safe, reliable, and quality service for our customers
- Communicate, reward, and celebrate success

The ultimate goal of continual process improvement is to create a company-wide safety culture, while improving business performance to ensure the highest level of customer satisfaction.
Management of Change

The Management of Change (MOC) process provides an orderly method in which changes are identified, requested, reviewed, and approved. A primary objective of the MOC process is to ensure that key elements are in place, prior to embarking on changes that have the potential to impact safe operations, environmental aspects, and quality of service; or impede our drive toward achieving high performance.

Changes are communicated in advance, and the schedule for implementation is coordinated with other activities within and outside the organization.

An effective management of change process will:

- Ensure that appropriate systems, processes, infrastructure, and resources are in place to minimize impact to quality service
- Identify safety and health, security, environmental, financial, and technical aspects of change
- Identify changes in legal, financial, technical, material management, and regulatory requirements
- Assign roles and responsibilities to implement the change
- Communicate change to impacted parties
- Document the change

Crowley business leaders are responsible for outlining the scope of the proposed change and to evaluate any identified risks prior to implementation. This process is designed to provide a clear understanding of the impact to Crowley’s Management System and ensure the integrity of our quality service. Once the scope is established and the evaluation is complete, the managed change must be clearly communicated to all stakeholders, including our customers.

THE MANAGEMENT OF CHANGE PROCESS

- **IDENTIFY**
  - A need for change is identified

- **EVALUATE**
  - Management evaluates the aspects of the potential change

- **PLAN**
  - Perform a Risk Assessment and develop a Project Plan

- **REVIEW**
  - Changes are reviewed by management and others that may be impacted

- **COMMUNICATE**
  - Communicate the changes
Say What We Do, Do What We Say, and Prove It.

Crowley’s Management System documentation is structured into three tiers.

**TIER ONE - Policy**
This *Crowley Management System Manual* and Crowley’s Corporate policies, procedures, and guidelines are the Tier One documents, which provide overall understanding of the company’s Management System and outline the basic requirements to support our businesses’ operations.

**TIER TWO - Procedures**
The Tier Two level manuals describe how we do business. Our businesses develop Tier Two manuals and documentation that support their business function.

**TIER THREE - Operating Guidelines**
Guidelines and work instruction documents make up the third level of documentation and define how tasks or processes are performed. These reference materials may be generated by Crowley, or provided by customers, vendors, and other external sources.
Document Control Process

The document control process ensures that written and electronic internal documents are current at point of use, properly identified, accurate, consistent, approved, and reviewed for suitability and accuracy.

The SSQE department provides a Quality Management System for document owners to maintain the master copy of controlled documents, which are determined by the Organization as being necessary for the effectiveness of the Management System. The current revision status of controlled documents is identified at the front of each manual or in the header/footer of each document to make the changes apparent. Controlled documents are available and suitable for use. Care is taken when storing controlled documents to ensure they are adequately protected.

Only valid documents are available. Obsolete documents are promptly removed or noted as historical.

BUSINESS LEADERS
• Prepare and approve their function/organization procedures
• Review departmental procedures, at a minimum of every two years, and revise them as needed

SSQE MANAGEMENT REPRESENTATIVES
• Review procedures for consistency and compliance with the Management System
• Issue approved procedures

SUPERVISORS
• Provide employees with current Management System documents
• Remove obsolete documents

EMPLOYEES
• Familiarize themselves with documents
• Provide feedback for continual improvement

Examples of controlled procedures and processes designed to meet our internal, regulatory, and customer requirements, while maintaining the integrity of Crowley’s Management System are:
• Vessel and Terminal Operating procedures, and legal and regulatory requirements
• Preventive maintenance requirements
• Inspection and testing of devices
• Planning – control of work
• Management of change, business continuity, and emergency action plans
• Service processes from start to finish
• Personnel qualification standards and training
• Monitoring, measuring, and controls
Records Retention Schedule

Crowley uses a Records Retention Schedule as a tool to guarantee that its records are being kept for as long as legally and operationally required.

A Records Retention Schedule is a live document that employees use to govern how long they should retain records pursuant to existing recordkeeping regulations and legal requirements.

It’s important that employees follow the retention guidelines to mitigate risk and avoid unnecessary exposure in the event of litigation or investigation.

A Retention Schedule is made up of record groups called **Record Classes**. Record Classes are categories of records that relate to the same (or similar) business process. Grouping like records together allows Crowley to apply consistent retention practices to similar records, in hard copy or electronic format.

