

CONTRACTOR SAFETY POLICY

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Palmetto Railways is committed to providing a safe, secure and healthful work site for everyone involved in construction, maintenance, or repair activities on our properties. Further, we are committed to providing protection to the public from all hazards associated with our on-site and off-site construction, maintenance, or repair activities.

All Contractors performing work on behalf of Palmetto Railways (PR) are required to promote our mission of an **Injury Free Workplace**. The prevention of accidents, injury, illness, and environmental incidents is everyone's responsibility.

All contractors and subcontractor tiers are required to implement measures to create a universal awareness that promotes safe practices and strives towards the achievement of **Zero Incidents**.

Each Contractor that performs work on our projects shall prepare and submit their own project-specific Safety Plan. The plan will be tailored to the specific work to be performed on the project by their work force and their subcontractor's work force. The Safety Plan shall be in conformance with the requirements and standards of all applicable governing regulatory agencies, as well as Palmetto Railways' requirements.

New Employee Orientation - every new or reassigned contractor employee shall be provided instruction in the general safety requirements of their job. Palmetto Railways' Safety Standards and Requirements shall also be reviewed with the employee. The contractor shall submit a signed copy of the Employee/Supervisor Certification Form for verifying review by the employee and the supervisor of Palmetto Railways' safety standards and requirements.

Safety and loss prevention must be an integral part of each job. Full participation, cooperation and support are necessary and required to ensure the safety and health of all persons and property involved in the project.

I. GENERAL SAFETY REQUIREMENTS

1. No job is so important, no task is so urgent that work cannot be performed safely. All contractors, contractor employees, and Palmetto Railways' employees are empowered to stop any job or task if they feel it is unsafe.
2. The safety of personnel, property, rail operations, and the public is of paramount importance in execution of the work pursuant to this agreement.
3. The Contractor shall be responsible for the safety of his workers and subcontractors in compliance with Federal, State, and Local Regulatory Agencies including but not limited to the Occupational Safety Health Administration (OSHA) and the Federal Railroad Administration (FRA).
4. Access to PR's property for any contractor personnel is at PR's sole discretion. Such access is only for contractor personnel performing services for PR, and only for the duration of contractor's contract with PR. The contractor shall ensure that personnel comply with PR's instructions regarding security restrictions or other restrictions resulting from emergent conditions.
5. The Contractor shall keep the job site free from safety and health hazards and ensure that its employees are competent and properly trained in all safety and health aspects of the job.
6. The Contractor shall promptly notify PR of any reportable injury (as defined by the U. S. Occupational Safety and Health Administration) that occurs during the performance of work on PR property.
7. The Contractor shall promptly notify PR of any damage to PR property.
8. Contractor employees must not use, be under the influence of, or have in their possession any alcoholic beverage or illegally obtained drug, narcotic, or other illegal substance while on PR property.
9. Contractor shall ensure that all waste is properly disposed of in accordance with applicable federal and state regulations.
10. No open fires are permitted on PR property.
11. All Contractor vehicles operating on PR property will stop at all railroad crossings to be certain the way is clear, and no trains are approaching before proceeding. **See Tracks Think Train.** Service trucks equipped with strobe lights must have the strobe lights illuminated while parked and servicing equipment.
12. The Contractor shall immediately notify PR's Safety & Operating Practice's Department of any hazardous material spill observed on PR property.
13. Contractor employees will participate in and comply with any job briefing conducted by a PR representative. During the briefings, the Contractor and the PR representative will specify safe work procedures, any potential hazards, and Emergency Response Procedures. If any participant has any questions or concerns about the work, he/she must voice them during the job briefing or thereafter as soon as any question or concern may arise. Additional job briefings will be conducted during the work as conditions, work procedures, or personnel change.

14. All track work performed by the Contractor must meet the minimum safety requirements established by the Federal Railroad Administration's Track Safety Standards 49 CFR 213 and PR Track Standards.
15. Contractor shall ensure that all excavations, holes, and trenches are protected to prevent injuries to other workers, railroad employees, or the public at large.
16. Cell phone use is not permitted while operating equipment or vehicles, while performing any work tasks or while walking on PR property. If use of cell phones is required, the equipment or vehicle must stop before use. If walking, proceed to a safe location and stop before using a cellphone. Cellphone use within the foul of any railroad track is strictly prohibited.
17. Firearms are not permitted on PR property unless authorized in writing by PR.

