



**CONTRACTOR EXPECTATIONS &
RESPONSIBILITIES**

PAGE 1

DATE: 03/01/2021
REVISION: 0

Contractor Expectations & Responsibilities

Southcross Energy Partners LLC

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1.0 Purpose and Scope

Southcross Energy Partners, LLC (“Southcross Energy” or “Company”) employ a diverse group of contractors that provide specific labor or service functions necessary for operations. While diverse in nature, all contractors share a common need for effective health, safety and environmental (HSE) programs to protect Southcross Energy employees, contractors and the community from injury, illness, or property damage associated with incidents as a result of contractors’ work.

This document is to inform contractors of Southcross Energy’s expectations and responsibilities for worker safety and environmental protection as they relate to the scope of contractors’ work including compliance with applicable industry standards and federal, state, and local laws and regulations. This document does not serve as a comprehensive guide to all government regulations and does not exempt any contractor from these responsibilities. Since the functions performed by contractors are diverse, requirements may vary depending on the scope of a particular contractor’s work. It is the responsibility of each contractor to assess the specific job hazards and HSE requirements associated with their operations.

2.0 Acknowledgement

Southcross Energy expects all contractors to:

1. Review this Contractor Expectations & Responsibilities
2. Communicate key points of these expectations and responsibilities as they apply to your business, to your employees, and subcontractors
3. Acknowledge understanding of these expectations and responsibilities through the request in ISNetWorld (ISN), (<http://www.isnetworld.com>)

3.0 Contractor Expectations and Responsibilities

Southcross Energy requires each of its contractors to execute a contract and provide evidence of required insurance coverage in the form of a valid Certificate of Liability Insurance (COI). Failure to have an executed Master Services Agreement (MSA) and meet all contractual requirements will result in the contractor being removed from Southcross Energy’s approved vendor list.

Specific responsibilities that apply to all contractors include, but are not limited to:

1. Conduct operations in a manner consistent with Southcross Energy’s Health, Safety & Environment (HSE) Policy.
2. Comply with all HSE laws, rules, and regulations applicable at all locations where services are performed. This includes federal, state, and local laws, rules, and regulations.
3. Provide and maintain all required personal protective equipment (PPE) and instrumentation necessary to perform work effectively, efficiently, and safely.
4. Report all injuries, incidents, and spills immediately to their Southcross Energy representative.
5. Ensure employees and subcontractors are trained and possess the skills, knowledge, and experience to conduct their work. Subcontractors are subject to the same HSE requirements as the contractor.
6. Coordinate all activities, including the use of subcontractors to complete contracted work or services, with their designated Southcross Energy representative. Only contractors and subcontractors that are contracted to complete work or services shall be allowed on Southcross location.
7. Always maintain a minimum of one English-speaking employee on location.

8. Plan safety and pollution prevention into all operations and advise Southcross Energy representative of any unique hazards presented by the contractor's employees, equipment, or procedures prior to beginning work.

4.0 Contractor Onboarding

A third-party database, ISNetWorld (ISN), is used to collect safety statistics and documentation during the onboarding process. Contractors who will or would have access to site operations where such access, and the nature of the work (high risk, routine, or specialty work) performed on site, create the reasonable potential for harm to the employees of the company, others in the area, company asset or the environment, are required to subscribe with ISN (<http://www.isnetworld.com>) and complete the action items listed within their profile.

Action items listed in ISN can include but are not limited to the following:

1. Complete your Company Profile
2. Answer the Health, Safety, and Environmental (HSE) Questionnaire
3. Upload all required HSE Programs
4. Upload current COI, OSHA 300 & 300A Logs for the past three years, and current EMR Letter

All contractors must meet the standards as outlined by their own safety programs and be prepared to be assessed on that criteria.

5.0 Contractor Engagement

Southcross Energy strives to employ only those contractors who demonstrate a commitment to conduct their business in a safe and environmentally responsible manner. Southcross Energy will review and assess contractors periodically. These periodic contractor assessments evaluate training, as well as Southcross Energy specific requirements. The items listed below reflect the documentation that will be requested for review during these assessments. Southcross Energy reserves the right to request additional items from contractors at any time.

- Drug and Alcohol Compliance including Summary Reports, DOT and Non-DOT Policy and Background Screening Policy
- Training Documentation including Hazard Communications, PPE, First Aid/CPR, Fire Protection/Fire Extinguishers, other training based on service provided
- Other Documentation including Permit Forms, PPE Hazard Assessments, JSEA Forms, Inspections of Equipment, etc.

