Process Title: HSSE General Safety

Process Objective: Ensure compliance with corporate standards and government requirements.

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1 OBJECTIVE

It is the objective of Mechanical Systems Inc. (MSI), to be an industry leader in incident prevention and to take a proactive, progressive role in the protection of our environment. We believe achieving this objective is integral to maximizing the long-term profitability of MSI.

*In accordance with this policy, MSI shall:*

- Comply with applicable laws and regulations governing occupational HSSE
- Provide a healthful, safe and environmentally secure workplace for employees and other persons affected by our activities
- Maintain an on-going process of workplace hazard identification, take actions to eliminate or decrease the hazards and provide standards, practices and Personal Protective Equipment (PPE) as required to maintain a safe work atmosphere
- Advise employees of their responsibilities to meet safety and environmental standards, make health and safety performance a key factor in individual performance appraisals and evaluate and reward accordingly
- Provide employee training in healthful, safe work practices and environmental protection
- Motivate employees to take personal responsibility for their safety and the safety of their co-workers
- Manage safety like any other key aspect of our business by establishing goals and objectives for continuous improvement, measure and report performance
- Conduct periodic HSSE performance audits at all MSI operations to ensure compliance with existing laws, regulations, policies, and standards
- Devote sufficient resources to ensure exceptional HSSE performance
- Require employees to comply with all HSSE policies and standards
- Require employees to comply with all applicable laws and governmental regulations relevant to their work
- Require employees to report any HSSE hazards, incidents and near miss incidents to their Supervisor, or management, immediately
- Empower employees with Stop Work Authority (SWA) with regard to any activity or situation they deem unsafe.

Through these actions and with the full cooperation of all employees working as a team, we will reach our objectives of being the industry leader in incident prevention and in protecting our environment.
2 CORRECTING AND ADJUSTING THE HSSE-MS

The Manager shall immediately investigate and take the necessary steps to correct any reported malfunction, incident or hazard.

When deficiencies are identified in the HSSE-MS, corrective action or adjustment shall be taken as quickly as possible. In some circumstances, the action needed is beyond the influence of the Manager who identifies the need for change. When such cases arise, the Manager who identifies the need for change shall advocate for the needed change in the HSSE MS.

3 SUPERVISORY PERSONNEL REQUIREMENTS

Supervisory personnel shall:

- Ensure that their employees are aware of and apply all MSI HSSE policies and all relevant laws, rules, regulations, and standards
- Immediately investigate and take the necessary steps to correct any reported malfunction, incident or hazard
- Provide for the proper care and maintenance of MSI property
- Monitor employee work behaviors and safety performance and provide counseling and training as required
- Hold employees accountable for their individual HSSE performance through performance reviews, counseling or disciplinary actions
- Advise all employees of any potential or actual workplace hazards and how to isolate, prevent and remove the hazard(s)
- Arrange for medical treatment (including transportation to a medical District) as required for any injury or illness occurring on a MSI or affiliated location or worksite
- Conduct safety inspections within their area of responsibility
- Promptly correct unsafe conditions or acts which could cause, or have caused, incidents
- Ensure that good housekeeping is maintained in their area of responsibility
- Conduct daily pre-job meetings with their work crew and document the minutes of these meetings

4 ESTABLISH HSSE GOALS

Each Business Unit is responsible for establishing annual HSE goals and objectives within their area of responsibility. These goals and objectives must be aligned with the corporate and operating unit goals.
and objectives. Managers will be held accountable for achieving their HSE goals and objectives during the annual performance review.

5 PROVIDE ADEQUATE RESOURCES

Senior Management of each Business Unit is expected to provide adequate resources for the effective implementation of MSI HSSE program and the achievement of the annual HSSE goals and objectives. In addition to funding, Senior Management are responsible for ensuring that adequate manpower is available to perform HSSE-related tasks.

It is very important that Management allocate employee time to participate in HSSE training, Job Safety Analysis (JSA), safety meetings, behavior observations, etc.

6 EDUCATION AND TRAINING OF EMPLOYEES

Managers shall assure that all employees within their area of responsibility are provided with the education and training necessary to perform a quality job in a safe and environmentally friendly manner.

Managers shall assure that information, instruction, motivation, and assistance are provided to all supervisory staff in order to protect the HSSE of all employees.

