

IDS Terms and Conditions Guide
Section D

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**SAFETY, HEALTH AND ENVIRONMENTAL AFFAIRS (SHEA) REQUIREMENTS
FOR ON-SITE PROVIDERS**

All independent contractors are required to provide a safe and healthy job site for their employees, The Buyer's employees of the Decatur Facility (Buyer) and other personnel who enter the job site.

This clause shall be incorporated into all of Seller's subcontracts for independent contractors operating at Buyer's Decatur facility or associated remote sites. Nothing herein shall be construed to relieve the contractor of its responsibility to comply with applicable federal, state and local fire code, environmental, health and safety laws, regulations and requirements. Such responsibility rests solely upon the contractor.

In case of discrepancies between various requirements, the order of precedence shall be the most recent edition of 29 Code of Federal Regulations (CFR) Parts 1910 (Occupational Safety and Health Standards for the Construction Industry) and 1926 (Occupational Safety and Health Standards for the Construction Industry) 40 CFR Protection of the Environment, 49 CFR Transportation, and the International Building and Fire Code.

1. INTRODUCTION

Buyer recognizes that many hazards are inherent during maintenance and construction activities. The contractor is required to follow applicable federal, state and local governmental safety and environmental regulations. This applies to all construction, maintenance and service work performed at any Buyer location.

2. GENERAL INFORMATION

(A) Notifications

All general contractors and independent contractors (not working for a general contractor) that perform construction, maintenance and/or service work at Buyer's Decatur facility shall designate a person as the on-site Safety Representative. The contractor shall provide written notification to the Buyer's Procurement Agent of the name and title of the contractor's on-site Safety Representative for the project. The Safety Representative need not be a supervisor or manager but must have responsibility and authority to identify and correct safety and environmental hazards.

The contractor shall provide the Buyer with a list of hazardous materials used to perform work activities, quantities to be used, and Material Safety Data Sheets (MSDS's) prior to the hazardous materials arriving onto Buyer's property.

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In addition, the contractor shall notify the Buyer's Designated Representative of all hazardous work activities, as identified in Section 3 of this clause, prior to the commencement of the work activity.

The Buyer will notify the contractor(s) of hazardous materials and environments that may be encountered at its facility, and to which contractor(s) may be exposed, prior to commencing work.

(B) Emergencies

Emergencies at Buyer's Decatur facility are to be reported by dialing 2-2222 from any plant phone. This number must be called immediately in case of fire, medical emergency, hazardous material incident or damage to Buyer's property.

Contractors shall avoid using cell phones to call outside emergency services.

Contractors shall report all serious occupational injuries and illnesses that occur on Buyer's property to Buyer's SHEA Department or Buyer's Health Services. Injuries are considered serious if they require medical treatment beyond first aid. A written report must be submitted to the Buyer documented on a Contractor's Report of Workplace Injury/Illness, X31086.

For information on occupational safety, health and environmental requirements at Buyer's Decatur facility, call:

Safety/Health: 256-432-1474 or 256-432-1883

Environmental: 256-432-1139

(C) Safety Orientation

All contract employees shall participate in the Buyer's Service Provider Safety Orientation.

(D) Personal Protective Equipment

The contractor shall provide any required personal protective equipment (PPE).

When required, training in the use of the PPE will be the responsibility of the contractor. Document of said training will be provided to the Buyer upon request. PPE includes head, eye, hearing, hand, foot, and respiratory protection. Contractors must follow Buyer's PPE requirements. All PPE must meet performance standards set by government agencies.

(E) Tobacco Use and Smoking

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Tobacco use of any kind is not permitted inside any buildings of the Buyer's property. Additionally, smoking may be prohibited in some outside areas due to flame restrictions; these areas will be clearly marked.

(F) Pedestrian and Vehicle Traffic

All Buyer's traffic and parking regulations must be observed. All types of vehicles shall obey stop signs and all other signs and markings within Buyer's premises. Walkways are to be used where provided. Contractors shall not take shortcuts through operating areas or buildings. Contractors shall remain in their assigned work areas.

The in-plant speed limit is 5 miles per hour (MPH). Gasoline and diesel powered vehicles shall not be operated inside buildings without coordination with the Buyer's Designated Representative.

(G) Tools and Equipment

Contractors shall provide the equipment necessary for the safe performance of the work. Use of ladders, personal fall protection equipment, scaffolding, barricades, rigging equipment, hand tools, power tools, hoists, and forklifts shall follow safe industrial practices as well as applicable federal, state, and local safety standards. The Buyer's Designated Representative may inspect any tools or equipment used on the job site. However, any such inspection or approval shall not relieve the contractor of their responsibility for the appropriateness, quality, and/or safe use of the tool or equipment.

The contractor must notify the Buyer's Designated Representative of explosive actuated tools and devices used on the project.