Field evaluations may also be conducted on contractors while performing services at Southcross Energy locations. The purpose of these evaluations is to verify implementation of the contractors own HSE programs and to ensure Southcross Energy's requirements and expectations are being met.

6.0 Drug and Alcohol Testing Requirements

Contractors shall establish and maintain drug and alcohol testing programs that, at a minimum, provide for pre-employment, random, reasonable suspicion, return-to-duty, and post-incident testing.

6.1 Illegal Drugs

Southcross Energy strictly prohibits the use, possession, transportation, promotion, or sale of illegal drugs. Illegal drugs include all forms of:

- Narcotics, Depressants, Stimulants, Cannabis

- Hallucinogens, whose sale, purchase, transfer, use, or possession is prohibited or restricted by law
- Drugs that are not prohibited or restricted by law but were obtained illegally

Southcross Energy also prohibits the possession or use of alcoholic beverages, firearms, weapons, or explosives on Southcross Energy property unless authorized by an executive officer of the Company. Contractors will not report for duty under the influence of any drug, alcoholic beverage, intoxicant or other substance.

6.2 *Legal Drugs*

Contractors will not report for duty while being administered legally prescribed drugs or while taking “over the counter” medications that affect the contractor’s ability to perform normal duties safely and effectively or affect the safety of themselves or others.

The misuse of any legal drug is prohibited. Misuse includes the use or possession of any prescription drug for which an employee does not have a valid prescription. Misuse also includes the use or possession of any prescription drug in quantities greater than the amount prescribed.

Where legally permissible, Southcross Energy reserves the right to conduct unannounced random drug and/or alcohol testing for contractors assigned to a particular location or within a particular area at such location where there exists a need for continued maintenance of safe working conditions.

Where legally permissible, Southcross Energy reserves the right to conduct searches of all persons, employee or otherwise, as a condition to entering, remaining on, or departing from Southcross Energy work locations. These searches include personal vehicles parked on Southcross Energy property right-of-way, or lease space.

7.0 **General HSE**

The following sections are general HSE expectations and responsibilities of Southcross Energy contractors and service providers.

7.1 *Stop Work Authority*

All Southcross Energy employees and contractors have an obligation and the authority to Stop Work at any time. Stop Work may be exercised whenever a person identifies an actual or perceived unsafe or potentially dangerous condition, act, error, omission, or lack of understanding that could result in an undesirable event. Work will not resume until the stop work issues and concerns have been adequately addressed. Any form of retribution or intimidation directed at any individual or company for exercising their authority and obligation of stop work will not be tolerated.

When a contractor employee exercises Stop Work Authority, they will immediately notify the designated Southcross Energy representative and the appropriate person(s) within the Contractor’s organization of the work stoppage.

7.2 *On-The-Job/Tailgate/ Job Safety Environmental Assessment (JSEA) Meetings*

Contractors shall conduct and document on-the-job/tailgate/JSEA meetings with their employees and subcontractors daily, or more frequently if necessary. The meetings should include discussion of the hazards involved in the task(s) to be performed and the controls or procedures used to address these hazards. Examples of topics to be included as applicable include, but not limited to:

- Site-specific emergency response and notification procedures
- Review of Safety Data Sheets (SDS) for chemicals and products used during the operation
- Site/job specific PPE requirements
- Equipment specific lockout/tagout procedures
- Work permit requirements (permit-to-work, hot work, confined space entry, etc.)
- Site or equipment specific hazards (equipment pinch points, utility locations, etc.)

Contractors shall retain documentation of on-the-job HSE meetings, including the topics covered and personnel in attendance, and shall provide documentation to the Company upon request. If any new contractor, subcontractor, or Southcross Employee person(s) enters the work area, the contractor shall immediately cover the hazards and document new person(s) signoff.

A JSEA shall be completed prior to commencement of certain jobs, including but not limited to:

- Mechanical lifting – using cranes or other lifting devices to lift equipment or material over process equipment or to work around overhead hazards
- Working on pressurized equipment
- Working at heights
- Isolating and/or opening piping or equipment (lockout-tagout)
- Working in a possibly hazardous atmosphere
- Working in unguarded, unprotected areas more than four feet above grade
- Work involving trenching or excavations
- Performing an exemption from an authorized procedure (i.e., non-routine tasks)
- Hot work
- Confined space entry
- Work that disables critical safety components
- Electrical work
- Working around heavy machinery (i.e., traffic control plan)

A General (Safe) Work Permit will be required for these activities.