Employees will not be allowed to operate any equipment or machinery until trained and qualified.

7 PERIODIC REVIEW OF HSSE MANAGEMENT SYSTEMS (HSSE-MS)

MSI is dynamic in a rapidly changing industry; therefore, management must periodically review the HSSE Management System (HSSE-MS) to determine if it is effective and aligned with the needs of MSI. At lower levels of management, this may simply consist of an informal self-assessment; at upper levels of management this shall be a formal, documented process that is conducted at least annually and anytime a systemic failure is identified.

Management must recognize that the repeated occurrence of the same unsafe behaviors or unsafe conditions are mostly likely a symptom of a failure in the HSSE-MS rather than a failure of a particular individual or group of employees. When HSSE problems occur, Managers must always consider the possibility that they are the symptom of a MS failure.

Tools that facilitate a periodic review of the HSSE-MS are the HSSE reports and audits. The HSSE reports should summarize significant near misses, behavior trends, incidents, injuries, and proactive safety activities.
8 EMPLOYEE HSSE RESPONSIBILITIES

The prevention of incidents and the creation of a healthful, safe and environmentally-sound workplace can only be accomplished if ALL EMPLOYEES assume responsibility for:

- The condition of the workplace
- The actions of their fellow employees
- Their own actions

An employee is defined as all:

- Company employees
- Employees of Company affiliates
- Contractor employees
- Customer employees
- Other visitors on Company property or Company controlled worksites

Employees are responsible for the safe operation of all property (equipment, tools, machinery, vehicles, etc.) at any time that they are on company facilities and company worksites, whether or not the company controls these operations.

Employees shall report to their Supervisor all unsafe or environmentally-unsound conditions, situations and acts they are aware of that could lead to an incident or environmental incident. If there is doubt as to whether the situation could lead to an incident or environmental incident, the employee shall REPORT IT. In cases of serious malfunction where employees are endangered or operations threatened, employees are not required to jeopardize their personal safety, but they should immediately warn their fellow employees, Supervisors, Managers, and anyone else potentially affected by the situation.

ALL EMPLOYEES have Stop Work Authority (SWA) and are expected to use it when appropriate.

9 EMPLOYEE MEETINGS

Each worksite shall conduct a daily pre-job meeting at the beginning of each workday.

The Manager or their designee may elect to have a number of small meetings of small groups, departments, sections, and/or work teams, in place of a large single meeting of the entire facility.

The Supervisor of each fieldwork crew will conduct a pre-job meeting at the customer worksite. Pre-job meetings should last long enough [approximately ten (10) to fifteen (15) minutes] to allow for a review of the Job Safety Analysis (JSA) for the day and to establish standards to handle any problems expected during the coming days work.
A record of these meetings must be kept at the facility for three (3) years from the year-to-date. The record shall contain a list of signatures and names of each employee attending the meetings and the topics covered during the meetings.

In addition to the daily pre-job meeting, the customer, the Company Manager or Supervisor will conduct or participate in special pre-job meetings for safety critical jobs. The purpose of a special pre-job meeting is to insure that any unique or unusual job requirements are reviewed and discussed before the start of the job.

The record requirements for these meetings are the same as the daily pre-job meetings.

**10 EMPLOYEE PARTICIPATION**

Open communication, without the fear of retaliation or reprisal, between the workforce and the management of the company is vital for the growth and success of the Company.

Each employee is encouraged to express their ideas on how to improve operations, standards, equipment, and any other facet of the company business.

If an employee does not believe the immediate Supervisor or the local HSE Representative handled his/her suggestion or report appropriately, the employee can address their concerns to the next level in the HSSE Department.

**11 HSSE COMMITTEES**

The Manager is responsible for the management of the local HSSE Program, and the HSE Committee shall serve in an advisory capacity and perform any HSE activities delegated to them by the District Manager.

Each facility is required to establish a HSSE Committee that meets periodically. The size and membership of the Committee shall be determined by the Manager. An attempt shall be made to assemble a Committee with a broad understanding of the work activities performed by workers at the facility.