Buyer-owned mobile equipment shall be used only with prior written approval from the Buyer's Designated Representative. Operators of Buyer-owned mobile equipment must provide documentation of current training and certification in accordance with OSHA 29 CFR Subpart N, as well as, demonstrate proficiency for the Buyer's Training organization.

(H) Housekeeping

Work areas must be maintained in a safe condition and cleaned up continually as the job progresses. All trash and debris shall be removed from the work area by the end of each workday by the contractor.

(I) Inspections

The contractor or contractor's safety representative shall conduct work area inspections. Inspections shall be made periodically throughout the job to ensure safe working conditions are maintained and no safety hazards exist. All applicable federal, state, and/or local fire safety codes must be followed. In addition, the Buyer may inspect the

contractor's work areas to ensure that safe working conditions are being maintained. Unsafe work conditions will be reported to the Buyer's Designated Representative. Contractors performing construction activities for a period of greater than 5 days will be required to provide documentation of weekly inspections and safety meetings utilizing a Dec-401, Contractors' Safety Checklist for Construction Activities.

3. HAZARDOUS WORK ACTIVITIES

(A) Burning and Welding

The contractor must comply with current Occupational Safety and Health Administration (OSHA) standards for all burning, cutting, and welding operations. A Hot Work Permit must be obtained from the Buyer's Fire Department (256-432-1401) for all cutting, welding, soldering and burning operations. The contractor must supply a fire extinguisher approved by the Buyer's Fire Department within 25 feet of the hot work. In addition, each hot work operation may require a dedicated "fire watch" during operations as deemed necessary by the Buyer's Fire Department. All combustible materials shall be removed from the work area. The contractor must ensure adequate employee and facility protection during all stages of operations.

(B) Confined Space Entry

All work involving entry into confined spaces shall be conducted according to current Occupational Safety and Health Administration (OSHA) standards and accepted industrial practices. Contractors shall submit to the Buyer for approval a Confined Space Entry Plan that meets the requirements of OSHA 29 CFR 1910.146. Contractors shall utilize a permit system for confined space entry. Personnel shall be trained on confined space hazards and precautions prior to entry. The contractor shall supply all tools, equipment, and monitoring instruments necessary for safe confined space entry.

The Buyer's SHEA Department will provide contractors with information on known and suspected hazards of existing confined space entry locations at Buyer's facility.

The contractor shall furnish evidence of a minimally acceptable program to the Buyer's SHEA Department prior to entering confined spaces.

(C) Energized Electrical Work

The contractor must comply with current OSHA standards for safety working energized electrical systems. Work on or near energized lines or equipment of 600 volts or greater, shall only be done when approved in writing by the Buyer's Designated Representative.

(D) Lock/Out and Tag/Out Requirements

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The contractor must comply with current OSHA standards for the proper control of hazardous energy. OSHA regulations and Buyer's policies require that all machines/equipment are isolated from energy sources prior to performing work where accidental start-up might cause injury.

Lockout is the preferred method of isolating machines or equipment from an energy source (i.e., electrical, mechanical, or pneumatic power systems). Danger tags and blocking and blanking procedures shall be used as alternate methods of controlling energy or stored energy in process lines or equipment with approval from Buyer's Designated Representative.

The contractor shall request permission from Buyer's Designated Representative prior to proposed lockout of equipment or circuits. All affected employees shall be notified when equipment is "locked out" and when lockout is removed.

Work on or near exposed energized electrical equipment, and when making connection to live pipeline systems, shall be done only when approved by the Buyer's Designated Representative.

(E) Trenching and Excavations

The contractor must comply with current OSHA standards for all trenching and excavation activities. All trenches and excavations shall be properly guarded with barricades or caution tape. Personal protective systems, including shoring, shielding, sloping, and/or benching shall be utilized when required for trenches over 4 feet deep. If shielding or shoring is installed, contractor employees can only work inside the protected area of the personal protective system. In addition, proper access/egress methods, including ladders, stairs, and/or ramps shall be installed when required.

(F) Overhead Work/Elevated Workstations

The contractor must comply with current OSHA standards for overhead work and elevated workstations, including scaffolding, ladders, powered platforms, and manlifts. All overhead work shall be performed with adequate fall protection for workers and pedestrian protection from falling objects.

The contractor must comply with current OSHA standards for the use of mobile cranes and other material hoisting equipment. All hoisting equipment must be posted with the rated capacity. Documentation of OSHA-required inspections must be presented to the Buyer's Designated Representative prior to use on the Buyer's property. Personnel are not permitted under a suspended load. The use of cranes is limited to trained and authorized personnel only.

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Boeing-owned cranes may be used by the Contractor only with prior written approval of the Buyer's Designated Representative. Operators of Buyer-owned cranes must provide documentation of training and certification in crane operations in accordance with OSHA 29 CFR 1910.179, as well as, demonstrate proficiency for the Buyer's Training organization.