**CROWLEY LEGAL DEPARTMENT**
- Establishes and publishes the Records Retention Schedule
- Oversees compliance of records retention guidelines by working with Operations Integrity personnel or assigned personnel throughout the Company

**SSQE DEPARTMENT**
- Establishes a records controller and facilitates compliance with the record retention procedures and guidelines

**BUSINESS MANAGERS AND SUPERVISORS**
- Ensures compliance with the Records Retention Schedule for their respective departments
- Ensures records are appropriately reviewed, destroyed, controlled, and accessible

**EMPLOYEES**
- Adhere to the Records Retention Schedule and coordinate with their Records Coordinator to take the necessary steps to destroy, or keep records, according to the retention schedule.

* Please note that a legal hold suspends the imposed retention guidelines.

**RECORDS MAY BE IN AN ELECTRONIC OR HARD COPY FORMAT**
Audit Program

The SSQE Department is responsible for establishing and maintaining the company-wide program expectations for auditing Crowley’s Management System.

Business Management is responsible for maintaining the Management System according to established process and procedures. When nonconformities are identified, Management will ensure that follow-up actions are taken within the defined period. A corrective action plan, with a root cause and a preventive action, is developed to prevent a reoccurrence of the nonconformity. Management is responsible to ensure implementation of the corrective action plan.

AUDITOR SELECTION

Internal Auditors are selected with the trust that they conduct themselves in the highest professional manner, comply with all safety and security requirements, and provide an environment of collaboration and mentoring during the audit process.

Auditors are selected based on the following criteria:

• Ability to promote high standards of ethical conduct through professionalism, independence, integrity, and confidentiality when conducting audits
• Have a good overall knowledge of the Management System they are auditing and the relevant standards
• Have training and knowledge of the standards to which Crowley subscribes
• Auditors will not, in any way, be directly or indirectly responsible for the areas that they will be auditing

INTERNAL AUDITS

Internal Management System audits are used to ensure the implementation, effectiveness, and conformance to:

• Our Management System requirements outlined within the Crowley Management System manual
• The Business’ established processes and procedures
• The requirements of the applicable standards

The Internal Audit Program is designed, planned and managed to ensure vessels, facilities, and departments that are covered under, or supported by the Management System, undergo an internal audit at least once every twelve (12) months.
Third Party Audits

Third party audits ensure that Crowley vessels and facilities comply with company documented processes and procedures, and that they are meeting the requirements of the regulatory and International Standards for which they are certified.

The Crowley Management System includes third party certification of the following international and industry standards:

- ISO 14001:2004 Environmental Management System (ISO)
- International Safety Management Code (ISM)
- International Ship Security Certificate (ISSC)
- AWO Responsible Carrier Program (RCP)
- Maritime Labour Convention (MLC)
- Maritime Transportation Security Act (MTSA)

### ISM / ISO / MLC / ISSC / RCP AUDIT REQUIREMENTS

<table>
<thead>
<tr>
<th>3RD PARTY CERTIFICATION</th>
<th>VERIFICATION AUDITS</th>
<th>RENEWAL AUDITS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OFFICE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Document of Compliance (DOC)</td>
<td>Annual verification of the Management System</td>
<td>Every five years</td>
</tr>
<tr>
<td>S/Q/E Compliance</td>
<td>Annual verification of the Management System</td>
<td>Every five years if certified to be compliant with the ABS Guide</td>
</tr>
<tr>
<td>ISO 9001:2008 for Quality Certification (Q)</td>
<td>Annual verification</td>
<td>Every three years if certified to the ISO 9001 standard</td>
</tr>
<tr>
<td>ISO 14000:2004 for Environmental (E) Certification</td>
<td>Annual verification</td>
<td>Every three years of certified to the ISO 14000 standard</td>
</tr>
<tr>
<td>Maritime Labour Convention (MLC); Seafarers Recruitment and Placement Service</td>
<td>Annual verification</td>
<td>Every three years</td>
</tr>
<tr>
<td>AWO RCP Corporate</td>
<td>Annual not required**</td>
<td>Every three years, unless under ISM, then every 5 years</td>
</tr>
</tbody>
</table>

| **VESSELS**                             |                                                          |                        |
| ISM SMC/VSMP MQ/E Compliance            | Verification between 2nd and 3rd year of certificate date, if compliance with ABS Guide | Every five years       |
| MLC                                     | Verification between 2nd and 3rd year of certificate date | Every five years       |
| ISSC                                    |                                                          |                        |
| AWO RCP Corporate                       | Verification 10% of the fleet unless under ISM**         | Every 3 years          |