Copies of the minutes of each safety meeting shall be maintained by the facility HSSE Representative. Where action items are identified in the minutes, documentation of closure must be generated and kept with the minutes.
12 INCENTIVE/RECOGNITION PROGRAMS

Each Business Unit of the company may choose to establish HSSE Incentive/Recognition Programs. Although these programs may take into consideration negative events, such as incidents, spills, injuries, etc., they shall not be formulated in a manner that creates a disincentive to incident reporting.

To the extent possible, Incentive/Recognition Programs shall be designed to reward proactive behaviors that are above and beyond those expected of employees on a daily basis.

13 MECHANICAL AND OPERATIONAL INTEGRITY PRINCIPLES

All new facilities and equipment designs shall be subject to engineering review prior to construction or fabrication. The review may be performed by an engineer or other personnel deemed competent by the Manager. Engineering reviews shall be documented. Any design modifications or revisions must conform to the Management of Change (MOC) standard.

Maintenance and service of facilities and equipment, including calibrations, shall conform to manufacturers' guidelines and industry standards. Repairs and modifications shall only be performed by qualified and authorized personnel using parts supplied by or meeting or exceeding the manufacturer specifications.

Employees operating equipment are required to report any defect or hazard to their supervisor and ensure the use of defective equipment is discontinued until repaired. The use of defective equipment (tools, machines, material, etc.) is prohibited and shall be identified or marked unsafe by tagging or locking the controls to render them inoperable or must be physically removed from its place of operation.

14 MONTHLY HSSE MEETINGS

The Manager or their designee shall conduct the monthly meeting. This meeting will address HSSE matters that are general in nature and involve the entire facility. Safety topics provided by the HSSE Department can be employed at these meetings. Annual refresher training can also be conducted during these meetings. Each employee is required to attend at least one (1) facility safety meeting per month. Because of schedules, some districts will need to have two (2), four (4) or more meetings each month to ensure that all facility personnel have the opportunity to attend a meeting each month.

A record of these meetings must be kept at the facility for three (3) years from the year-to-date. The record shall contain a list of signatures and names of each employee attending the meeting and the
topics covered during the meetings. If refresher training is conducted at one of these meetings, copies of each attendee's test results must be maintained in that day's meeting file.

15 NEW EMPLOYEE TRAINING

Each new operation employee shall successfully complete at a minimum the online New Hire Training Program for their job type and other Business Unit specific required training before being allowed to work on customer's locations. Employees shall successfully complete the MSI Refresher Training Program or equivalent each year.

16 OFFICE SAFETY

The following are general office safety rules:

- Adjust the lighting and computer video screens to protect eyes from strain. While operating a device with a video display, it is recommended to take a short break every twenty (20) minutes and perform some simple exercises to prevent strain:
  - Focus on objects that are at least 20 feet away
  - Lightly cup eyes with palms and relax for sixty (60) seconds
    - Look away from the screen and roll eyes up and down, around and side-to-side
  - Adjust body position so as to prevent strains to the back, wrists and other parts of the body. Avoid bending, twisting and leaning backward while seated. If a device is needed to improve ergonomic working conditions, talk to the Supervisor or the HSSE Department.
  - Stay alert to the work and the people around the office area.

17 ON-THE-JOB TRAINING

Managers are responsible to ensure that each employee is trained by qualified personnel and is properly trained / instructed in:

- The hazards present in the workplace
- Recognition and avoidance of unsafe conditions and the regulations applicable to the work environment to control or eliminate any hazards or other exposure to illness or injury
- The standards, processes and Personal Protective Equipment (PPE) developed to prevent these hazards from causing injuries, property damage and/or environmental incidents
- The skills necessary to conduct their assigned jobs safely and efficiently while providing product quality and economy
Any regulatory, customer required, and Business Unit (BU) required compliance training. *Managers are responsible to ensure that each employee is properly trained before starting work, when:*

- The employee is first hired
- The employee is appointed to a new job assignment
- The employee is exposed to new substances, processes, standards, equipment, etc. that represent a new hazard to the employee.

### 18 OUTSIDE TRAINING ORGANIZATIONS

Training from an outside organization is acceptable, if documentation is on file verifying the quality and experience of the outside training organization. Approval of the outside organization and the training program by the HSSE Department is required before the students are considered to be properly trained or qualified. When using outside training organizations, the BU must still have all paperwork and documentation sent to the HSSE Department.