7.3 *Good Housekeeping*

Good housekeeping is essential to providing a safe working environment. Contractors shall maintain work areas in a clean and organized manner. The following should be applied for good housekeeping:

1. Contractors shall prevent the accumulation of debris or other tripping hazards
2. Tools and equipment shall be securely stored when not in use
3. Routes of exit and access to emergency equipment will be maintained
4. Work areas and vehicles shall be routinely monitored for unsecure trash to prevent it from leaving work areas or vehicles. Work zones shall be cleared of excess materials, debris and trash after work is completed

7.4 *Incident Reporting*

Incidents, including injuries, illnesses, vehicle incidents, property damage, near misses, and spills occurring on Southcross Energy locations shall be reported immediately to the appropriate Southcross Energy representative. For injuries, Southcross Energy recommends that contractors utilize case management as available and applicable.

It is the responsibility of the contractor's designated person to ensure that all incidents are verbally reported immediately to the Southcross Energy representative. Additionally, the contractor must

submit a copy of the written incident or spill report to the appropriate Southcross Energy representative within 24 hours. Southcross Energy expects contractors to conduct incident investigations, provide documentation that identified corrective actions have been implemented and provide written investigation reports.

When an incident involving a contractor's employee requires notification of a regulatory agency, such as the Occupational Safety and Health Administration (OSHA), the contractor's designated representative is responsible for making timely reports to the appropriate agencies. The contractor's designated representative shall immediately notify the appropriate Southcross Energy representative and provide the name and phone number of the agency contact.

7.5 Isolated Work Areas

Contractor personnel working in isolated areas shall be equipped with appropriate communication devices and should periodically check-in with the appropriate contractor or Southcross Energy representative.

7.6 Signs and Postings

Contractor personnel shall comply with all signs and postings throughout Southcross Energy facilities, right-of-ways, and roadways. Contractors shall post appropriate warning signs of their own when required by their operations.

7.7 Smoking

Smoking (including e-cigarettes) is strictly prohibited at all Southcross Energy facilities except in designated smoking areas. Contractor personnel should contact the Southcross Energy designated representative to determine where smoking is allowed.

7.8 Release Response and Reporting

A release is any unpermitted quantity of liquid or solid substance that is partially or wholly outside of its primary containment (e.g., tank, drum, truck, pond, pit, pipeline, and storage tank), excluding beverages, food items, unused hydraulic fracturing sand (non-coated and natural) and fresh (including potable) water under specified circumstances. All releases on Southcross Energy property must be reported to the Southcross Energy representative immediately. Timely and consistent spill reporting enables Southcross Energy to minimize and monitor impact on the environment and to comply with all regulatory requirements.

Southcross Energy expects contractors to be responsible for the clean-up of any releases they cause, at the contractors' sole expense. Clean-up must not occur until the Southcross Energy representative has been contacted.

8.0 Health

8.1 First Aid

Contractors shall maintain a first-aid program in compliance with 29 CFR 1910, Subpart K. Contractors' programs must provide a minimum of one trained first-aid person at each job site and a first-aid kit with supplies appropriate for the job exposures and number of workers.

8.2 Hazard Communication

Contractors shall maintain a written hazard communication program and shall ensure that their employees understand and comply with the requirements of 29 CFR 1910.1200. Contractors may

request information about chemical hazards associated with the Company's operations from the designated Southcross Energy representative and shall provide a Safety Data Sheets (SDS) to the designated Southcross Energy representative of all hazardous chemicals and materials brought onsite and used by the contractor.

Contractors shall ensure that all chemical containers are properly labeled, handled, stored and disposed of in accordance with SDS or manufacturers recommendations. All unused chemicals shall be removed by the contractor upon completion of work or project. Contractors shall be prepared to immediately provide copies of the SDS upon request.

8.3 *Hydrogen Sulfide (H₂S)*

Contractors shall ensure that personnel working at facilities where Hydrogen Sulfide (H₂S) is present have been properly trained and are certified in the use of supplied-air breathing equipment as required. Contractors are required to ensure their employees are medically fit and qualified to wear supplied-air breathing equipment as needed.

Contractors shall ensure that personnel working in potential H₂S environments are clean shaven and equipped with an adequate number of SCBAs and appropriate monitoring equipment. Any employees required to wear respiratory protection that are not clean shaven will not be allowed to enter area.

8.4 *NORM (Naturally Occurring Radioactive Material)*

NORM accumulates in some oil and gas production and processing equipment and facilities. Contractors are responsible for performing work in compliance with applicable state and federal regulations as well as industry recommended practices involving NORM. Contractors are required to train their personnel in safe work practices related to NORM and supply proper safety equipment necessary to perform their work.

