

CONDITIONS AND RESPONSIBILITIES FOR CONTRACTORS

RISK MANAGEMENT ADVICE NOTE

General

The Contractor needs to ensure that his/her staff and subcontractors are aware of, and comply with, the all Conditions and Safety Regulations while working on site, and are familiar with the operations carried out. This should involve a brief induction as to the particular hazards inherent on the site, and areas where restrictions may apply and supervision is required.

This template is given as an example of the best practice followed by "Company A Ltd".

Public Liability Insurance

1. The Contractor shall at all times have current Public Liability Insurance Policy cover in place, in the joint names of themselves and the company for whom the contract is for. Cover should not be for less than \$1m / \$2m / \$5m / \$10million. Premiums should be paid in full with no arrears outstanding.

The Policy should contain the following, or similarly worded, clause:

"This insurance extends to indemnify each of the Insured hereunder separately in the same manner and to a like extent as though policies had been insured in their separate names. In particular, (but without limiting the generality of the foregoing), the insurance shall be subject to the Terms, Conditions and Exceptions of the Policy indemnify each of the Insured in respect of claims made by the other or by servants or agents of the other. However, each Insured shall be separately subject to the Terms and Conditions of the Policy in the same manner and to a like extent as though a separate policy had been issued, but in no case shall the aggregate amount payable by the Insurers as defined under the heading 'The Limit of Liability' in the Policy exceed the sum stated in the Policy".

2. The Policy, depending on the work, should NOT contain an exclusion for work in connection with:
 - (a) boilers or pressure vessels; or
 - (b) where there is underpinning or need to shore up buildings; or
 - (c) alterations to foundations of machinery.

The standard Policy may have these exclusions, or sub-limits.

The arrangement of insurance does not limit the Contractor's liability.

3. The Contractor(s) shall provide proof of this insurance before commencing work onsite.

Security

It is important that all Contractors, prior to commencing work, report to the Security Office or Reception and provide the following information:

- name of Contractor and contact telephone number
- registration number(s) of vehicles operating onsite
- number of employees working onsite
- location of job.

Vehicles and personnel leaving the plant may be stopped and searched by site security. All Contractors and visitors must be signed in by security or their host / Project Manager. Visitor passes must be worn at all times when working on any site. On leaving the site Contractors and visitors must sign out or their host must sign them out. This register is used in the case of emergency evacuation and therefore its accuracy is critical.

Emergency Evacuation

Should a fire alarm sound, Contractors must cease work immediately and move quickly to the nearest assembly area and remain there until given the 'all clear' to return.

The Contractor is responsible for checking to ensure all their employees have evacuated, and for reporting to Main Control. Location of the Main Control point will vary from site to site and will be advised during the induction process.

Please take note of the Assembly Area close to the work area

Safety

1. (a) The Contractor shall be fully responsible for compliance with:
 - (i) all New Zealand legislation and relevant local By-laws
 - (ii) all National standards or Codes of Practice
 - (iii) the Principal's safety rules and procedures. (Copies available from Project Manager for major project work.)
- (b) The Contractor shall be fully responsible for supervision of its personnel to ensure that they strictly adhere to all site safety requirements and that no 'action' or 'non-action' of the Contractors' or Subcontractors' employees harms site employees or other visitors.
- (c) The Contractor shall appoint one of its personnel as its safety advisor.
- (d) The Contractor's delegated representative/s in charge shall be responsible for coordinating all the safety activities.

2. Health and Safety Inductions

All Contractor and Subcontractor employees working on site(s) must attend a Health and Safety induction prior to starting their work.

This induction will include the following:

- Site Emergency Evacuation Procedures
- Hazards Management
- Accident Reporting
- Training and Supervision
- Contractor and Visitor Responsibilities
- Principles of HACCP
- Permit to works systems in force at the plant.

3. Hazards and Risk Assessments

Contractors are to have, and may be required to demonstrate, a system of hazard management for hazards they are bringing onto the site through use of the following procedures:

Identification / Elimination / Isolation / Minimisation

All methods for control of significant hazards will be at the expense of the Contractor, or by mutual agreement between the Principal and the Contractor.

4. Safety (Hazard) Management Plan

The Contractor shall perform a risk assessment of the work to be carried out in accordance with relevant legislation. Hazards are to be identified, assessed and controlled using the Hierarchy of Controls. The Project Manager shall be consulted in order to determine specific hazards and risks associated with the work during the risk assessment.

Evidence of risk assessments will be required prior to the start of the contract work, as requested either by the Principal's Nominee or the Risk and Safety Manager or Safety Co-ordinator.

