

WORK HEALTH AND SAFETY PROCEDURE

Conditions of Work – Contractor/Subcontractor

Introduction

The Work Health and Safety Act 2012, in South Australia and in other States, place a legal obligation on employers to ensure, so far as is reasonably practicable, that employees are safe from injury and risks to health whilst at work. These requirements also extend to contractors and subcontractors working for The Mercorella Group of Companies, as well as the employees of contractors and subcontractors.

Under the Work Health and Safety Act 2012, contractors/subcontractors (like employers) have certain duties, and these include:

- Provision and maintenance of safe working environment;
- Provision and maintenance of safe systems of work;
- Provision and maintenance of plant and substances in a safe condition;
- Provision and maintenance of adequate facilities for the welfare of employees, as outlined in the regulations.
- Provision of information, instruction, training and supervision, which is necessary to ensure that each employee is safe from injury risk to health.
- Compliance with relevant State Acts, Regulations, Standards and approved Codes of Practices.

To ensure that these obligations are met, every contractor/subcontractor and their employees are bound to adhere to the requirement of the Act and specific site safety standards.

Acceptance of an official The Mercorella Group of Companies contract confirms the acceptance of the requirement to comply with this document, which is indicated by reaching the standards outlined and signing the Contractor/Subcontractor Agreement (Form No WHS 010).

General Requirements

Contractors/subcontractors will be required to comply with The Mercorella Group of Companies' Work Health and Safety Policy (WHSP0001), Company General Safety Rules (WHSI0001) and Drugs and Alcohol Policy (WHSP0009) whilst present at and/or carrying out work within the Company's premises.

Contractors/subcontractors are required to be of sound health before offering their services to the Company.

When requested, contractors/subcontractors will be expected to produce a copy of their own Safety Policy Statement on acceptance of our Company Order, and the contractor/subcontractor will identify the person responsible within their organisation for work health and safety in accordance with the requirements of Form No. WHS010 (Contractor/Subcontractor Agreement).

The workplace environment is that which is provided by The Mercorella Group of Companies and it is required on their part to provide the contractor/subcontractor with a safe workplace.

Contractors/subcontractors are reminded that they should be familiar with the Work Health and Safety Act 2012 and Regulations and relevant Industry Codes of Practice.

The contractors/subcontractors work area should be maintained in a safe condition at all times - left clean and tidy at the completion of the job.

Contractors/subcontractors will be held responsible for payment of any additional costs incurred which result from their adoption of unsafe work-practices and/or use of unsafe machinery, tools, appliances, plant and equipment.

Entry

All contractors visiting the premises of The Mercorella Group of Companies must report to Reception, sign in and establish contact with the Manager who employed their services. This Manager is responsible for the explanation of company safety rules and conditions and is referred to throughout this document as the "Manager in Charge"

A formal Induction will be conducted by the Manager in charge for each person involved in the contract who comes onto a Mercorella Group of Companies' site. A checklist (Form No WHS035) shall be used and each person will be required to sign a copy of this before work commences for the first time.

Communication

The Contractors/subcontractors Representative (on-site contact) shall make himself/herself known to the Mercorella Group's on-site Manager in Charge and exchange contact details before commencing any work.

Any accident or injury sustained by Contractors/subcontractors and/or their employees whilst engaged on work for the Company must be reported immediately to the Manager in Charge. Employees may receive first aid treatment for all injuries from The Mercorella Group of Companies first aid officers.

All incidents/accidents or near misses shall be reported to the Manager in charge and by completing The Mercorella Group of Companies' Incident Report Form (Form No WHS023) and lodge the report with the Manager in charge.

Contractors/subcontractors must comply with any instruction issued by the Manager in Charge relating to Work Health and Safety.

Security

Each day, Contractors/subcontractors personnel must report to the Manager in charge when coming on-site.

Emergency exits should not be used except in the event of an emergency or with the prior approval of the Manager in charge.

Food Safety

All Contractors/subcontractors shall:

1. Study, understand and fully observe the requirements of the Good Manufacturing Practice – Maintenance Personnel (Work Instruction QWI001)
2. Ensure that the safety and quality of food is not compromised by any collisions, spills, splashes, shards or grinding sparks. Arrange to have food moved to a safe location or cover.
3. All spills cleaned up immediately.
4. Ensure that temporary repairs/improvisations are not conducted.