8.5 *Heat-Related Illness*

Contractors are responsible for identifying and mitigating heat exposures specific to their work. Heat illness comes in several forms, the types and basic symptoms of which are as follows:

- Heat cramps: muscle cramps associated with abdominal pain
- Heat rash: localized skin redness characterized by a prickly sensation and itching
- Heat syncope/fainting: a serious heat illness characterized by fainting
- Heat exhaustion: a serious heat illness characterized by dizziness and nausea with possibly increased core body temperature
- Heat stroke: life threatening illness characterized by elevated core body temperature, hot dry skin, unconsciousness, or convulsions

9.0 **Safety and Safe Work Practices**

9.1 *Personal Protective Equipment (PPE)*

Contractors are required to provide their employees with a level of PPE that meets or exceeds OSHA standards and shall ensure that their personnel have been issued the required PPE prior to arrival at the jobsite. Contractors are solely responsible for ensuring that their PPE programs adequately addresses the scope of their employees' work and complies with applicable federal, state and local regulations.

9.1.1 *Minimum PPE Requirements*

Work attire at Company field locations shall include:

- Head protection or hard hat

- Foot Protection
- Eye/Face Protection
- Fire Resistant Clothes (FRC)

NOTE: The above PPE list is not intended to be all-inclusive; your work area or job assignment may require the use of additional PPE. It is the responsibility of the contractor to identify the special equipment requirements and furnish all necessary PPE and other safety equipment to all employees.

9.1.2 Head Protection

Head protection that meets the requirements of ANSI Z89.1 Type 1 (impact protection) and Z89.1 Class E (electrical protection) shall be worn by all personnel in accordance with manufacturer's specifications in the work area. Hard hats of molded plastic shall be worn in accordance with manufacturer's recommendations. Cowboy-style or Metal hard hats shall not be worn at Company facilities.

9.1.3 Foot Protection

Foot protection that meets the requirements of ASTM F2413 or equivalent international standards shall be worn in all work areas. Foot protection shall be constructed of either substantial leather, flame resistant material or chemical/water resistant material (e.g., rubber). Have composite or steel toes and provide over-the-ankle coverage. Foot protection must be maintained in good condition and have a non-skid, oil and chemical resistant sole. Footwear made of cloth, canvas or mesh is not approved. Tennis shoe-type safety shoes are not allowed.

9.1.4 Eye/Face Protection

1. Eye protection that meets the requirements of ANSI Z87.1 shall be worn in all work areas.
2. Prescription glasses worn in the work area must also meet the requirements of ANSI Z87.1.
3. Splash-proof chemical goggles should be worn while handling hazardous chemical liquids, powders, vapors or during operations where eyes are potentially exposed to hazardous chemicals in liquid or solid form.
4. Number 5 or 6 shade lenses should be worn when cutting material with acetylene gas.
5. Electric arc welding requires the use of a welding helmet fitted with shaded lenses.
6. Face shields are required when grinding or other tasks are being performed that cause flying debris. When using a face shield, safety glasses must also be worn.

9.1.5 Hearing Protection

Hearing protection that conforms to regulatory requirements and industry standards shall be worn by all personnel in high-noise areas. High-noise areas are generally identified as areas where noise levels exceed 85 A-weighted decibels (dBA). Examples of high-noise areas are compressor buildings, internal combustion engine areas and areas where grinding tools, air compressors or power mowers are being operated.

9.1.6 Flame Resistant Clothing (FRC)

FRC is required in areas classified by the National Electric Code (NEC) as Class 1, Division 1, and in any other area where flammable gases or vapors are likely to be present such as NEC Class 1, Division 2. FRC may be required in other areas not listed previously by policy and contractors are expected to comply with requirements.

FRC shall be worn as the outermost garment and must cover the torso, arms and legs (i.e., sleeves rolled down, body fully zipped or buttoned up and shirt tails tucked in).

9.1.7 Electrical Arc Flash Protection – NFPA 70E

Prior to performing any high voltage work, work permits shall be completed, and proper PPE identified. Garments shall be rated as ‘HRC2’ or higher and the entire PPE ensemble must be adequate for the level of arc flash risk.

9.1.8 Hand Protection

Hand protection shall be worn where there is exposure to high temperatures, sharp edges, chemicals or any other materials that may cause injury to the hands. When working around machinery or other equipment where there is a danger of entanglement, hand protection should be selected accordingly.

