

MSI



Safety Manual

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1.01 Introduction

Mid-States Industrial Inc.'s long range goal for its safety program are to:

1. Integrate safety and health into everything;
2. Treat safety as a managed function, like quality and production;
3. Strive to make safety an accepted value to which our workforce is committed, and to develop a strong interdependent organizational safety culture;
4. Strive to develop maximum involvement in safety by our workforce by continuously challenging it to improve our organization's safety performance;
5. Strive to understand site-specific safety concerns before beginning a contract, and proactively communicate safety concerns with our clients;
6. Strive to achieve zero accidents.

1.02 Management and Supervisory Commitment

Mid-States Industrial, Inc. has a strong management and supervisory commitment to the safety of its employees and the employees of our contractees.

We also realize good safety performance is a very real means to improve financial performance of the Company and of our contractees. Our entire management will always make all reasonable efforts to:

1. Foster employee safe behavior by using positive reinforcing recognition, confronting employees' at-risk behavior in a positive fashion, using progressive discipline only when necessary;
2. Provide safety leadership through both actions and words and continually attempt to raise workforce safety awareness;
3. Make all feasible attempts to provide all reasonable resources necessary to the job to ensure good safe job operations;

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4. Encourage our employees to attend safety training classes and ensure that they have the necessary time to do so;
5. Encourage employees to perform proactive hazard recognition, identification and control;
6. Encourage employee input and involvement in safety and pride in their achievements in safety;
7. Improve safety knowledge base of all management personnel through professional development opportunities, reading trade journals and becoming and staying familiar with OSHA regulations, relevant guidelines, and best practices.

1.03 Supervisory Discretion

To the extent that supervisors and foremen are the acting job site safety leadership they have:

1. An obligation to ensure a safe and healthy workplace for all employees in the workforce;
2. Authority and commitment to stopping work anytime a situation is deemed to be immediately dangerous to life or health, or questionably dangerous enough to stop work;
3. An obligation and a commitment to notify our employees and contractees of any situation deemed to be unsafe;
4. Accountability for the safe conditions and elimination of hazards at any jobsite;
5. Strong commitment and accountability to unwavering confrontation of employee at-risk behaviors and recognition of employee safe behavior;
6. Judiciously enact the company's progressive disciplinary system, whenever necessary;
7. An obligation to review our site safety plan with the contractee as well as notifying them of any known or potential hazards we may be bringing on site or creating by our operations and to ask any questions about the contractee's site safety policy, and potentially hazardous existing conditions.

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1.04 Goals

Mid-States Industrial, Inc. realizes that its safety program must be managed just like any other function, through the setting of attainable, measurable goals.

1. At a minimum, Mid-States Industrial will strive to operate in compliance with all applicable OSHA 29 CFR 1926 and 1910 regulations, state and local municipal regulations. Where possible, MSI will adhere to best safety management practices, which exceed OSHA requirements through the following means:
 - A. Required, documented contractor/contractee pre-work meetings to discuss the known and foreseeable hazards, safety requirements, and preventive measures for the work to be done.
 - B. MSI Weekly Safety Checklist will be performed each week and documented. Construction Safety Audits will be performed monthly and documented. These inspections will be performed using checklists for applicable OSHA compliance for all jobsite operations, as well as any other requirements determined in (A) above.
 - C. All safety deficiencies noted in the jobsite inspections will be immediately corrected, if determined to present a serious or moderately serious risk. Documentation will be kept to verify corrective action has been taken before work begins or restarts. Minor risks may be addressed on a "as time permits" basis, but must eventually be corrected.
 - D. Quarterly reviews will be performed to determine the percent of required documentation (A., B.) being done and the quality of the documentation.
2. Accurate recordkeeping is an important factor in achieving our safety management goals. Therefore, another of our goals will be 100% compliance with maintaining documentation pertinent to our safety program's performance. The following records will be kept current and will be reviewed on a quarterly basis.
 - A. Incident reporting
 - B. Accident reporting

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C. OSHA 300 log and 300A forms

D. MSDSs

E. Medical records

F. First aid log

G. Hot work permits

H. Safe work permits

I. Confined space permits

J. Training logs

These documents, when reviewed, will be analyzed for the purpose of better managing/improving our company's safety performance. Analysis will include benchmarking, comparison and trending, to determine where our best improvement opportunities lie.

