

Foreword

Safety is the duty of every individual for continued health and survival. Webster defines “Safety” as the condition of being safe from undergoing or causing hurt, injury or loss¹. The daily work conditions encountered while on the job present multiple opportunities for injury. Conducting your actions while on the job in a behavior-based PROACTIVE manner allows you to plan and think for your own safety and the safety of those working with you.

It is the policy of Penn Mechanical Group, Inc. to protect the safety and health of our valued employees. Providing safe working conditions and maintaining continuity of employment is of continual concern as injury and illness losses from accidents are needless, costly, and completely preventable. Penn Mechanical Group, Inc. has established a behavior-based PROACTIVE Safety Management Program that will help us prevent injury and illness. Instead of being responsible for accidents, our company encourages managers to be responsible for creating an accident prevention process. This Behavior-Based Safety Program provides both a guiding vision and flexible procedures by which we prevent at-risk behaviors and promote safe ones. In this regard, it is vital that adequate policies and procedures be developed and adhered to in order to ensure safe, efficient operating conditions thereby safeguarding employees, customers and facilities.

Penn Mechanical Group, Inc. will NOT knowingly permit unsafe conditions to exist, nor will it permit employees to indulge in unsafe acts. Violation of Penn Mechanical Group, Inc.’s rules and regulations will result in disciplinary action. Pennsylvania, or applicable state law, will supersede and/or coincide with any/ all policies and procedures contained herein. Each employee of Penn Mechanical Group, Inc. is expected and required to obey all Pennsylvania (or applicable state) laws.

Employee involvement at all levels of the company is critical for us to be successful in this effort – Supervisors cannot be on all jobsites at all times. To further accomplish this task, in addition to the Policy and Procedures contained herein, a joint Employee/Supervisor/Management Safety Committee will be established. The purpose of the Safety Committee will be to bring Field Employees, Supervisors, and Management together in a cooperative effort to promote safety and health in the workplace. The Safety Committee will assist Penn Mechanical Group, Inc. in making recommendations for change while discussing current trends, topics and industry knowledge relevant to our overall goal of PROACTIVELY promoting safety in our workplace.

Purpose

The purpose of the information contained in this document is designed and intended to provide a general overview of Penn Mechanical Group, Inc.'s (referred to hereafter as "Penn Mechanical Group" or "Penn Mechanical Group, Inc" or "Penn Mechanical" or "Company") designated policies and procedures relevant to our PROACTIVE Safety Management Program and OSHA Standards for General Industry (29 CFR 1910) and Construction (29 CFR 1926). The information contained in this document does not include ALL procedures and/or Standards that may apply to each aspect of every job and/or task. A full listing of each Standard can be found at www.osha.gov

Annual OSHA Trainings are conducted by the HSE, Director, and/or an Insurance representative of Penn National. All employees are initially trained via orientation upon hire or promotion until the next required training date based on regulatory requirements.

Scope

The overall Scope of Penn Mechanical Group Inc.'s PROACTIVE Safety Management Program applies to all work performed by employees (full-time, part-time, and/or seasonal) while employed by and working for Penn Mechanical Group, Inc.

Many of the policies and plans contained herein are general in scope. It should be noted that, as a contractor, Penn Mechanical Group, Inc. operates under the policies of Customers for which Penn Mechanical Group, Inc. provides contract services for. No two jobs, job sites, and/or work locations are the same; therefore best practices involving the policies and plans contained herein must be followed. Any areas of concern or situations that warrant clarification should be directed immediately to a Supervisor or Management.

References

29 CFR 1910 – OSHA's General Industry Standard

29 CFR 1926 – OSHA's Construction Standard

Responsibilities

Penn Mechanical Group, Inc. believes that the safety of our employees and physical property can best be ensured by a meaningful program. On the job responsibility and individual accountability are absolutely crucial to the success of Penn Mechanical's PROACTIVE Safety Management Program. A brief synopsis of Employee, Supervisor, Management, and HSE responsibilities shall follow.

Employee – Each employee (full-time, part-time, and/or seasonal), regardless of their position within the company is expected to cooperate and participate in all aspects of Penn Mechanical's PROACTIVE Safety Management Program. Since the employee on the job is frequently more aware of working conditions, both safe and unsafe, employees are encouraged to make recommendations, suggestions, and criticisms of unsafe conditions to their immediate Supervisor.

Supervisors – Supervisors are directly responsible for the working conditions within their department(s) and will be accountable for the working conditions within their department(s). This includes, but is not limited to, proper procedures, work practices, and safe practices on the job. Supervisors must remain alert at all times to enforce company rules, take immediate corrective action to eliminate hazardous conditions, discipline employees who habitually create or indulge in unsafe practices, assess new or changed situations for inherent dangers, and follow up on employee suggestions for corrective action so that unsafe conditions are PROACTIVELY avoided. Supervisor WILL NOT permit safety to be sacrificed for any reason.

Management – Management's responsibility is the prevention of injury and illness. Management provides direction and full support to Supervisors and Employees regarding all safety and health procedures, job training and hazard elimination practices. Management MUST remain fully informed on safety and health issues throughout all areas of the company in order to constantly review the effectiveness of our PROACTIVE Safety Management Program.

Safety Committee – The Safety Committee is a joint conglomeration of Field Employees, Supervisors, and Management who have an appointed and vested interest in the general promotion of safety and health for Penn Mechanical Group, Inc. The Safety Committee is responsible for making recommendations on how to improve safety and health in the workplace through monthly meetings. The Safety Committee has been charged with the responsibility to gather input, define problems, promote accident prevention, identify hazards and recommend corrective action, help identify employee safety training, and investigate accidents for corrective action and future prevention. Decisions and recommendations will be communicated via monthly safety meetings.