Examples of gloves types include:

- Cotton or leather gloves – general work activities
- Leather gloves – grinding
- Chemical resistant gloves – should be appropriate based on SDS requirement

9.2 Personal Fall Arrest Systems

Contractors shall provide, and require their employees and subcontractors, to utilize a personal fall arrest system whenever a fall hazard of six feet or more is unprotected by standard guardrail. Contractors shall ensure that personal fall arrest system components including, harnesses, lanyards, anchorage points, etc. comply with applicable standards and regulations, including 29 CFR 1926, Subpart E and ANSI Standard A-10.14 1991. Contractors are required to have a rescue plan when using personal fall arrest systems in a confined space. NOTE: When operating aerial man lifts, fall protection shall be used at all times.

9.3 Respiratory Protection

Contractors working in areas where respiratory hazards are present shall have a written respiratory protection program that conforms to industry standards and the requirements of 29 CFR 1910.134. Contractors shall ensure that their employees are familiar with the contractor’s respiratory protection program requirements and are trained in the use and maintenance of the respiratory protection equipment. Contractors shall perform and document required training, medical clearance and fit tests and shall provide such documentation to the Company upon request.

9.4 Gas Monitors

Contractors are expected to evaluate work being performed as well as location to determine need of gas monitoring. Contractors are required to provide monitors as needed.

9.5 Confined Space Entry

Contractors entering confined spaces shall ensure that their personnel understand and comply with recognized industry standards and federal, state, and local regulations. Contractors shall have a written program for confined space entry in accordance with 29 CFR 1910.146 and shall ensure that all personnel have received appropriate training prior to performing confined space operations.

All contract employees have the responsibility to understand hazards of the space being entered and participate in any activities associated with assuring the space is safe for entry. This includes identifying and implementing specific entry requirements, equipment isolation (LOTO) requirements, atmospheric testing, etc.

Prior to entering a confined space, the contractor shall consult the appropriate Southcross Energy representative. No contractor can enter any confined space without obtaining authorization from the Southcross Energy representative and completing the required non-permit space reclassification or confined space permit. Contractors performing confined space entry must have a designated and trained rescue personnel.

9.6 Electrical Hazards and Tools

Electrical voltages on facility equipment typically ranges from 24 VDC to 480 VAC or more. Contract employees must not perform any electrical work without specific authorization from Company personnel. All contractor employees performing electrical work must be properly trained before performing work on these systems.

Before utilizing power tools, contractor must read, understand, and follow the manufacturer's operating manual and inspect the tool to ensure it is in good condition. Power cords as well as extension cords should be kept in good condition. Check for bad insulation and continuity of ground conductor regularly to ensure proper function. A ground fault circuit interrupter, (GFCI) device is required on all electrical circuits when using extension cords or power tools.

9.7 Hand Tools

Most tasks performed by contract personnel will involve the use of hand tools. Incidents typically result from the misuse of a tool or use of a defective tool. To prevent hand injuries, contractors must adhere to the following general guidelines:

1. Select the proper tool for the job. For example, never use pliers in place of a wrench; or use a wrench in place of a hammer.
2. Use tools in a safe and correct manner. This includes not pulling a wrench toward your chin while tightening a nut or bolt, not using a screwdriver on an object held in the hand, and not pulling a knife toward you.
3. Tools must be in good condition. A hand tool that is not in good operating condition cannot perform the job in a safe manner. Wrenches with worn jaws, hammers with loose heads, chisels with "mushroomed" heads, and screwdrivers with broken points are all examples of unsafe tools that could lead to an incident.

9.8 Compressed Gas Cylinders

The contractor will properly label, handle, store, transport and inspect cylinders to ensure compliance with regulations and industry standards. All cylinders must be returned to their storage area after use. Protective caps must be placed over the cylinder valves when not in use or when cylinders are being transported. Cylinders must be stored upright and secured to a stationary object or structure. Regulators should be removed for transport.

Cylinders should be kept away from heat including direct sunlight, fire, molten metal, or electrical lines. Acetylene or liquid gas cylinders should never be operated in a horizontal position, as the liquid may be forced out through the hose causing a fire or explosion hazard. Flammables, oxygen, and inert gases shall be stored separately with proper barriers between as required by OSHA 1910.253.

9.9 Material Handling

Contractors shall ensure that safe lifting and rigging practices are performed during material-handling activities including, but not limited to:

- Crane

- Forklift and pole truck operations
- Sandblasting
- Painting
- General construction

Contractors shall ensure that personnel are trained, and material-handling equipment and hardware are operated and maintained in accordance with industry standards and applicable federal, state, and local regulations. When using mechanical equipment to move material, contractors shall stay clear of loads including when the load is picked up, moved, and set down. Contractors shall not stand or pass under loads at any time.