3. Our safety performance philosophy is to strive for zero accidents. Our operating performance goal will be to consistently fall within the upper quartile of typical industry performance criterion within our standard industrial code for companies our size. This goal will be reviewed on an annual basis and revised with regards to our desire to continuously improve.
4. Our Company's philosophy is, a well trained workforce is a safer workforce. To that end, it is MSI's operating goal to set minimum safety training requirements which will meet or exceed our industry's standards. These standards are documented in the Safety Education and Training Section of this program. Our goal is to have 100% of our workforce trained to this level within 2 years after initiation of this policy 1/01/98 or after date of hire or rehire. Any subcontractor employees hired should be expected to have a comparable level of training.
5. MSI realizes that employee attitude, involvement and commitment are essential factors in achieving good safety performance and establishing a safety culture. To facilitate improving

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our safety culture we will establish a goal of annually measuring these factors through surveying our employees. The results will be used to determine and develop improvement methods and systems.

1.05 Summary

MSI's philosophy is that safety, quality and production are all equally important contributors to achieving the company's business objective of profit and growth. Generally, no single contributor should be considered or stressed as more important than the other. Our operating goal is to address the contributors in an integrated manner, so as to avoid one having any one factor being perceived as more important. We have established a goal of doing things, safely, correctly, and efficiently the first time. Adhering to this safety program is an achievable goal. To enhance these efforts and learn from our deficiencies, we will review how well these factors were integrated in each project in which we are involved.

J. Chris Basso

J. Chris Basso, President

David A. Both

David A. Both, Vice-President

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2.01 General Overview

To be effective, the safety program requires effort and attention from each member of Mid-States Industrial, Inc. Managers and supervisory personnel should meet at least monthly to discuss pertinent safety issues. These meetings can be conducted as part of scheduling or planning meetings. Notes documenting the discussion and names of attending personnel should be taken and subsequently stored with the safety records. Subjects for discussion or review should include:

1. A critique of the general safety activities surrounding each work location, noting positive developments or outstanding deficiencies;
2. Pre-planning for major hazardous work schedules; and
3. Safety audit discussions, OSHA, or other inspections.

In addition, all job supervisors are responsible for the immediate work environment, as well as the actions of all employees who report to or are assigned to them. As such, they must communicate and enforce all safety policies and procedures within their operations.

2.02 Management

Major safety responsibilities or duties are as follows:

1. Has full responsibility for the safety program and the results that are achieved.
2. Assigns authority for the implementation of the safety program.
3. Holds executives, department supervisors and job supervisors accountable for a high level of performance.
4. Measure results of performance.
5. Authorizes the budget and expenditures for safety.
6. Participates in the safety program to show interest.
7. Sets the proper example in safety for all employees.

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8. Asks questions on safety of the field supervisory staff, on a regular basis, to demonstrate the importance of safety to management.

2.03 Jobsite Supervision

Major safety responsibilities or duties are as follows:

1. Periodically inspects work areas and equipment for compliance with work rules and safety standards.
2. Instructs employees on the hazards of the job, how to work safely and according to operating procedures, and on applicable safety and health regulations.
3. Takes responsibility for maintaining a safe and healthful workplace, proper housekeeping, proper illumination and ventilation, and the use of personal protective equipment as required by each job.
4. Sees that all injuries are promptly and properly treated.
5. Analyzes all processes, operations and facilities for hazards and changes or eliminates the hazards.
6. Investigates the causes of all accidents and injuries and completes reports as required.
7. Conducts employee safety meetings and new employee orientations.
8. Makes each employee aware that violation of established safety rules will result in disciplinary action.
9. Compliments safe workers in the presence of co-workers, counsels unsafe workers when no one else is present.
10. Sets the proper example for safety by complying with the safety program and displaying a positive attitude toward the safety program.

2.04 Safety Supervisor

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Major safety responsibilities or duties are as follows:

1. Serves in a staff capacity; line authority is limited to subordinates within the safety department, unless, of course, the person holds another position, which includes line authority in addition to the safety position.
2. Coordinates safety activities.
3. Keeps and analyzes accident records.
4. Coordinates educational activities on safety for all employees, including supervisors.
5. Conducts activities for stimulating and maintaining the interest of employees in safety.
6. Serves on safety committee, if there is one, usually as secretary.
7. Appraises accident investigations.
8. Directs a program of supervisory safety inspections.
9. Keeps informed on applicable governmental safety standards and codes.
10. Represents firm at governmental, association, industry or professional meetings pertaining to safety.
11. Issues regular reports showing safety performance of supervisors, departments or jobs, as well as accident trends.

2.05 Employees

Major safety responsibilities or duties are as follows:

1. Do not perform jobs that they have not been trained or checked out on.
2. Work in accordance with safe job practices and comply with company safety rules.

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3. Use required personal protective equipment.
4. Report unsafe conditions or practices.
5. Make safety suggestions.
6. Serve on safety committee, if requested.
7. Cooperate during the investigation of any accidents that occur.
8. Take an active part and participate in safety meetings.