



Key Technology, Inc.

**Process Safety Management
Contractor Responsibilities
Program**

September, 2014

Key Technology, Inc.
Process Safety Management- Contractor Responsibilities

Purpose:

The purpose of Process Safety Management (PSM) is to prevent or minimize consequences of catastrophic releases of toxic, reactive, flammable or explosive chemicals in various industries such as refineries. The requirements of a Process Safety Management Program are outlined in 29 CFR 1910.119. Key Technology, Inc. employees will perform work at job sites that are covered by this standard. Therefore, the purpose of this written program is to ensure our employees are trained in the practices necessary to conduct their work at PSM covered work sites and to ensure they abide by the safe work practices of the employers that hire us to perform various jobs.

General:

Contractors under the Process Safety Management program are those who are involved in the installation or maintenance of equipment and systems at a facility that has one of the following:

- (i) A process which involves a chemical at or above the specified threshold quantities listed in Appendix A to 29 CFR 1910.119.
- (ii) A process which involves a flammable liquid or gas (as defined in 1910.1200) on site in one location, in a quantity of 10,000 pounds (4535.9 kg) or more except for:
 - (A) Hydrocarbon fuels used solely for workplace consumption as a fuel (e.g., propane used for comfort heating, gasoline for vehicle refueling), if such fuels are not a part of a process containing another highly hazardous chemical covered by this standard;
 - (B) Flammable liquids stored in atmospheric tanks or transferred which are kept below their normal boiling point without benefit of chilling or refrigeration.

As contractors covered under the PSM Program, we will be provided necessary formation concerning the hazardous process, equipment, and procedures of the particular job site our employees are working at.

Specific Requirements

Pre-Work Review

Prior to allowing Key Technology, Inc. employees to commence work in a process covered under PSM, the following requirements must be completed by the PSM Company we will be doing work for:

- Obtain and evaluate information regarding Key Technology, Inc.'s safety performance and programs (written documentation required).

- Inform Key Technology, Inc. Site Foremen or other designated Key Technology, Inc. employee of the known potential fire, explosion, or toxic release hazards related to the work area and processes of the Company.
- Explain the applicable provisions of the emergency action plan to Key Technology, Inc. employees.
- Provide the Site Foremen with copies of local safety programs, safety and emergency procedures and a copy of the PSM program.
- Complete all the requirements of the Company's Contractors Liability Agreement. Inform Key Technology, Inc. that a periodic performance evaluation will be conducted to ensure our employees are fulfilling our obligations.
- Inform Key Technology, Inc. that a contract employee injury and illness log related to our work in process areas must be maintained on site for the duration of the contract work.

Key Technology, Inc. will provide information to the Contract Employer relating to any unique hazards presented by our employee's work or any hazards found by our employees.

Training

Prior to the start of any work at a facility covered under the PSM standard, Key Technology, Inc. will assure that each employee is trained in the work practices necessary to safely perform his or her job. Key Technology, Inc. will provide the following documentation to each PSM covered facility that we will be performing work at:

- Our safety program information and other documentation required by the Company's Contractors Liability and Safety Agreement.
- Certification that we have informed our employees of potential fire, explosion, or toxic release hazards that may exist at or near their work area at the facility, and that we have explained the Company's Emergency Action Plan to our employees.
- Material Safety Data Sheets will be used to discuss process safety information for the particular site we will be working at.
- Training documentation concerning training provided to our employees to ensure they understand the safe work practices necessary to safely perform tasks.
- Certification that we have explained the Hot Works Permit Program of the Company we are working for and other permits the Company uses that will be needed during their time on company property.
- Agreement to advise the Company we are working for of any unique hazards presented by our work and found during our work.
- Certification that materials, parts and equipment to be installed meet industry and engineering standards for the application used.

Key Technology, Inc. will assure that our employees have been instructed in known potential fire, explosion, or toxic release hazards related to his/her job. The Site Foreman will be responsible for ensuring that each employee has received and understood the required training. Training will be documented and will consist of the employee's name,

the date of training, and the means used to verify that the employee understood the training.

Safe Work Practices

Key Technology, Inc. employees will be required to abide by PSM employer's safety work practices during operations such as lockout/tagout, confined space entry, opening process equipment or piping, and controls over entrance to the facility. Safe work practices will be covered during site-specific training courses. Training will be documented.

Hot Work

Before cutting or welding is permitted at a work site, the area must be inspected by the individual responsible for authorizing cutting and welding operations at the Company we are performing work for. Key Technology, Inc. employees will not be allowed to perform hot work until a hot work permit is obtained from the employer's designated representative. The permit shall document that provisions of CFR 1910.252 (a) have been met. See the Hot Work written program for more information about safe work practices.

Incident Investigations

Employees must immediately report all accidents, injuries and near misses to their Site Foreman, who will then notify the correct Company individuals. An incident investigation must be initiated within 48 hours. Resolutions and corrective actions must be documented and maintained for five years.

Trade Secrets

Key Technology, Inc. employees must respect the confidentiality of trade secret information when any Process Safety Information is released to them.