

Perform Air International Inc.
Safety Management System
XIV.02 – Hazard Identification and Risk Management

Revision	Revision Date	Revision Change
N/I	03/29/2024	Re-Issue

1.0 Purpose:

To identify, analyze, assess, and control safety risks found in the operation of Perform Air International Inc. and determine the need for revising or implementing new safety risk controls that are intended to reduce or eliminate the effects of hazards.

2.0 Scope:

All processes utilized by Perform Air International Inc. that might result in an error affecting the safety of the repair station, its customers, or the aviation industry.

3.0 Responsibility:

- 3.1. It is the responsibility of all employees of Perform Air International Inc. to identify and report hazards within the repair station.
- 3.2. It is the Internal Evaluation Manager's responsibility to maintain this procedure.
- 3.3. It is the Internal Evaluation Department's responsibility to investigate any reported hazards within the repair station and initiate corrective action.
- 3.4. It is the responsibility of the Internal Evaluation Department to analyze all reported hazards, and coordinate with the SMS Advisory Committee, when necessary, within the Repair station and report to the Executive Committee on that analysis annually.
- 3.5. It is the responsibility of all management personnel to implement and utilize this procedure within their areas of authority.
- 3.6. It is the responsibility of Department Directors or Vice Presidents to make the final decisions on safety risk acceptance within their departments.

4.0 Definitions:

- 4.1. **Just Culture Process** – The process that establishes an atmosphere where people are encouraged for providing essential safety-related information, while also making clear where the line must be drawn between acceptable and unacceptable behavior.
- 4.2. **Management of Change (MOC) Process** – a formal process for systematic and proactive identification of hazards and of appropriate mitigation strategies and measures to be applied to all changes concerning the safety of services provided by Perform Air International Inc.

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- 4.3. **Safety Risk Management Process** – The systematic approach to ensuring safety risks are managed, which includes the identification of hazards, assessment of safety risks, and mitigation of safety risks. The Safety Risk Management Process shall be utilized to ensure the introduction of any new equipment, procedure, process, system, or change to the existing system is scrutinized for possible hazards and proper safety risk controls are developed.
- 4.4. **Observation** – Insightful process in support of the systematic effort of continuous improvement to product, process, documentation, or environment.
- 4.5. **Hazard** – Any situation or condition that has the potential to cause adverse consequences.
- 4.6. **Hazard identification process** – The formal means of collecting, recording, analyzing, acting on, and generating feedback about hazards that affect the safety of operational activities.

5.0 Procedure:

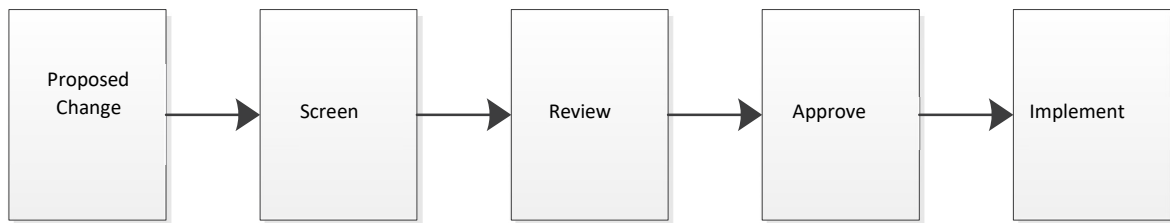
5.1. Safety Risk Management Process

- 5.1.1. Perform Air International Inc.’s quality system requires all changes be processed through the RSM I.10 process. This process ensures all appropriate levels of management review and approves changes within this system.
- 5.1.2. All changes will be reviewed for health and safety implications in the workplace. Changes in resource levels are assessed as part of the change control process.
- 5.1.3. Through this process, levels of risk will be established. Any items found to be “high risk” or in the “red” category will require review and analysis by the SMS Advisory Committee prior to implementation.
- 5.1.4. Change can only be successful if the appropriate personnel participate in the process. A formal Management of Change process provides a structured framework for managing all aspects of the change.
- 5.1.5. The Safety Risk Management Process functions to cover all aspects of the aviation system that may pose a potential safety risk, such as operations, maintenance, design, training, human factors, security, environment, etc. The process aims to ensure that safety risks are identified, assessed, and mitigated to an acceptable level before they are implemented and could result in an accident or incident. It also supports the continuous improvements of safety performance by monitoring and reviewing the effectiveness of risk controls and identifying new or emerging hazards.