**For companies complying with both ISM and the RCP, re-certification audits may be conducted every five years. These audits are conducted by RCP certified auditor(s).**
Identifying Management System Deficiencies

A nonconformity is identified as a deficiency, deviation, or failure to comply with a requirement. Non-conformities are controlled and corrected through a Corrective Action Request (CAR) and followed by a Corrective Action Plan (CAP).

A nonconformity may be identified by:
• Customer complaints or customer feedback
• Customer vetting or third party audits
• Employee concerns or suggestions
• Incident investigations
• Internal audits
• Management System Reviews
• Maritime Labor Convention Surveys
• Near miss reports
• Routine inspections
• Safety assessments
• Safety meetings
• Tests, checks, and measurements

A Major Nonconformity poses an immediate threat of an injury, vessel casualty, or pollution incident, all of which represent a serious breakdown of the Management System. If a major nonconformity is identified during the audit process, the audit shall cease until controls are in place to mitigate the deficiency.

Root Cause Analysis is a process used to uncover causes of problems or non-conformities. This systematic investigation process helps guide people to discover and understand the initiating causes of a problem, with the goal of determining missing or inadequately applied controls.

Preventive Actions are steps that are taken to remove the causes of potential nonconformities or potential situations that are undesirable. The preventive action process tries to prevent occurrence by eliminating causes. A preventive action is taken to eliminate or mitigate a potential occurrence identified through leading indicators such as notable observation, near miss, near loss, or hazard recognition programs.

An Observation is used to document a potential nonconformity. An observation can also be an opportunity for improvement to the Management System.
Corrective Action Implementation

**A Corrective Action Request (CAR)** documents a nonconformity (deficiency) of the Management System. A CAR can be used as a method to communicate, document, and initiate a change to improve Management System processes or procedures. Corrective action is taken to prevent reoccurrence of the deficiency.

**Business** management teams review non-conformities to determine the corrective and preventive action and to design a corrective action plan (CAP) to correct the deficiency. Assigned personnel are responsible for presiding over the implementation of the CAP within a defined time period.

**The SSQE Department** is responsible for managing the corrective action program within the Management System. SSQE provides support to the businesses and reviews evidence of implementation on corrective actions that stem from internal/external audits.

**All Employees** are responsible for identifying and reporting non-conformities, and to participate in CAP implementation. Corrective or preventive action is taken by employees to mitigate, prevent, or correct deficiencies as they occur, when possible.

**Auditors** and **Management** are responsible for reviewing the effectiveness of the Corrective Action implementation. Verification of the Corrective Action’s effectiveness is done at annual internal audits, intermediate or renewal 3rd party audits, or during management visits to the vessel or facility.
Review of the Management System

To evaluate the implementation and effectiveness of the Management System, a review is conducted by management teams and Vessel Masters or the person in charge (PIC).

A management review includes, but is not limited to, the following:

• The planning and outcome of audit activity
• Customer feedback, including complaints
• Evaluation of applicable legal, statutory, and customer requirements to which the Company subscribes
• Internal and external inputs, which might include changes in regulatory requirements, or in processes or organizational change that could affect our Management System.
• Status of incident investigations
• Performance, trending, and monitoring and measurement of
  • Results of loss time incidents
  • Results of internal, customer, and third party audits and surveys
  • Nonconformities and corrective action plans
• Status of actions from previous vessel/company Management System reviews
• Review of effectiveness of planned changes that could affect the Management System, including resource allocation
• The effectiveness of actions taken to address risks and opportunities
• Review of objectives and targets; strategic direction
• Continual improvement opportunities
• Assignment of adequate resources

Management reviews are conducted at least annually. Deficiencies discovered during the Management System review process are recorded and tracked in the company’s quality management system. Identified corrective actions are communicated to the vessels, terminals, and management.