9.10 Cranes

Crane operators must receive permission from a Southcross Energy representative before operating a crane on Southcross Energy property. Crane booms, cables, rigging, foundation mountings, control cables and safety devices shall be visually inspected and determined to be functioning properly by the crane operator each day before starting operations. The inspection will consist of a visual inspection for cracked welds, cable defects, bent braces, sheave condition, deformed or broken hooks, and any other defects.

Appropriate inspections shall be made on cranes, cables, and hooks. Records of inspections shall be made available upon request. Inspection types and frequencies will be dictated by manufacturer's recommendations or regulatory requirements.

The load limit chart and the boom angle indicator for cranes shall be in clear view of the operator. Boom angle indicators shall be permanently attached to the boom to show the operating radius. The rated load capacity of the crane shall not be exceeded. The crane operator shall check load chart, confirm boom length with the chart, establish the load weight and maximum operating radius or corresponding minimum boom angle.

Standard hand signals for controlling crane operations shall be used. All hand signals shall be given by a designated signalman, but the operator shall obey any emergency stop signal given by anyone. Taglines shall be used to control loads. These lines shall be at least ½-inch thick and an appropriate length to keep ground personnel away from load.

The operator shall properly secure the crane and boom before going off duty or when shutting down operations. Cranes operated near, under, or over power lines energized at 50 kV or less shall maintain a minimum clearance distance of 10 feet; if the voltage is greater than 50 kV, the distance is 10 feet plus 4 inches for each 10 kV above 50 kV (except where the power lines have been de-energized and visibly grounded at a point of work or where insulating barriers, not a part of or an attachment to the crane, have been erected to prevent physical contact with the power lines). When working in areas with power lines, high voltage proximity alarms shall be mounted on the crane boom. Lifting equipment (auto-cranes, aerial lift trucks), while working near overhead power lines or energized equipment, shall be grounded and barricaded.

9.11 Rigging/Slings

- Riggers will be trained and competent.
- Prior to use, slings, fittings, fasteners, and shackles shall be visually inspected for evidence of overloading, excessive wear, kinks, twists or damage. Slings or shackles found to be defective shall be removed from service and destroyed.
- Wire rope, slings and shackles shall be maintained as per manufacturers recommendations or applicable regulatory requirements.
- Manufacturer or pull test date and sling number shall be attached to slings.
- Rigging shall be such that the angle of the sling to the load shall never be less than 30 degrees.

9.12 Forklifts

Use of forklifts is restricted to qualified operators. Personnel operating forklifts will be trained and qualified on the type of forklift they will be operating. Safe operation of a forklift includes but not limited to:

- Inspect forklifts prior to use
- Operate forklifts within the rated capacity
- Do not use forklifts as a man-lift
- Set the parking brake, lower the forks, and neutralize the controls when dismounting or stowing a forklift

9.13 Personnel Lifts

- Personnel lifts are any telescoping or articulating device that is used to position personnel at a height such as in a bucket or on a working platform.
- Personnel operating lifts will be trained and qualified on the type of lift they will be operating.
- Lift controls shall be tested prior to use to determine that such controls are in safe working condition.
- A full-body harness shall be worn, and a lanyard attached to the boom or basket when working from a personnel lift.
- Boom and basket load limits specified by the manufacturer shall not be exceeded.
- The brakes shall be set and outriggers, when used, shall be positioned on pads or a solid surface. Wheel chocks shall be installed before using a personnel lift on an incline.
- A personnel lift may not be moved when the boom is elevated in a working position with personnel in the basket, except for equipment which is specifically designed for this type of operation.
- Controls shall be plainly marked as to their function. Lower controls shall provide for overriding the upper controls. Lower controls shall not be operated unless permission has been obtained from the personnel in the lift, except in case of emergency.
- Before moving a personnel lift for travel, the boom shall be inspected to see that it is properly cradled, and outriggers are in stowed position.
- Lifts shall be maintained and inspected per manufacturer's recommendations or applicable regulatory requirements.

9.14 Lockout/Tagout

Contractors whose employees perform work on powered equipment, piping systems or confined space entry operations shall develop and maintain a lockout/tagout program that complies with the requirements of 29 CFR 1910.147. The contractor's designated representative shall be responsible for ensuring that tags, locks, and other necessary energy isolating equipment is provided, as necessary.

Contact the Southcross Energy representative to identify applicable procedures and energy control devices (lockout points).