***All personnel entering SCPA property are required to have a Federal Transportation Worker Identification Card (TWIC)**

All Contractors must comply with the following safety procedures when working around any railroad track:

1. Always be alert for moving equipment. Employees must always expect movement on any track, at any time, in either direction. **See Tracks Think Train**
2. Do not step, stand, or walk on the top of the rail, frog, switches, guardrails, track, or other track components at any time unless specifically authorized by a PR representative. **See Tracks Think Train**
3. In passing around the ends of standing cars, engines, roadway machines or work equipment, leave a minimum of 25 feet between yourself and the end of the equipment.
4. Do not go between pieces of equipment if the opening is less than 50 feet as a minimum distance of clearance.
5. Before stepping over or crossing tracks, look in both directions first and be certain no trains are approaching. **See Tracks Think Train**
6. Do not sit on, lie under, or cross between cars except as required in the performance of your duties and only when equipment has been protected against movement and authorized by a PR representative and consistent with all applicable rules and regulations.
7. No tools or materials are left on or about the track when trains are passing.
8. Employees must comply with all Federal, State and local regulations concerning Workplace Safety.
9. Employees must have and display an identification badge indicating their employment with the Contractor.

Palmetto Railways insists that all Contractors must be aware of, understand, and comply with ALL Federal, State and Local Workplace Safety Regulations.

II. JOB BRIEFINGS

The Contractor will conduct daily safety and job briefings with all employees. Job briefings are required before beginning a work activity, when activity or conditions change or when another person(s) joins or leaves the crew.

The following topics should be covered in the job briefing:

- Tasks to be accomplished;
- Work location;
- Contractor employee responsibilities;
- Equipment to be used;
- Specific safety reminder due to a hazardous condition;
- Identification of all potential hazards specific to the area(s) in which they will be working and the tasks they are performing;
- Special instructions due to an unusual situation or practice;
- Type of track protection, if required, along with its time and physical limits and identification of PR's employee responsible for the protection; and
- Emergency response plan/evacuation procedures.

III. FALL PROTECTION

The Contractor must ensure that its employees comply with fall protection requirements contained in:

- FRA's Bridge Worker Safety regulations 49 CFR 214, Subpart B when working on railroad bridges, and
- OSHA's Fall Protection regulations 29 CFR 1910 Subpart D and/or 29 CFR 1926, Subpart M when working on all other elevated structures.

The Contractor must review the fall protection plan with the PR's employee in charge before commencing work.

IV. CONFINED SPACES

The Contractor must ensure that its employees comply with OSHA's Confined Space regulations 29 CFR 1910.146. If it will be necessary to enter or work in a confined space (permit-required or non-permit required), the contractor must review the confined space entry plan with the railroad's employee in charge.

Examples of confined spaces on PR are:

- Sanitary and storm sewer systems
- Underground utility vaults
- Pipe/utility tunnels
- Enclosed railroad cars (covered hoppers, tank cars, etc.)
- Pits

V. EXCAVATION WORK

The Contractor must ensure that all employees comply with OSHA's Excavations regulations 29 CFR 1926, Subpart P along with any and all additional requirements for South Carolina OSHA. If it will be necessary to work in or around an excavation, the Contractor must review the excavation safety plan with PR's employee in charge prior to commencing work. Failure to comply with the required excavation requirements may result in stopping the contractor's work and/or termination of the contract.

Additionally, the following shall apply:

- Contractors planning to excavate as part of their project shall provide to PR prior to the start of the excavation job the name of their assigned and on site **Competent Person** working the project. (If the competent person changes, PR shall be informed immediately.) This individual shall have authority (as defined by OSHA) for all work performed during the excavation. All employees can stop work for any safety concern. A **Competent Person** is an individual, designated by the contractor, who is capable of identifying existing and predictable hazards in surroundings or working conditions which are unsanitary, hazardous, or dangerous to workers, and who is authorized to take prompt corrective measures to eliminate them.
- All excavations and trenches 5 feet deep (or in unstable soil at lesser depths) or greater must be properly shored, sloped, or benched to protect workers from the hazards of moving earth. Contractors must furnish the appropriate tabulated data for the protective system being used upon request.
- All excavation work must be performed to avoid underground utilities and to avoid damaging lines/ pipes.