MANAGEMENT SYSTEM COMMUNICATIONS

The business leadership and/or the Designated Person Ashore (DPA) communicates with the Vessel Master or PIC terminals regarding implementation of the Management System. Management System training is assigned to all employees through web based or on site computer training.
Safeguarding the Environment

ENVIRONMENTAL STEWARDSHIP

Safeguarding the environment is a key element of Crowley’s core value of safety. The importance of this environmental part of the safety core value is reinforced in Crowley’s Safety, Security, Quality, and Environmental Stewardship Policy. This policy outlines the organization’s commitment to environmental protection and sustainability, and highlights a priority of not damaging the environment.

Crowley companies have prepared and implemented a variety of procedures, plans, and systems associated with this commitment.

PROCEDURES AND PLANS

Crowley personnel are required to implement a range of procedures to minimize either the risk of pollution or the amount of pollutants released to the environment during company operations. Some of these procedures are captured in:

- Spill Prevention, Control, and Countermeasure Plans
- Vessel Discharge Compliance Document
- Ballast Water Management Plans
- Garbage Management Plans
- Stormwater Pollution Prevention Plans
- Vessel and Terminal Operations Manuals

Many Crowley operations are also subject to requirements to plan for accidents that could harm the environment. Maintaining current preparedness plans, and conducting exercises to test the plans, is another way that Crowley companies protect the environment. Examples of these plans include facility emergency action plans and state and federal vessel response plans.
Safeguarding the Environment

SYSTEMS

Several Crowley lines of business implement environmental management systems that have been developed according to the ISO 14001:2004 standard. These environmental management systems are tools to help the lines of business continuously improve their environmental performance.

Lines of business with ISO 14001:2004 management systems must demonstrate that they have:

• Identified environmental aspects, or elements of the business line’s activities or products that can interact with the environment
• Determined which of these environmental aspects can cause significant impacts, or significant changes to, the environment
• Developed environmental objectives, which are overall environmental goals that are consistent with the Safety, Security, Quality, and Environmental Stewardship Policy
• Developed environmental targets, which are detailed performance requirements that need to be set to meet an environmental objective
• Established and implemented initiatives or programs to achieve their environmental targets

See the figure on the following page for an overview of the path from environmental aspects to actionable initiatives for improving environmental performance.

Crowley’s corporate safety and environmental team has developed procedures to guide business lines seeking certification of their environmental management system through this process.
Improving Environmental Performance

The figure below outlines the path from environmental aspects to actionable initiatives for improving environmental performance.

[Diagram showing the path from environmental aspects to SSQE Policy, with steps for Aspects and Impacts, Significant Aspects, Objectives, Targets, and Environmental Initiatives interconnected through arrows indicating various processes such as assessed to determine, considered to develop, met by achieving, and achieved by implementing.]
Acronyms

The following is a list of abbreviations used in this manual and at Crowley.

ABS - American Bureau of Shipping
AIS – Automatic Identification System
AMS – Area Maritime Security
API - American Petroleum Institute
AWO - American Waterways Operators
CAR - Corrective Action Request
CAP - Corrective Action Plan
CBP – U.S. Customs and Border Protection
CFR – Code of Federal Regulations
COTP – Captain of the Port
CRIB – Casualty Review Investigation Board
CSO – Company Security Officer
CSP – Crowley Safety Program
C-TPAT - Customs-Trade Partnership Against Terrorism
DOT – Department of Transportation
DHS – Department of Homeland Security
DOD – Department of Defense
DOS – Declaration of Security
DPA - Designated Person Ashore
EPP - Environmental Protection Plan
FEMA – Federal Emergency Management Agency
FSO – Facility Security Officer
FSP – Facility Security Plan
HAZMAT – Hazardous Material
HSAS – Homeland Security Advisory System
IC – Incident Command
ICS – Incident Command System
IMT – Incident Management Team
IMO – International Maritime Organization
ISM - International Safety Management
ISO – International Organization for Standardization
ISPS Code - International Code for the Security of Ships and of Port Facilities
ISSC – International Ship Security Certificate
JLA – Job Loss Analysis
JSA – Job Safety Analysis
MARAD – Maritime Administration
MARSEC – Maritime Security
MTSA - Maritime Transportation Security Act
M/V – Motor Vessel
MOC – Management of Change
MR – Management Representative
MRO – Medical Review Officer
MTSA - Maritime Transportation Security Act
NIMS – National Incident Management System
NOAA - National Oceanic and Atmospheric Administration
NRC – National Response Center
NTSB – National Transportation Safety Board
NISPOM - National Industrial Security Program Operating Manual
OE – Operational Excellence
PDL – People Development and Learning
OSHA – Occupational Safety & Health Association
PFD – Personal Flotation Device