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5.2. Management Of Change (MOC) Process

5.2.1. Hazards may be inadvertently introduced anytime externally or internally, when new systems are implemented or existing ones are revised, and additionally when operational procedures are developed. Examples of external change may be due to regulatory requirements, customer requirements, or security requirements. Examples of internal change may be due to the introduction of new test equipment or processes, procedures, systems, or changes to existing systems. Safety Management requires a proactive analysis of the change using the MOC Process below. All internal changes made to the system (implementing new systems, revising existing systems, or otherwise) will first be investigated for hazards via the MOC Process. During a proactive analysis of a system in Perform Air International Inc., information such as the function, purpose, operating environment, procedures, personnel, equipment, and facilities related to the system under analysis are considered primary to the MOC Process.



5.2.2. Department management will review the proposed change and either request change to the proposal or approve the originally proposed change. Once completed by all departments the change can be implemented via the standard procedural revision process (see *RSM I.10*).

5.3. Hazard Identification

5.3.1. The hazard identification process shall be applied via the Perform Air International Inc software system that all staff have access to. The systematic identification and control of all hazards is a fundamental process of the SMS program. The success of the organization depends on the effectiveness of managing hazards and risk. Hazards are primarily identified through:

5.3.2. Reporting

5.3.2.1. Hazard Reporting System

- The Hazard Reporting System will be utilized by all employees who wish to report a safety concern or issue, however insignificant it may be. Employees may issue a Hazard Reporting Form by obtaining one on their assigned company desktop, in the Perform Air International Inc. system software. All forms will be kept confidential, handled only by personnel within the Internal Evaluation or Human Resources Department. If a form must be shared with

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others outside of these departments, then sensitive information will be blacked out prior to sharing to protect confidentiality.

5.3.2.2. Corrective and Preventive Action System

- 5.3.2.2.1. Whenever a Corrective Action, Preventive Action, or Observation is issued: Procedure II.09 will be followed.
- 5.3.2.2.2. The Internal Evaluation Department will be notified whenever an SMS related CAPA is issued so he or she may verify the corrective action.
- 5.3.2.2.3. CAPAs related to SMS will also be analyzed and reported on annually to determine any identifiable trends that would allow Perform Air International Inc. to instill controls that could prevent, or mitigate the effects of, future risks.

5.3.3. Risk Assessment Scorecard

- 5.3.3.1. The Risk Assessment Scorecard will be utilized by employees of Perform Air International Inc. assigned to investigate a safety issue or SMS associated CAPA. This scorecard is used to assign severity and probability to a known or potential hazard, to better assess the level of risk it may pose. Because this reporting is essential to the robust functioning of this SMS system every effort will be made to protect the anonymity of the individual reporting the hazard.
- 5.3.3.2. All communications made by employees following the SMS reporting process shall be made with the assurance that no retaliation / reprisal shall occur to the employee for submitting any information via the SMS system.
- 5.3.3.3. The only exception to this would be a situation where the hazard resulted from an intentional violation of Perform Air International Inc.'s safety policies and procedures and / or the established practices of the OEM or customer.
- 5.3.3.4. The Risk Assessment Scorecard Results will be made available to SMS Committees upon request so they may better analyze maintenance risks. Upon the completion of the investigation the Internal Evaluation Department will generate a written finding report and will enter the investigative information into the CAPA system, omitting the name of the individual who originally submitted the report.
- 5.3.3.5. These reports will be analyzed on no less than an annual basis by the Internal Evaluation Department and SMS Advisory Committee to determine if trends that contribute to maintenance error can be identified.
 - 5.3.3.5.1. If trends are identified the Internal Evaluation Department will inform the President / Accountable Manager of these trends so the appropriate