VI. HAZARDOUS CHEMICALS

In accordance with the Hazard Communication Standard (HCS) issued by the Occupational Safety and Health Administration (29 C.F.R. Part 1910.1200), PR has developed and implemented its Hazard Communication Program. At the specific PR facilities where potentially hazardous chemicals may be present, PR maintains a copy of its Hazard Communication Plan (HCP) which, among other things, includes a list of the hazardous chemicals that may be present at the facility involved and the availability of Safety Data Sheets (SDS). The HCP is available for review by the Contractor and any of its officers, employees and agents. The Contractor shall determine if the Work to be performed by Contractor under normal conditions or in a foreseeable emergency will expose the Contractor, its officers, employees or agents to any hazardous chemicals on PR property as listed in the HCP and if so shall (1) review the HCP for the specific facility involved, and (2) inform its officers, employees and agents of such hazardous chemicals and that they may review PR's HCP and obtain copies of applicable SDS.

The HCS also requires that the parties to this Agreement exchange SDS, as well as any additional information about precautionary measures necessary to protect both parties' employees where exposure may occur. The Contractor shall provide such information to PR, its officers, employees and agents, before the Contractor uses any hazardous chemicals (as defined in the HCS) in, on or about any premises or facilities of the PR.

In the event of a spill involving hazardous chemicals, the Contractor must immediately contact PR's Safety & Operating Practice's Department.

VII. ROADWAY WORKER PROTECTION

The contractor must ensure that all Contractors performing work on or about track infrastructure comply with the FRA's Roadway Worker Protection regulations as required by 49 CFR 214.343 when they are working within 25 feet of any track. Written documentation of training and qualification must be carried by Contractor employees.

VIII. "HOT WORK"

As referenced in this section, "Hot Work" is defined as any work activity that produces sparks or open flame. Hot Work includes, but is not limited to, use of abrasive wheels to cut or grind; thermite welding; flash-butt welding; arc welding; cad weld bonding; and use of a torch. No Hot Work shall be performed by the Contractor unless the Contractor has (1) contacted PR's Safety & Operating Practice's Department to review the Contractor's "Fire Risk Assessment" and "Fire Prevention Plan", and (2) determined that all preventive measures have been taken.

IX. CLOTHING

The Contractor is responsible to ensure that all employees will be suitably dressed to perform their duties safely and, in a manner, that will not interfere with their vision, hearing, or free use of their hands or feet. Specifically, the Contractor's employees must:

- Wear clothing appropriate for the specific duties being performed to ensure safety.
- Always wear a waist-length shirt with sleeves and ankle-length pants.
- Wear hi-visibility vest or clothing while on or about tracks.

Contractor employees must not wear loose or ragged clothing, neckties, finger rings, or other loose jewelry while operating or working on machinery.

X. PERSONAL PROTECTIVE EQUIPMENT

The Contractor shall require its employees to wear personal protective equipment (PPE) as specified by OSHA and PR rules and regulations.

On-Track Work Equipment

It is the responsibility of the Contractor to ensure all on-track and/or off-track equipment is in a safe condition to operate. There must be a written inspection process regarding daily, weekly and other periodic inspections for work equipment operated on PR property, including inspections mandated by FRA, The Association of American Railroads (AAR), and/or OSHA. In addition to the inspection process there must be a maintenance process that includes timelines regarding resolution of safety sensitive defects. If, in the opinion of the PR representative, any of the Contractor's equipment is unsafe for use, the Contractor shall remove such equipment from PR property. The Contractor must ensure all equipment operators are duly trained and qualified and that all equipment is operated safely, as designed and intended, and in compliance with all governing federal, state, and local regulations, and consistent with Contractor and PR operating and safety rules.

XI. CONTRACTOR VEHICLES/EQUIPMENT (OFF-TRACK) ON PALMETTO RAILWAYS PROPERTY

All vehicles and equipment on a PR's jobsite shall comply with the appropriate state license requirements and contain documented proof of compliance. Vehicles and equipment such as cranes, forklifts, etc., shall also maintain current and valid inspection documentation if required by law.

All contractor equipment, machinery and highway vehicles must:

- Be in good working order (including lights and safety devices such as back-up alarms, if so required) and be properly serviced and maintained.
- Be safe for their proposed use.
- Be equipped with appropriate emergency equipment based upon contractor's risk assessment.
- Only authorized and properly licensed employees are to be permitted to operate contractor vehicles and equipment on PR sites.
- All equipment must be operated in a defensive manner and all drivers/operators must obey all traffic laws, highway and jobsite vehicle restrictions. Vehicles shall not exceed 15 mph while on PR property.
- Seat belts must be worn except when hi-railing.
- All accidents must be reported immediately to your supervisor.
- Passengers are not permitted to ride in the back of pickup or section trucks or on any equipment not properly outfitted for passengers.
- No smoking while refueling.
- All vehicles and equipment shall be properly parked in the designated locations for contract workers.
- Only authorized vehicles are to be left on PR property overnight.
- All vehicles entering upon PR property are subject to inspection by designated PR personnel.