Safe Working Practices

All Contractors/subcontractors shall:

1. Study, understand and fully comply with the Company's Work Health and Safety Rules.
2. Report any safety hazard within their work area, including site amenities, malfunction of any machinery, plant or equipment, or any unsafe work practice seen on the Company's premises and any other factor whatsoever affecting personnel safety to the Manager in charge or supervisor.
3. Conform to all written or verbal instructions given to them to ensure their personal safety and that of other company personnel, property and premises.
4. Be sensibly and safely dressed for the particular working environment or activity.
5. Conduct themselves in an orderly manner in the workplace and refrain from any form of horseplay.
6. Use all safety equipment and/or protective clothing as may be provided and/or is instructed to be used in the Company workplaces by the Manager in charge.
7. Avoid improvisation in any form which could create an unnecessary risk to their personal safety and to the safety of others.
8. When applicable, ensure that all tools, machinery, vehicles, plant and equipment are in good condition before usage, and any defects must be reported to the Manager in charge or supervisor as soon as possible, as and when they occur.
9. When work is being carried out on plant and equipment which will be required to NOT OPERATE whilst such work is being carried out, the Contractor/Sub-contractor must ensure

compliance with our isolation or lockout procedures, whichever is relevant for the contracted work. Check the procedure with our Manager in charge.

10. Not attempt to lift, carry or move any article which due to its size, weight or location would be likely to cause injury.
11. Report all accidents and injuries to the Manager in charge or supervisor whether injury is sustained or not, and all injuries, however minor they may seem to be must be immediately and properly treated by the authorised company First Aider.
12. When appropriate, attend any training courses and/or safety meetings designed to further the provisions of the Company's Workers health and safety.
13. Be aware of the fire evacuation procedures, the position of fire alarms, firefighting equipment, and the Company's designated personnel assembly points in case of need.

In addition to the abovementioned responsibilities the Work Health and Safety Act 2012 - places legal duties and statutory responsibilities on all workers.

These worker responsibilities are:-

Section 28 of the Work Health and Safety Act 2012 stipulates as follows -

While at work, a worker must:

- a) Take reasonable care for his or her own health and safety; and
- b) Take reasonable care that his or her acts or omissions do not adversely affect the health and safety of other persons; and
- c) Comply, so far as the worker is reasonably able, with any reasonable instruction that is given by the person conducting the business or undertaking to allow the person to comply with this Act; and
- d) Co-operate with any reasonable policy or procedure of the person conducting the business or undertaking relating to health or safety at the workplace that has been notified to workers.

Safe Systems of Work

All work must be carried out in accordance with the Work Health and Safety Act 2012, Safety regulations and specified ASA Standards relating to work health and safety.

All materials, substances, tools, plant, machinery and equipment of any kind which have any potential health, fire, explosion or safety risks in any way must be used strictly in accordance with all current Regulations, and full details, before usage, must be given to the Manager in charge prior to commencing work in any Company workplaces. Current SDS's shall be maintained and made available for all hazardous substances before bringing onto site.

Electrical Work

Contractors/subcontractors shall maintain their tools, saws, electrical equipment etc. in a good, efficient, and safe working order at all times. Electrical tools must be tested and tagged. A residual current device (RCD) shall be used with electrical equipment and power tools at all times.

In the case of work on the electrical system, the power board shall be locked and tagged to the effect that work is being performed. The key will be retained by the contractor or their employee undertaking the work and surrendered only on completion of the work.

Cutting or Welding

1. Permission (hot work permit WHS050) must be obtained from the Manager in charge before any welding or cutting equipment is used inside or on the grounds of any Mercorella Group of Companies' work place.
2. Access to the area where cutting is to occur should, where practical, be restricted to avoid contact with staff.
3. Non-combustible or flameproof shields or screens must be provided to protect employees from direct rays and all precautions taken against fire and explosion risk.
4. Contractor or their employees are responsible to see that a fire watch is maintained and all adjacent combustible materials are protected or removed.