General Safety Rules

The general requirements for which an employee is hired and for which he receives wages and benefits are:

- To report to work on time as assigned.
- To perform assigned duties SAFELY and competently.
- To care for himself, fellow employees and the property of Penn Mechanical Group, Inc. in a responsible and safe manner.

In order to minimize the chance of discipline or discharge, each employee should avoid conduct which violates reasonable standards of employment including, but not limited to:

- The possession, use, purchase, sale, distribution or being under the influence of controlled substances, inhalants or alcohol is prohibited at all customer locations, job sites and on Penn Mechanical Group, Inc.'s premises. The possession, use, purchase, sale, distribution or being under the influence of controlled substances, inhalants or alcohol is prohibited while operating or responsible for the operation, custody, or care of the equipment or other property of Penn Mechanical Group, Inc.. Additionally, prescription medications that can endanger your safety or the safety of another person, pose a risk of damage to Penn Mechanical Group, Inc.'s or other's property, and overall interfere with your job performance are also prohibited.
- Firearms, ammunition and explosives are prohibited while on job sites.
- Fighting, horseplay, and unprofessional or indecent acts or behavior are prohibited on job sites.
- Required Personal Protective Equipment must be worn as described within this Policy and applicable contractual requirements.
- Smoking is prohibited on all job sites and on Penn Mechanical Group, Inc. premises unless within a designated smoking area.
- All Penn Mechanical Group, Inc. employees must follow and obey all safety rules, signs, labels, placards, and safety tags.
- Stealing, wrongfully converting and/or otherwise fraudulently obtaining and converting to his own use the property of Penn Mechanical Group, Inc and/or property of the Customer.
- Employees must report to their Supervisor any on-the-job unsafe working conditions, injuries, near miss accidents and all other incidents related to the health and safety of employees and individuals on location or job site.
- Absence from work or leaving the workplace/work site without permission from a Supervisor, except in special circumstances where providing such notice is prevented.
- Insubordination or refusal to carry out instructions of a Penn Mechanical Group, Inc. and/or Customer Supervisor is prohibited.

- Picketing, instigating, participating or leading an unauthorized work stoppage or slowdown.
- Neglect or carelessness in the performance of assigned duties or when using, operating, working with Penn Mechanical Group, Inc property.
- Seatbelts **MUST** be worn at all times when driving and/or occupying company vehicles and/or while operating any vehicle while on the job.
- **ALL STATE LAWS MUST BE OBEYED AT ALL TIMES!**

Outsourced Services

ISNet World

Penn Mechanical Group, Inc. has been a good standing member of ISNet World since 2009. This safety contractor website is utilized by many of the major gas and oil producers in America. For more information please see the following which has been derived directly from www.isnetworld.com.

Company Overview:

ISNetworld is the global resource for connecting corporations with safe, reliable contractors/suppliers from capital-intensive industries. ISN collects self-reported conformance information from contractors/suppliers, verifies its accuracy, and then reports the results in an easy-to-follow format. This allows corporations to select those resources that best meet internal and governmental requirements, while providing contractors/suppliers the opportunity to centralize their conformance information, saving time and gaining presence in the marketplace.

Through its innovative data-systems, superior customer service, and global reach, ISN fosters safer work environments, stronger partnerships, and a healthier bottom-line. Each ISNetworld subscriber has access to the features and services outlined below, along with a host of others.

What is RAVS?

ISN's Review and Verification Services (RAVS) is the industry-leading provider of conformance verification. Self-reported health, safety and procurement related data is reviewed by subject matter experts who verify accuracy and validity. Contractor Dashboard

A summary page for each contractor that allows hiring managers to review qualifications and conformance at a glance. This includes a company profile, RAVS score, insurance information, OSHA forms, and previous job bids.

BEM Enterprises

Penn Mechanical Group, Inc. has been a good standing member of BEM Enterprises since 2006. BEM Enterprises is a drug and alcohol testing consortium that is utilized by Penn Mechanical Group, Inc. in order to assure that all of our DOT, PHMSA, pre-employment drug and alcohol testing, and DOT Drivers Files are done properly to comply with all requirements of the regulations. For more information please see the following which has been derived directly from, <http://www.bemdrugtesting.com/about.php>

About BEM Enterprises

BEM has been in business since 1984 and has been in the Drug and Alcohol Testing Business since 1996.

BEM is a third party administration (TPA) for drug and Alcohol Testing, a collection Site for many other TPA's, and also provides compliance management services for the Trucking, Gas line and other Industries.

BEM Clients range from one-person operations to multi-national corporations with and without Unionized workforces. Currently BEM has over 550 clients from coast to coast. We are proud to say that our client base has been built totally through referrals from our current clients, from insurance companies, and other vendors who deal with us in the drug and alcohol industry.

BEM is a Limited Liability Company registered in the Commonwealth of Pennsylvania. BEM is fully insured, 100% female owned, retired Navy.

Insurance Information

Penn Mechanical Group, Inc. Is fully insured to meet all customer requirements. Our Company's policy is written and provided by Penn National Insurance through Thompson McLay Insurance Associated based out of Indiana, PA. A copy of Penn Mechanical Group, Inc.'s Certificate of Liability Insurance can be obtained by contacting the HSE Director.