5. Recruitment, Training and Key Personnel

- (a) The Contractor's personnel shall demonstrate their ability and skills relative to their qualifications.
- (b) The Contractor shall submit a list of their supervisors and other key personnel to the Principal.
- (c) The Contractor shall, at their own expense, ensure that their personnel have been given the required safety and skills training required by law, before the start of the contract (certificates may be required).

6. Safety Meetings and Communications

- (a) The Contractor shall be responsible for maintaining the safety awareness of their personnel throughout the Contract.
- (b) The Contractor will conduct regular safety meetings.
- (c) The Contractor shall keep minutes of the Contractor Safety Meetings.

7. Reporting of Accidents

- (a) The Contractor shall have an accident reporting system approved by the Principal.
- (b) The Contractor shall immediately notify the Principal or Project Manager by telephone of all accidents resulting in:

- (i) fatalities, serious harm, lost-time injuries and/or any injuries requiring medical treatment to its staff, or any subcontractor
- (ii) non-employee injuries (public)
- (iii) damage to plant or equipment or near misses
- (iv) all actual or potential damage to the environment (spills, emissions, or discharges)
- (v) fire
- (vi) any breaches in these rules and regulations.

Immediate notification shall be followed by a full written report within 24 hours.

- (c) The Contractor will be required to submit monthly accident statistics to the Principal.

8. Occupational Health and Hygiene

- (a) The Contractor will be responsible for:
 - (i) administering First Aid
 - (ii) First Aid supplies
 - (iii) medical examinations required by legislation or OSH
 - (iv) transport to and from any medical treatment providers.
- (b) The Contractor will ensure that their employees are in a fit state to perform the required tasks at all times.
- (c) Where required, the Contractor will comply with OSH regulations or the Principal's guidelines for medical surveillance or industrial hygiene monitoring.
- (d) The Contractor working in any production area must comply with the Company A Ltd's 'Personal Hygiene Policy' and 'Sickness Policy', copies of which are available from the Project Manager. These policies cover such aspects as personal hygiene, habits, clothing, medical conditions and prohibited materials.
- (e) Intrusive Maintenance - any maintenance on existing equipment in any production areas, which may cause contamination with the product, must be cleaned to the approved standard at completion of the work.

9. Alcohol and Drugs

The Contractor shall ensure that at no time during the span of working hours any of the Contractor's staff consume, use or have in their possession, any alcoholic liquor, drugs or other intoxicating substance.

10. Safety Audits

- (a) The Contractor shall allow the Principal's representatives and nominees access to the work, when requested, to enable the Principal to inspect or audit any aspect of the Contractor's operations relevant to safety and the work environment.
- (b) The Contractor shall establish a system of checks and audits to ensure that the work is being performed in accordance with the safety requirements applicable to the work.

11. Conduct of Contractor's Personnel

The Contractor shall instruct their personnel to comply with the following:

- (a) no unauthorised person shall be permitted to be brought onto the Principal's property;
- (b) personal protective equipment shall be used and worn at all times as required;
- (c) good housekeeping shall be maintained at all times, and any spills of chemicals shall be cleared up immediately. Spill kits are located around the site.

12. Permits

(a) Welding and Hot Work

Company A Ltd operates a 'Hot Work' permit system for all employees and Contractors on the site. Details of site requirements must be obtained from the Project Manager, (Safety Manager / Engineering Manager) prior to starting any hot work. Welding screens and fire extinguishers are to be provided by the Contractor for use onsite.

No work involving gas cutting, welding or grinding may commence on the site before a formal permit has been issued by one of the above authorised officers of Company A Ltd

Permits to be issued daily, on an 'individual job' basis.

(b) Confined Space

The Contractor shall notify the Project Manager of all Confined Space work. The Contractor shall conform to Company A Ltd Confined Space Policy and Procedures. It is the responsibility of the Contractor to ensure all their employees are aware and conform to these procedures.

No Confined Space work shall take place onsite without a completed Confined Space Permit, including a risk assessment for the work to be carried out.

(c) Foam-cored Sandwich Panels (FSP)

The Company A Ltd plant contains extensive foam-cored sandwich panelling for insulation and hygiene purposes. Any work on such material must be subject to the "Foam Sandwich Panel (FSP)" work permit system.

13. Subcontractors

- (a) The Contractor will inform the Principal of any Subcontractors before they commence work.
- (b) The Contractor shall ensure that Subcontractors have a safety programme compatible to the Principal's own safety system.

14. Emergencies

- (a) The Contractor shall be familiar with the Principal's emergency evacuation plan.
- (b) The Contractor will ensure that their employees have been trained in the emergency evacuation plan, and know where to go and what to do.