Continued on the next page
Acronyms, continued

POC – Point of Contact
PPE – Personal Protective Equipment
PIC – person in charge
RCP – Responsible Carrier Program
RSO – Recognized Security Organization
SATCOM - Satellite Communication
SOLAS – Safety of Life at Sea Convention
SSA- Ship Security Assessment
SSAS – Ship Security Alert System
SSI – Security Sensitive Information
SSO – Ship Security Officer
SSQE – Safety, Security, Quality and Environmental Stewardship
TOM – Terminal Operations Manual
TSA – Transportation Security Administration
TSI – Transportation Security Incident
T/V – Tank Vessel
TWIC – Transportation Workers Identification Card
UC - Unified Command
VSO – Vessel Security Officer
VSP- Vessel Security Plan
USCG – U.S. Coast Guard
VOM – Vessel Operations Manual

Amendment Record

The Crowley Management System Manual is approved and issued by the Vice President, Safety, Security, Quality, and Environmental Stewardship. The Vice President processes authorized changes and distributes amendments in accordance with Crowley Document Control Procedures.

The Master Copy of this Management System Manual is electronically stored in Crowley’s Quality Management System.

<table>
<thead>
<tr>
<th>Revision</th>
<th>Date</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>5th Ed Rev 1</td>
<td>03/2015</td>
<td>Standards Reference page number updates; Table of Contents update</td>
</tr>
</tbody>
</table>
INDEX

Management System Manual

Crowley Maritime Corporation®
9487 Regency Square Boulevard
Jacksonville, Florida 32225
Toll Free: 1-800-CROWLEY
www.crowley.com

Tier One CROWLEY® Management System Manual
www.crowley.com ▶ Revised: March, 2015

Acronyms, 44-45
Amendment Record, 45
Audit Program, 36
- Auditor selection and criteria, 36
- Internal audits, 36
- External audits / Third party audits, 37
Cargo Protection, 26
Commitment, Management and Employee, 10-13
Communication Channels, iii, 13, 40
Confidential / Proprietary Information Notice, iii
Continual Improvement Process, 31
Controlled Procedures, 15
Corrective Action, 39
- Identifying Management System Deficiency, 38
- Corrective Action Implementation / Roles, 39
- Corrective Action Request (CAR), 39
Customer Focus / Service Principles, 24
- communications, 25-26
- customer service, 25
- customer service agreement, 25
- customer satisfaction diagram, 24
- surveys, 13
Designated Person Ashore (DPA), 11, 40
Documents and Records
- control, 33-35
- retention / retention schedule, 35
- three tiers,33
Emergency Preparedness / Response / Business Continuity, 18
Environmental Stewardship, 41-42
- aspects and impacts, 42
- procedures and plans, 41
Feedback Channels, 13
Goals
- environmental, 41
- policy, 6
- quality planning, 23
- safety, 19-20
Infrastructure, 15
Maintenance, 27
Management of Change, 32
Management Representative, 12

Management System
- defined, iii
- emphasis, 8
- framework, 7
- policy, 5-6
- review, 40
Measurement / Data Analysis, 30
Nonconformity, 38
Observation, 38
Person in charge (PIC), 10, 40
Preventive Action, 38
Procurement / Suppliers, 28-29
PureSafety (online safety training), 16
Purpose, 3
Quality, 22-40
- definition (controls and assurance), 22
- identification and traceability, 26
- planning / objectives , 23
- quality goal, 22
Resources, 14-18
Requirements / Standards, 1-2, 7, 17, 37
Risk identification, Management, Review and Controls, 8, 19-20, 31-32, 40, 42
Root Cause Analysis, 38
Safety / Safety Culture, 16, 19-20
- Job Safety Analysis, 20
- Loss prevention practices, 20
- Personal Safety Check, 20
- Stop Unsafe Work, 19
Security, 21
Senior Leader, 10, 11
SSQE
- Policy, 5-6
- SSQE Department / Representatives, iii, 10, 30, 35, 39
- SSQE Standards, 7-8
Support Services, 9, 14, 15, 16
Tier One Manual, 2, 36
Training, 4, 5, 13, 16, 19-20, 34
- People Development and Learning, 16
- Regulatory / Safety, 16
Values, 4
Vendor List, 28
Work Environment, 15