

NORTHEAST SHIP REPAIR, INC.

SUBCONTRACTOR SAFETY REQUIREMENTS

General Requirements

The management of Northeast Ship Repair is committed to the maintenance of adequate standards of personal safety and health at all Northeast Ship Repair facilities. Subcontractors and their employees are expected to be trained and act in accordance with 29 CFR 1915, OSHA Standards for Shipyard Industry, 29 CFR 1910, OSHA Standards for General Industry, and any other local, state or federal regulation applicable to the task they are accomplishing. Upon request by Northeast Ship Repair, the subcontractor shall provide training records or proof of current training. Subcontractor's supervisors are expected to conduct their own hazard assessment and use appropriate safe work practices. It is the responsibility of Subcontractors supervisory personnel to insure that their workers have been adequately trained per OSHA requirements and briefed on safe work practices / rules prior to starting work on any Northeast Ship Repair property or on vessels under Northeast Ship Repair control.

Safety Rules

Personal protective equipment including ANSI approved hard hats, safety glasses with attached side shields, and steel-toed safety shoes will be worn in all production areas. Other protective equipment specific to type of work or hazards in the work area (e.g., USCG approved floatation devices, fall protection equipment, goggles, hearing protection, respiratory protection, etc.) will be worn when necessary.

Durable and fitted work clothing shall be worn. Clothing such as shorts, floppy sleeves, tank tops, and other abbreviated clothing shall NOT be worn.

Smoking is permitted only in designated areas and NEVER on vessels. Smoking is NOT permitted inside any office or break areas.

Subcontractor is not to perform hot work such as cutting, welding, grinding or braising without prior permission of the Northeast Ship Repair Project Manager/Subcontract Coordinator and after obtaining a Hot Work Permit (if applicable). No burning, welding or heating shall be done on any bulkhead or deck section until the existing conditions beyond or below the point of work have been thoroughly checked and certified safe by a competent person or certified marine chemist, as required.

Subcontractor employees shall not operate Northeast Ship Repair owned, leased or rented cranes, forklifts, aerial work platforms, floating equipment or any other equipment unless they are qualified to do so and authorized, in writing, by Northeast Ship Repair Subcontract Coordinator, Project Manager / Coordinator, or Craft Management.

Subcontractor employees are expected to understand and follow the applicable Northeast Ship Repair Lock Out/Tag Out procedures at all times. A copy of this procedure can be obtained from the Northeast Ship Repair Safety Department.

Subcontractor employees are expected to understand and follow the applicable Northeast Ship Repair Confined and Enclosed Space safe work procedures at all times. A copy of this procedure can be obtained from the Northeast Ship Repair Safety Department. Where a gas-free condition is required for

work in an area, such condition must be maintained at all times. If the gas free condition is lost for any reason, it must be reported immediately to the Northeast Ship Repair Safety Department or Project Manager / Coordinator.

Good housekeeping shall be maintained in all areas at all times. Designated roadways, walkways and fire lanes shall be clear at all times. Subcontractors must clean their work area of trash, scrap, debris and miscellaneous equipment at the end of each shift and upon completion of the job.

All accidents involving injuries and/or damage to Northeast Ship Repair property or equipment must be reported to the Northeast Ship Repair Subcontract Coordinator and Safety Department immediately. Written accident reports must be submitted as soon as practical, but no later than 24 hours from the time of incident.

In the event that a Subcontractor employee is injured in the course of executing the contracted work, the Subcontractor is fully responsible for attending to the injuries and for payment of any subsequent costs that may be incurred as a result of such injuries (i.e., emergency medical treatment, ambulance services, hospitalization, etc). All invoices received by Northeast Ship Repair, for such costs, will be forwarded to Subcontractor for payment and the creditor will be notified of your liability with regard to payment.

Each subcontractor shall ensure their employees including their subcontractors have read and understand these safety rules before any contractual work is performed. Northeast Ship Repair's prime subcontractors are responsible for environmental, safety and health compliance by their subcontractors.

Fire Safety Plan

The Northeast Ship Repair companies maintain a Fire Safety Plan, which can be obtained, upon request, from the Northeast Ship Repair Safety Department. It is the responsibility of Subcontract employers to establish and maintain a fire safety plan, which complies with the applicable Northeast Ship Repair Fire Safety Plan. A copy of same must be provided prior to starting work on any Northeast Ship Repair facility.