Insulated Sandwich Panels (ISP)

1. Permission (cold work permit WHS046) must be obtained from the Manager in charge before any work is conducted on any Insulated Sandwich Panel where the outer panel is penetrated.
2. No heat producing cutting/grinding/drilling equipment is to be used directly on the panels.
3. Hot work is not to be carried out on any ISP
4. Electrical switches and other fittings shall not be recessed into the panel.
5. All penetrations are to be covered with a permanent cover and sealed and no exposed foam core or other hazardous panel conditions remain after completion of work.

Working at Heights

Contractors/subcontractors are not permitted to alter, erect or use any scaffolding on Company premises unless authorised by the Manager in charge.

Any scaffolding used by contractors/subcontractors is the full responsibility of the contractor/subcontractor and his employer or supplier of same, who will inspect the scaffolding when it is erected to ensure that it is erected and maintained in accordance with the requirements of the Work Health and Safety Act 2012 unless otherwise directed by the Manager in charge.

Ladders including non-slip feet ladders must be securely fixed at the top at all times. Personnel, who are working under or adjacent to ladders that are in use, must wear safety helmets.

Safety Harnesses must be used when there is a risk of a specific fall, e.g. roofs, tanks and confined spaces.

Motor Vehicles

Any motor vehicles within the grounds of the work place should adhere to the established speed limit and be vigilant for pedestrians (The Mercorella Group of Companies employees and the general public).

- Vehicles must park only in designated parking zones.
- Vehicles parked on inclines or slopes must be chocked.

Safety Equipment

The Mercorella Group of Companies expects all contractors to issue their employees with appropriate personal protective equipment for the work being undertaken and have in place a supervisory system to ensure the correct use of personal protective equipment by their employee.

The Mercorella Group of Companies expects the following standards to be observed.

- SAFETY HELMETS will be worn in the designated areas.
- SAFETY VESTS (High Visibility) shall be worn at all times whilst on site
- SAFETY GLASSES MUST be worn when using grinders, angle grinders, abrasive cutting tools or concrete or wood cutting equipment, and when working in the designated areas.
- SAFETY FOOTWEAR: It is a company standard that approved safety footwear is worn in all hazardous areas and it is essential that contractors/subcontractors and their employees do likewise.
- FORKLIFT TRUCK DRIVERS must seek approval from the Manager in charge before operating a Company Forklift and have the appropriate High Risk Licence. All drivers shall satisfy The Mercorella Group of Companies that they meet company safety standards while driving the vehicle.
- CONFINED SPACES. When working in a confined space, clearance to enter any of these spaces must be arranged with the Manager in charge and/or relevant Operations Manager. The confined space procedures of The Mercorella Group of Companies must be followed. The Mercorella Group of Companies' policy complies with the Code of Practices for Confined Spaces, and the Work Health and Safety Regulations. Prior to entering the confined space, a contractor/subcontractor must obtain an ENTRY PERMIT (see Regulation 67).
- EMERGENCY PROCEDURES & SITE EVACUATION. A statement of the emergency procedures and a site plan for the evacuation areas is posted on notice boards. It is the Contractors responsibility to make sure their employees are aware of their contents.
- In an EMERGENCY please leave the area and go to the evacuation area allocated.
- The Mercorella Group of Companies observes a NO - SMOKING POLICY in all buildings, company vehicles and designated areas.
- HEARING PROTECTION must be worn in designated areas.

Any failure by a contractor or their staff to use the appropriate personal protective equipment may result in the cessation of work at no cost to The Mercorella Group of Companies and may cause The Mercorella Group of Companies to consider the action as a breach of contract.

Safety and Risk Control

The Mercorella Group of Companies will conduct periodic inspections of the Company's premises and other workplaces with a view to monitor all aspects of workplace safety. Contractors shall be informed of any hazards, defects, or any other occupational health and safety matter noted and will be expected to take immediate remedial action.

Enforcement Procedures

1. Failure to comply with these requirements will result in the Manager in charge, Work Health and Safety Representative or Supervisor drawing the contractors' attention to the breaches in safety procedure or practices.
2. Where deemed necessary by the Manager in charge, a cessation of work will occur until the safety issue is corrected to the satisfaction of the Manager in charge, and the Work Health and Safety Representative, whose work group is involved.
3. Subsequent failure of the contractor/subcontractor or their employees to comply with The Mercorella Group of Companies' Work Health and Safety policy and procedures may result in the termination of the contractor's services by The Mercorella Group of Companies.