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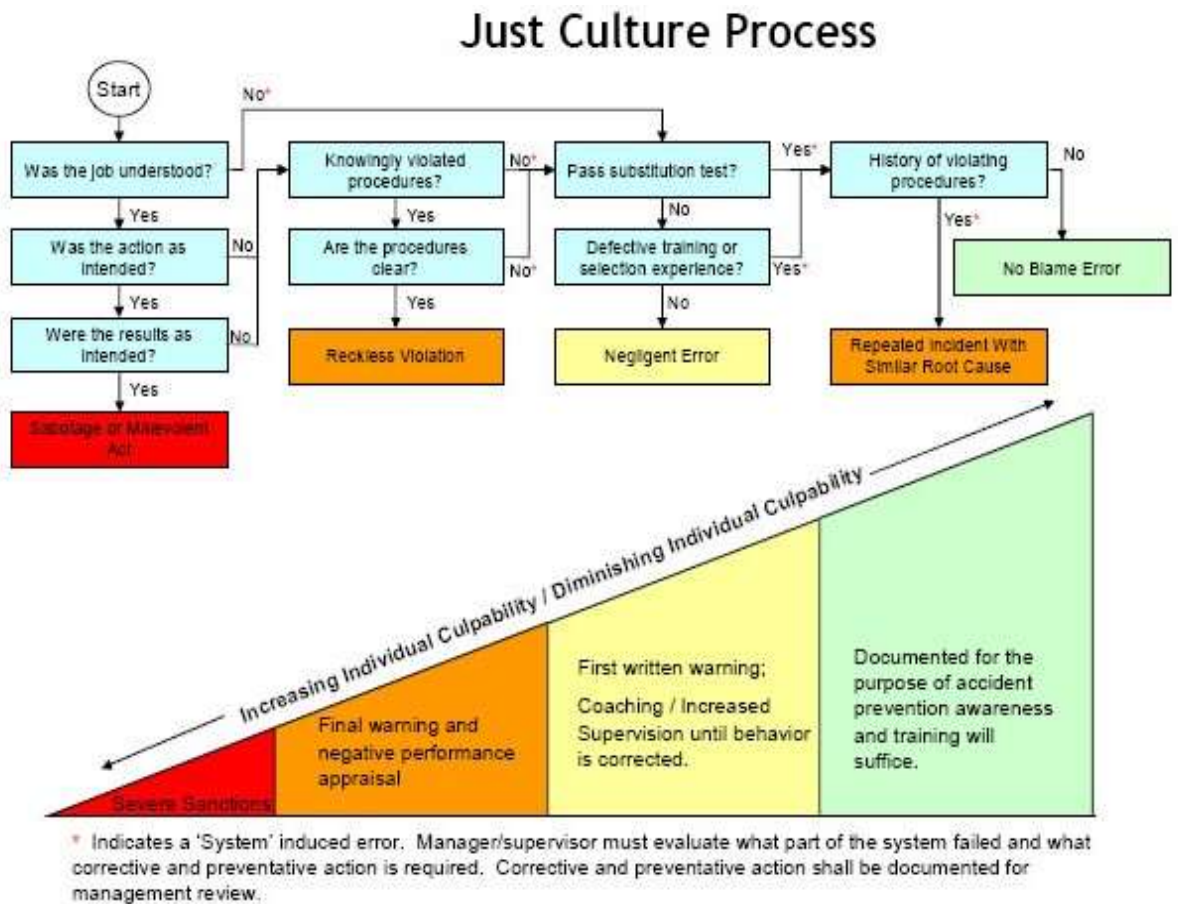
resources can be allocated to prevent, or mitigate the effects of, future errors.

5.3.3.5.2. Should a report uncover an imminent threat to the continued safe operations of Perform Air International Inc. the Internal Evaluation Department will immediately notify the President / Accountable Manager via a written report referencing the CAPA and actions taken to mitigate the risk.

5.3.3.5.3. The reports will be analyzed on an annual basis and the results provided to the SMS Executive Committee at Management Review.

5.3.4. Just Culture

5.3.4.1. The “Just Culture” Process below is used by Human Resources when deciding if disciplinary action is appropriate.



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5.3.5. Safety Meetings

- 5.3.5.1. The Internal Evaluation Department will meet with the SMS Advisory Committee no less than annually.
- 5.3.5.2. The Internal Evaluation Department will meet with the SMS Executive Committee no less than annually.
- 5.3.5.3. The Internal Evaluation Department will meet with the President / Accountable Manager on an ongoing basis as required.