The following is a list of potential fire hazards that may be encountered at Northeast Ship Repair companies: Hot work, fuel gas and oxygen supply lines and torches, storage and handling of flammable or combustible liquids, storage and handling of compressed gases, and electrical hazards.

Northeast Ship Repair companies have a variety of fire protection equipment and systems located throughout its facilities. The following is list of fire protection control measures available at our facilities: Portable fire extinguishers and hoses, fire hydrants, fixed extinguishing systems, raw water system pumps, and an established response protocol with the local Fire Department.

Subcontractor's employees are expected to understand and follow applicable evacuation procedures. Emergency evacuation routes are conspicuously posted throughout the facilities. In the event of evacuation, personnel will select the closest exit not affected by the emergency. Designated areas have been assigned for personnel to assemble. In the event personnel must exit a vessel, the designated area will be at the end of the gangway / pier or craft shop.

It is the subcontractor's responsibility to provide Northeast Ship Repair companies with any known fire related hazards within the scope of work being performed. It also the subcontractor's responsibility to notify Northeast Ship Repair companies of any unknown hazards discovered during the course of their work.

Hazard Communication Program

The Northeast Ship Repair companies maintain a hazard communication program in accordance with 29 CFR 1910.1200 as updated March 26, 2012. The program requires each facility to maintain a listing of hazardous chemicals within the facility and the corresponding Safety Data Sheets (SDS). Said hazard communication program, listing of hazardous chemicals, and/or SDS can be made readily available to any Subcontractor employee upon request to any Northeast Ship Repair supervisory personnel.

Each container of hazardous chemical at Northeast Ship Repair shall be labeled, tagged, or marked with the identity of the hazardous chemical(s) contained therein; and appropriate hazard warnings, or alternatively, words, pictures, symbols, or combination thereof, which provide at least general information regarding the physical and health hazards of the hazardous chemical(s). Signs, placards, process sheets, batch tickets, operating procedures, or other such written materials in lieu of affixing labels to individual stationary process containers may be utilized, as long as the alternative method identifies the containers to which it is applicable and conveys the aforementioned information be on a label. The written materials shall be readily accessible to all employees in their work area throughout each work shift. Labeling of portable containers into which hazardous chemicals are transferred from labeled containers, and which are intended only for the immediate use of the employee who performs the transfer, is not required. Existing labels on incoming containers of hazardous chemicals shall not be removed or defaced, unless the container is immediately marked with the aforementioned information. All labels or other forms of warning shall be legible, in English, and prominently displayed on the container, or readily available in the work area throughout each work shift. Subcontractors having employees who speak other languages may add the information in their language to the material presented, as long as the information is presented in English as well.

When applicable, Northeast Ship Repair supervisory personnel will inform the prime contractor's supervisor / point of contact of any precautionary measures that need to be taken to protect their employees during Northeast Ship Repair's normal operating conditions and in foreseeable emergencies. Prime contractors must inform Northeast Ship Repair supervisory personnel of any precautionary measures that need to be taken to protect our employees during their normal operating conditions and in foreseeable emergencies. This information may be communicated verbally, in writing, and/or by posting appropriate warning signs in the work area(s). It is the responsibility of the prime contractor to notify its employees and tier subcontractors of this information.

If Subcontractors contract requires that hazardous chemicals be transported onto Northeast Ship Repair properties, Subcontractor must first receive permission from the Northeast Ship Repair Safety Department. When requesting permission, Subcontractor must provide a list of the hazardous material to be used to the Northeast Ship Repair Safety Department.

Once Subcontractor is granted permission to transport the chemicals onto the Northeast Ship Repair premises, Subcontractor shall be responsible for the safe storage and handling of these chemicals on site pursuant to applicable regulatory requirements. Disposal of the chemicals and any air emission reporting requirements must be in accordance with applicable federal, state and local laws.

If any subcontractor activity will result in any hazardous waste being generated, prior arrangement for disposal shall be made with the Northeast Ship Repair Subcontractor Coordinator.