9.15 Scaffolding

All scaffolding must be designed, built, secured, and inspected in compliance with OSHA standards. No contractor may utilize scaffolding at any Company facility unless the contractor utilizes employees who are properly trained in scaffold safety and have a properly trained representative on-site overseeing scaffold work. The scaffolding must be inspected prior to initial use each day by a properly trained representative, and the inspections shall be documented. A scaffold tag system must be utilized indicating the status of all scaffolding. Safe work practices when working with scaffolding, include but not limited to:

- Guardrails shall be installed on all open sides and ends of scaffolds and platforms. Toe boards are required where personnel can walk or work under the scaffold.
- Planks shall be secured on platforms so they cannot move. Extend and secure scaffold planks at least six inches over end supports, but not more than 12 inches.
- When scaffolds are erected above a work or walk area, the area shall be posted to warn of overhead hazards.
- Handrails are not to be used as weight bearing support for any work platform.

9.16 Trenching and Excavation

Contractors performing trenching and excavation work shall ensure that their personnel are trained and that operations are conducted in accordance with industry standards and applicable federal, state, and local regulations, including 29 CFR 1926 Subpart P and 1926.650 through 653. The contractor shall provide a "Competent Person", as defined in 29 CFR 1926 Subpart P, to provide necessary supervision and inspection of the excavation activity and shall be responsible for supplying signs, barriers, etc. necessary to protect workers and the public from hazards associated with the excavation. Workers shall be protected from cave-in or entrapment as prescribed in 29 CFR 1926 Subpart P.

Prior to beginning any excavation work, it is the responsibility of the contractor to ensure that underground utilities have been located and marked in accordance with federal, state, and local regulations, and that their personnel are trained in the location and marking procedures used in their area. Excavations within two feet of an existing underground installation shall be hand dug unless a more stringent requirement is specified. The contractor's designated representative shall notify the appropriate Southcross Energy representative of any third-party utility crossings prior to proceeding with the excavation. Southcross Energy requires that a Company representative be present at foreign line crossings or whenever excavation will come within two feet of the pipeline.

When performing excavation activities in response to a hydrocarbon spill or release, necessary precautions to protect workers must be employed. These protective measures will include but not be limited to:

- Protective clothing such as Tyvek or Saranex coveralls and rubber steel toe boots
- Organic vapor monitoring in the breathing zone, lower explosive limit monitoring in the work zone
- Action levels will be established for air monitoring for donning respiratory protection and/or stopping work temporarily

9.17 *Welding and Hot Work*

Contractors performing welding, cutting and other hot-work activities shall ensure their personnel understand and comply with recognized industry standards and federal, state, and local regulations, including the requirements of 29 CFR 1910.252 and 29 CFR 1926, Subpart J. Contractors shall ensure that welding and cutting equipment is used and maintained in accordance with applicable industry standards and shall establish a preventative maintenance program for such equipment.

A Southcross Energy representative must authorize hot work before the contractor starts such work. Employees of the contractor shall be trained by their employer in hot-work procedures. The contractor will ensure that a fire watch is assigned who is trained in the functions to be performed. The contractor shall assure that all affected personnel are aware of the hot work to be performed. Contractors shall work under the Southcross Energy General (Safe) Work Permit and will be kept on file at the Southcross facility office or the nearest Southcross field office upon completion of the hot work activity.

Welding rigs shall be equipped with appropriate fire protective equipment including a minimum of one 30-pound type BC dry chemical fire extinguisher. The contractor shall ensure that their personnel have been instructed in the use of fire extinguishers and that fire extinguishers are maintained in accordance with 29 CFR 1910.157.

10.0 Environmental

10.1 *Pollution Prevention and Waste Management*

Contractors shall conduct their operations in a manner that is protective of the environment and shall take the necessary precautions to prevent spills and releases and to manage wastes in accordance with applicable federal, state, and local regulations. Contractors shall ensure that all personnel are aware of everyone's obligation to prevent pollution in accordance with Southcross Energy policy and shall coordinate disposal of wastes from Company facilities with the appropriate Southcross Energy representative.

Southcross Energy's operations and facilities may require the use of products that are classified as hazardous materials. Improper handling can result in:

- Exposure to your employees or the public
- Harmful pollution of the environment
- Harm to company reputation
- Regulatory fines
- Costly clean-up

Expired, abandoned, or spilled hazardous materials can become hazardous waste. All chemicals and containers brought onto a Southcross Energy location by a contractor must be removed at the completion of the job. If not removed, Southcross Energy will dispose of the materials and all costs associated with disposal will be charged back to the contractor or withheld from payment to contractor.

Waste produced by contractor because of operations at Southcross Energy facilities must be managed in accordance with instructions from the Southcross Energy representative and applicable laws. Transport and storage of wastes must follow applicable regulatory requirements.