5.3.6. Audits and inspections

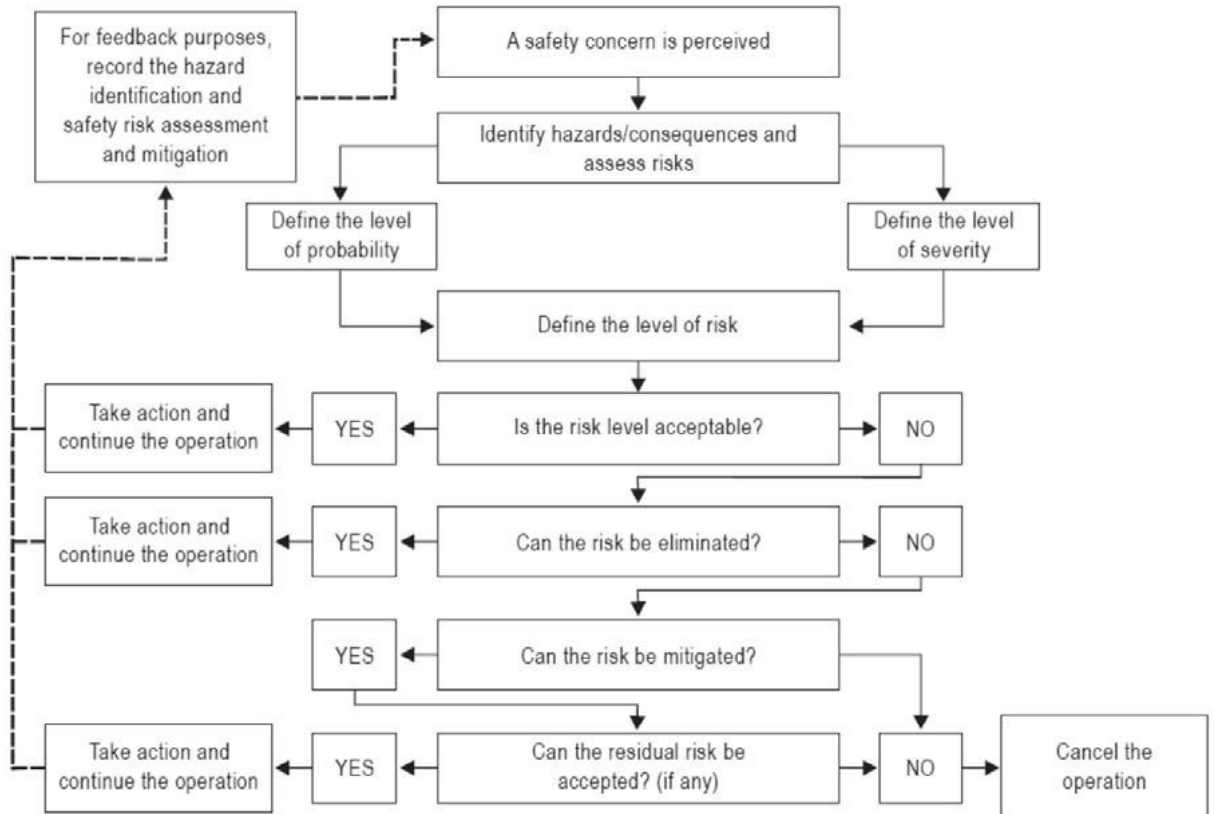
- 5.3.6.1. The SMS shall be regularly audited to evaluate safety improvement efforts and ensure implemented safety risk controls remain effective.
- 5.3.6.2. All audits will be conducted as per QCM Procedure II.11, Internal Audit Procedure, and results thereof will be reported to the Accountable Manager.
 - 5.3.6.2.1. The SMS will be subject to internal audits which will be determined and audited per the procedures listed in the QCM Internal Audit Procedure.
- 5.3.6.3. The SMS will be subject to external audits and or inspections at the discretion of customers and regulatory agencies.
- 5.3.6.4. Once identified, hazards will be documented, and the information tracked and managed throughout the safety resource management process.

5.4. Risk Assessment

- 5.4.1. Once hazards have been identified, *they* will be further assessed for the level of risk they pose via the Risk Assessment Scorecard, V.A. form 52.06.
- 5.4.2. The Internal Evaluation Department will then consult with the appropriate personnel to apply the Risk Assessment Analysis below and determine if the risk is acceptable or not.

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Risk Assessment Analysis



Source: ICAO SMM

5.4.3. If the risk is determined to be acceptable and action should be taken to continue the operation, then the Verification and Validation Processes shall be utilized to evaluate proposed safety risk controls before they are implemented.

5.4.3.1. **Verification Process** – For any safety risk control proposed by personnel during the Hazard Identification Process or Risk Assessment Process, said control must be approved by a member of management within the department responsible for the safety concern.

5.4.3.2. **Validation Process** – Once a safety risk control is proposed and approved by a member of the appropriate level of management, then it must be evaluated in the Validation Process. This process ensures that the risk control is tested and provides the desired outcome for the situation and does not create inadvertent hazards. The Validation Process may vary by department but must be performed before safety risk control is implemented.

5.4.4. The above Risk Management Process will be incorporated into each report generated by the Internal Evaluation Department and provided to the President/Accountable manager.

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5.5. Documentation of SRM processes

- 5.5.1. All records pertaining to safety risk controls established through the processes of safety risk management must be retained for as long as the control remains relevant to the operations under Perform Air International Inc.
- 5.5.2. All outputs of the Safety Risk Management process and procedures above shall be retained per Title 14 Part 5 SMS guidelines. SMS relevant outputs and documents include but are not limited to: Hazard Reporting Forms, CAPAs, Risk Assessment Scorecards, audit reports, and SMS reports. Documents shall be kept according to their retention specified in the Records Retention Table in the RSM.

6.0 Records:

- 6.1. Hazard Reporting Form (PAI System Interface)
- 6.2. CAPA System
- 6.3. Risk Assessment Scorecard (Administrative Form 52.06)
- 6.4. Audit Documentation