XII. WORKING AROUND LIVE TRACKS (RED ZONES)

Prior to beginning work on live track, the Contractor must notify a PR representative and a job briefing must be conducted with the PR representative. Contractors performing work on or about track infrastructure are governed by FRA Roadway Worker Protection regulations, referenced in 49 CFR 214, Subpart C, which requires some form of On-Track Safety prior to fouling any track.

Red Zones are defined as that area between the ends of crossties of any track. When equipment is present, it extends to the side of the equipment, and 25 feet from the ends of the equipment.

A person is considered to have entered the "Red Zone" when:

- Any portion of his body enters the space between the rails, or
- Any portion of his head or torso enters the space between the ends of the ties or side of the equipment.

In order to stay safe in the Red Zone, always comply with the following:

Alert to Train Movement

Contractor employees must expect the movement of trains, engines, cars or other moveable equipment at any time, on any track, and in either direction. **See Track Think Train**

Sufficient Distance

Maintain a safe distance from equipment and DO NOT:

- Cross or step a foul of tracks in front of or behind moving equipment at any time
- Go between standing equipment if the opening is less than 50 feet.
- Cross tracks in front of or behind standing equipment unless there is at least 25 feet of clearance between the employee and the equipment.

Line of Sight

Keep sightlines clear at all railway crossings and where there is frequent employee or pedestrian traffic. Vegetation, materials, equipment and other obstructions must be removed if they affect the ability to see train traffic at public or private crossings. **Contact a PR representative immediately if the minimum line of sight is compromised.**

XIII. FIRE PREVENTION AND HOUSEKEEPING

The Contractor shall take care to avoid any hazardous, unsafe, unhealthy or environmentally unsound condition, activity or spill on PR property. The Contractor shall maintain PR property in good condition and free from the accumulation of waste products and debris. The Contractor shall not permit any debris, materials, work products, or water used to rinse equipment, to be discharged or spilled on PR property or into any adjacent lands, ditches, streams, ponds, sewers, etc. The following shall apply:

1. All flammable liquids must be stored in designated areas at all times. Refueling is to be done only at designated areas.
2. Fire suppression equipment is to be inspected on a regular basis. All discharged, damaged or missing equipment shall be immediately reported and/or replaced.
3. Access to fire extinguishers must be kept clear at all times. Make note of the location of firefighting equipment in your work area during the daily safety brief. Fire protection must be available within 50' of the operation.
4. Keep your work areas free of debris. Remove useless material from the work area promptly to help reduce tripping hazards.

5. Maintain awareness of potential hazards when walking about the job site.
6. Keep tools, materials, and equipment out of walkways and stairways at all times.

XIV. PLACEMENT OF ABOVE GROUND STORAGE TANKS

Contractors shall not place aboveground storage tanks (AST) on a PR jobsite without the approval and review by PR. When the request is approved the Contractor will be provided a permit indicating the requirements for the AST. All tanks placed on PR property must have spill protection and adequately protected from vehicular traffic. The contractor or subcontractor must provide written procedures as to how they will refill their AST's. This information shall include tank size, contents, and the vendor name(s) and license number(s) of the trucks to conduct refueling.

XV. INCIDENT AND ACCIDENT REPORTING

All accidents and incidents must be reported promptly by the Contractor to PR. The Contractor shall provide PR with as much detailed information as possible, including:

- Time of incident;
- Location of incident;
- People involved/witnesses;
- Extent of injuries and/or damage;
- Description of incident including the cause of incident, if known, and
- Contractor's name and telephone number.

In the event of an environmental spill or any spill that could have a negative impact of the environment, the contractor shall also provide PR with the following information:

- Description of location and surrounding area, including any sensitive environmental areas nearby (e.g. rivers, parks, sewers);
- Type and quantity of substance released;
- Cause of spill or deposit, if known; and
- Details of any immediate action taken, or action proposed to be taken to contain spill and recover substance.

XVI. SEVERE WEATHER

PR reserves the right to suspend work due to a weather even such as a hurricane or other event in which PR deems it is not safe to work during. Contractor is expected to secure the site and protect the work until allowed to resume work by PR. **(Contractor shall refer to all applicable contracts for additional information regarding work stoppages due to severe weather and Force Majeure Events).**