15. Equipment

The Contractor shall provide and operate its equipment in compliance with New Zealand OSH standards or the Principal's standards where they are stricter than OSH requirements.

Equipment includes:

- (a) electrical equipment (including hand torches and generators)
- (b) cranes
- (c) gas bottles - welding
- (d) scaffolding
- (e) ladders
- (f) vehicles
- (g) combustion engines
- (h) high-pressure water jets and compressed air
- (i) chemical cleaning equipment
- (j) tank cleaning equipment
- (k) any other specified equipment.

16. Safety Equipment and Personal Protective Equipment

(a) The Contractor will provide appropriate first aid equipment, fire extinguishers and other safety equipment of an approved type, and shall maintain this equipment in accordance with legal and industry standards. The Contractor shall keep up-to-date records of this equipment and any instructions or training about the equipment.

(b) The Contractor shall supply its personnel and Subcontractor's personnel with protective clothing and equipment as required by OSH or codes of practise. The personal protective clothing and other protective equipment shall be maintained in good condition, and shall be worn on all relevant occasions as indicated by notices, instructions, work permits, safety regulations and good practice. All training regarding personal protective clothing must be documented.

17. Services

Any requirements for electrical / mechanical services must be approved by the Project Manager.

18. Company A Ltd Equipment

The Contractor shall supply all equipment and tools to carry out the work. He shall not borrow Company A Ltd equipment or tools, nor utilise Company A Ltd forklifts, unless specifically arranged through the Project Manager.

19. Environment

At all times the Contractor must protect the environment including the air, water, soil, animal and plant life and noise, and comply with the Resource Management Act 1991 and environmental Local Body compliance requirements.

Any unauthorised spills or potential contamination of the stormwater system must be reported to the Project Manager immediately.

20. Hazardous Substances

The Contractor must advise the Project Manager if they are bringing any Hazardous Substances, including all chemicals, as defined in the Hazardous Substance and New Organism Act, onto the site.

Appropriate measures must be followed including MSDS available, correct PPE and methods of containment.

21. Breaches of Contract

Where breaches of the Contract have been identified to both the Principal and Contractor or Subcontractor, the Principal will have the discretion to suspend or cancel either the Contractor, or Subcontractor, any or all of their employees, or rescind the Contract totally. The Contractor or Subcontractor will meet any costs incurred by this action.

On major Contract Works, a Post Contract Evaluation will take place including Health and Safety issues raised during the work onsite. It is the responsibility of the Contractor to obtain a report from the Project Engineer documenting any issues raised and evaluating the Contractor's Health and Safety performance prior to any retention monies being paid.

Safety Facilities

Note that facilities at Company A Ltd sites vary from site to site.

There is a safety clinic at Company A Ltd sites with a Safety Coordinator available from 8.00 am to 5.00 pm.

This site has a list of first aiders that can be called upon in an emergency. Your Project Engineer will advise you of where this list is located.

Cafeteria

Any Contractors working on Company A Ltd sites who wish to use any onsite cafeteria facilities must arrange this through the Project Manager.

Parking

Any vehicles coming onto a site must report to Security or Reception first and report out. Permission to park onsite must be obtained from the Project Manager and Security Office on duty or Reception.

Staff Facilities / Amenities

These facilities are for Company A Ltd staff only and as such are NOT available to Contractors.

Prohibited Onsite

- (a) No alcohol is to be brought onto or consumed onsite.
- (b) The bringing of children onsite is strictly prohibited for Contractors.
- (c) No animals allowed onsite.

Company Rules and Disciplinary Actions

Contractors and their employees while they are onsite will be subject to the same Company rules as apply to Company A Ltd employees. Copies of these rules are available from the Human Resources Department.

Smoking Onsite

Smoking is not permitted inside any building. Smoking is only permitted in the following designated areas:

- Location A detail
- Location B detail

Disclaimer

The purpose of this Risk Management Advice Note is to assist you in minimising potential loss from exposures which need prompt consideration.

The Advice Note does not imply that all other exposures were under control at the time of inspection.

The options contained in this Advice Note are not intended to be a substitute for appropriate professional advice in relation to any matter. In achieving compliance with these items, fire protection equipment and systems should be installed to comply with the requirements of the relevant local, and/or Government authority. Any equipment installed should also comply with the requirements of the relevant New Zealand Standards and Codes.

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Should you require clarification, information or further advice in relation to this Advice Note, the options, or advice in general related to risk management issues, QBE Insurance (International) Limited is available to assist upon request.

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