When waste materials are produced on site by contractors, they must be segregated in a way that minimizes the need and costs for disposal. Recyclable waste or materials should be separated from non-

recyclable materials. Waste generated solely by the contractor (e.g., waste oil from equipment) are the responsibility of the contractor to recover and dispose of properly off site.

Waste disposal is always subject to Southcross Energy approval. Hazardous waste disposal must be coordinated by a certified professional, transported by licensed transporters to an approved facility, and accompanied by appropriate documentation including the Uniform Hazardous Waste Manifest.

The transport and disposal of NORM-contaminated equipment, piping, or other material must follow regulatory requirements. Only contractors licensed and equipped to perform approved disposal methods will be contracted to transport and dispose of NORM-contaminated waste.

NOTE: If you have any question as to the proper handling or disposal of waste, please refer to the SDS or contact the Southcross Energy representative.

11.0 Department of Transportation (DOT)

A third-party database, Veriforce, is used to comply with DOT/PHMSA Operator Qualification (OQ) under 49 CFR 192 and 195. Contractors and subcontractors that work on or at a covered pipeline and/or pipeline facility are required to provide necessary training for personnel to ensure individuals are qualified for the designated work scope prior to commencing work. Contractors are required to subscribe with Veriforce (<https://veriforce.com/>) and provide details of those qualified individuals. Prior to commencing unsupervised work, additional training will include completion of appropriate portions of Southcross Energy's Operator Qualification Program for the assigned task(s) through Veriforce.

Any safety-related concern observed while working on the pipeline and/or pipeline facility will be reported to Southcross Energy personnel.

11.1 DOT Operator Qualification Program (OQ) Requirements

To ensure pipeline safety, Southcross Energy is committed to complying with the DOT OQ Program requirements. Contractor employees or others may be used to perform certain tasks. Therefore, contractors who may perform covered tasks as defined in 49 CFR 192.801 and 195.501 (e.g., pipeline operators, technicians, welders, electricians, or others) will be qualified via proper documentation provided by the contractor. Contractor's OQ programs are subject to audit or other verification by the pipeline supervisor, and must, at a minimum, be consistent with Southcross Energy's OQ program. Non-qualified personnel will not operate equipment or perform covered tasks unless under the direct supervision of a qualified individual.

A qualified individual must be onsite during the performance of the covered task and in a position to observe the actions of the non-qualified individual performing the covered task. The qualified individual may physically stop the activity if performance of the covered task is not consistent with established Southcross Energy procedures or if an abnormal operating condition is detected. A qualified individual shall be allowed to supervise a maximum of three non-qualified individuals.

11.2 DOT Drug and Alcohol Compliance Requirements

Contractors and subcontractors who perform certain types of work must maintain Anti-Drug and Alcohol Misuse Programs that comply with 49 CFR Part 40. Drug and alcohol programs must be submitted through Veriforce. This includes, but is not limited to:

- Contractors who perform construction, operations, maintenance, or emergency response activities on pipeline facilities regulated by 49 CFR, Part 199, Pipeline and Hazardous Materials Safety Administration (PHMSA); or
- Contractors who operate commercial motor vehicles and are subject to the requirements of 49 CFR Parts 382, Federal Motor Carrier Safety Administration (FMCSA).

12.0 Process Safety Management (PSM)

All contract personnel shall sign in and out of PSM facilities. All contractor personnel entering a PSM facility to conduct work shall complete a facility orientation. Prior to performing work at the PSM facility, the contract employer should be familiar with the following:

- The known potential fire, explosion or toxic-release hazards related to the contractor's work and the process
- The safe work practices in effect at the facility
- The applicable provisions of the PSM facility emergency plan

Prior to performing any welding, entry into a confined space or other activity designated by the Company, contractors shall obtain the appropriate work permit. Contractors shall obtain a new permit each workday and must fill the permit out completely. Copies of permits must be sent to the Southcross Energy representative upon completion of the work.

The contract employer shall assure that each contract employee:

- Is trained in the work practices necessary to safely perform their job
- Is instructed in the known potential fire, explosion, or toxic-release hazards related to their job and the process
- Knows their role within the emergency plan

The contract employer shall document that each contract employee has received and understood the required training. This documentation shall include the identity of the contract employee, the date of training, and the means used to verify that the training was understood.

The contract employer shall assure that each contract employee follows the safety rules of the PSM facility or the contract employer's safety rules, whichever is more stringent. The contract employer shall advise the PSM Facility Supervisor of any unique hazards presented by the contract employer's work or of any hazards found by the contract employer's work.