

| DESK TOP INSTRUCTION | | | |
|---|--------------------------|-----------------|----------------------------------|
| Instruction title Contractor Safety & Management | | | Instruction # <i>07B-DI08</i> |
| Business System Approval: | Revision Date 9/12/05 | Rev. Level B | Process Owner Approval: |

1.0 PURPOSE

To assure that all companies providing services to the Operating Division are in compliance with Federal, State, Local, Provincial and Company, health, safety and environmental regulations, guidelines and rules when performing work on Company premises.

For the purpose of this procedure "contractor" will be used to represent all companies (*vendors, suppliers, service companies, sub contractors and contractors*) that provide any type services to the organization while on company premises.

2.0 SCOPE & RESPONSIBILITY

The Company and its contractors share responsibility for attempting to ensure that people are not harmed as a result of construction, maintenance or related activities on this Operating Divisions premises and property.

All employees shall take reasonable steps to obtain an appropriate certificate of insurance from any contractor they are seeking services from prior to the contractor working on the premises. However, under "emergency situations" (potential plant shut down) an appropriate certificate of insurance can arrive within reason (48 working hours) of such work being performed.

The Area Manager / Supervisor is responsible for taking reasonable steps to ensure that work undertaken by contractors does not endanger employees or property, for informing contractors of company rules and expectations and for obtaining the appropriate certificate of insurance as required by this policy.

Environmental, Health & Safety Coordinator (EHS) will maintain a list of company names with current certificates on file.

The Purchasing Department will not process a purchase order (requisition) to a contractor unless they have provided a certificate of insurance. Unless they fall under the "emergency situation" (see All Employees above).

Contractors are responsible to comply with this policy.

3.0 METHOD

3.1 Contractor requirements

All Contractors shall have a copy of the signed Subcontractor Information Agreement form on file with the Company.

3.2 Preferred Contractors

Departments will make every reasonable effort to utilize only those contractors that are established within Trans4M to make purchases with.

3.4 Certificate of Insurance

All Purchase Orders issued to Contractors who will be on company premises shall follow section 22, Indemnification and Insurance guidelines as stated on the back of the Company purchase order. See PO Backer.

The minimum coverage requirements should be \$1,000,000 per General Aggregate Limit / per occurrence.

If a certificate of insurance does not meet the minimum requirements, the contractor will be contacted by the requesting party regarding potential adjustments to meet our requirements.

Exceptions may be made on a case by case basis. All exceptions shall be documented, signed and dated on the Certificate of Insurance.

Updated Certificates of Insurance may be requested by the Operating Division annually. The EHS will maintain master copies of Contractor Certificates of Insurance.

3.5 Contractor Incident Reporting

All incidents and injuries involving contractors **must** be reported to the requesting department. All incidents / injuries shall be documented and reviewed on the Incident or Injury Report forms unless a contractor's form is provided. The Department responsible for the contractor is responsible for ensuring reporting is completed. Completed forms are turned into the Environmental, Health & Safety Coordinator.

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3.6 Construction related work (only Construction)

To properly select a construction contractor, we required the following information:

- Contractor's Workers Compensation Experience Modification Rate (EMR)
- A copy of the contractor's most recent OSHA 300 Injury and Illness log
- A list of any sub-contractors that the contractor may use
- Current certificate of insurance with sufficient coverage

The Contractor will be required to provide, upon request a copy of their company's safety manual and/or training records. The safety record of a prospective contractor shall be one of the factors considered in the awarding of a contract for construction related work.

3.7 Contractor Pre-orientation for construction related work (only Construction)

We require a company representative to attend our orientation meeting. This meeting is designed to orient the construction contractor on our safety rules and the importance of contractor safety. We provided each contractor with a copy of the Sub Contractor Information Agreement form to complete prior to construction beginning.

We also request that the contractors train their employees on and document that their employees are aware of our health, safety and environmental guidelines.

3.8 Managing the Contractor

Not only do we want to be sure that we hire a qualified and safe contractor to perform work or services at our facility, we must also manage the contractor while they are on Company premises. The person who requested the services is required to periodically monitor the contractor while on company premises. The EHS can assist with periodic monitoring of onsite contractors, if requested.

3.9 Follow up

If any Health, Safety or Environmental violations are identified the EHS will inform and provide documentation to the requesting department who requires the work or services. The requesting department will be responsible to seek compliance. The EHS is available if assistance is needed.

For Incident / injury reports - A copy of this information is maintained within the Contractors file by Purchasing.
For Complaints – the EHS will ensure complaints are documented on the Environmental Complaint form.

4.0 AFFILIATIONS

- Subcontractor Information form
- Injury Report Form
- Incident Report Form
- Environmental Complaint Reporting Form
- Purchase Order Backer (PO Backer)

5.0 REVISION HISTORY

- 9/30/03 – Initial release for use per ISO14001
- 5/11/04 – Updates for TS16949. Added annual request for Certificate of Insurance.
- 9/12/05 – Reviewed instruction, removed Certificate of Insurance minimum requirements

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6.0 ENVIRONMENTAL IMPACTS AND BENEFITS

Significant Aspect: Biohazard spill containment and disposal

Environmental Impact: Contamination to Environmental and people

Consequence: Avoidable exposure and potential fines from MDEQ/MIOSHA

Benefit: Proper disposal, clean and less hazardous work place

7.0 RECOMMENDED TRAINING AREAS

The Operating Division will train those Employees determined to be "at risk" based on job descriptions at the time of initial assignment and annually as deemed necessary.

8.0 DEVIATION PROCESS

The organization's goal is to ensure all contractors meet the Operating Divisions environmental, health & safety objectives by reporting chemical usage and injuries in a timely manner. Failure to monitor contractors while on company premise may cause unnecessary cost and liability to the Operating Division.