(G) Spray Painting/Spray Finishing/Spray Coating

Spray coating operations shall only be conducted in areas approved by the Buyer's SHEA and Fire Departments. All electrical equipment shall be rated for Class I, Division I locations where flammable or combustible liquids are sprayed in addition to being well ventilated and unoccupied.

(H) Solvent Cleaning

Approval from the Buyer's SHEA Department is required for all solvent cleaning operations. All waste and residual solvent shall be disposed of according to Section 5 (A) of these terms and conditions.

(I) Abrasive Blasting

Approval from the Buyer's SHEA Department is required for all abrasive blasting operations. Approved blasting operations shall be conducted in unoccupied or out-of-doors enclosed areas.

(J) Radiation and Lasers

Approval from the Buyer's SHEA Department is required prior to the use of radioactive materials, x-rays sources and/or class 3b or class 4 lasers. The use of these products must comply with current Federal and state regulations and is limited to licensed, trained and/or authorized personnel.

(K) Air and Noise Contaminants

Contractors shall not subject Buyer's employees to excessive air contaminants or noise from contractor's operations. Protective measures may include, but are not limited to the following:

1. Keeping levels of gases, dusts, fumes, etc., below the OSHA Permissible Exposure Limit (PEL) in non-office areas and ½ the PEL in office areas.
2. Isolation of heating, ventilation, and air conditioning systems.
3. Installation of barriers, temporary walls or approved fire retardant plastic.
4. Working off-shift hours.

(L) Documentation

Prior to any on-site activity, the contractor shall submit to the Buyer a Contractor Safety, Health, and Environmental History, MD-2486.

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All contractor injuries occurring on the Buyer's property must be reported to the Buyer and documented on a Contractor's Report of Workplace Injury/Illness, X31086.

If required per section 2.(I), the contractor must submit a copy of the Dec-401, Contractors' Safety Checklist for Construction Activities to the Buyer's Designated Representative on a weekly basis.

The Buyer reserves the right to request any OSHA-required training and/or inspection documentation pertaining to the work to be performed.

4. HAZARD COMMUNICATION

(A) General

It is important that all workers be informed of potential exposures to hazardous materials. This applies to the contractor's employees and Buyer's employees at or near the job site. Consequently, two-way communication is essential between the contractor and the Buyer.

The Buyer's SHEA Department will provide information on the hazardous materials that exist at the work site to which the contractor's employees might be exposed. Material Safety Data Sheets will be made available upon request.

Each contractor is required to provide the Buyer's Procurement Agent and/or the SHEA Department with a list of chemical products to be used, quantities to be used and Material Safety Data Sheets (MSDS) on each chemical. The contractor shall provide the hazardous material information to the Buyer's SHEA Department and obtain approval for use prior to the hazardous materials arriving on-site.

(B) Labeling

All chemical products brought on site must be appropriately labeled in accordance with current OSHA requirements.

5. ENVIRONMENTAL CONCERNS

(A) Hazardous Waste

Hazardous wastes are those materials specified by the U.S. Environmental Protection Agency (EPA) (40 CFR 260 through 265) or the Alabama Department of Environmental Management (ADEM) (ADEM Administrative Code Divisions 1 through 16). The ADEQ also defines special wastes (A.R.S. R18-8-301). Additionally, Buyer classifies and manages certain non-regulated materials as hazardous waste. These materials include, but are not limited to empty product cans and used oil.

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On-site contractors are responsible for properly collecting, segregating, packaging, identifying, and labeling hazardous wastes and special wastes. The contractor must also notify Buyer's SHEA Department of these materials so that Buyer may properly manage the wastes. On-site contractors will also be subject to site SHEA waste inspections to ensure regulatory compliance.

In no case will the on-site contractor dispose of any hazardous wastes on Buyer's property, e.g., in general trash or recycling dumpsters, on the ground, in dry wells, or in sewer drains.

Additionally, contractors are expressly prohibited from removing hazardous wastes and special wastes from Buyer's property. All hazardous wastes, which are generated as a result of the contract, will remain on-site for proper disposal by the Buyer.

Contractors performing work at Buyer's facility shall ensure all fuel and oil containing equipment and containers are leak free. Any cleanup that resulted from the spilling or leaking of fuel or oil, including petroleum-contaminated soil, will be properly disposed of by Buyer per State of Alabama regulations. Any cost encountered from the cleanup and disposal of these wastes will be the responsibility of the contractor that generated the waste.

(B) Air Quality

Contractors which have the potential of releasing Hazardous Air Pollutants (HAP's) or Volatile Organic Compounds (VOC's), or which perform processes that may otherwise adversely affect ambient air quality must obtain approval from the Buyer's SHEA Department before the project begins. Examples include, but are not limited to: painting operations, abrasive blasting, solvent usage, open burning and earth moving. These projects may require an air quality permit from the Alabama Department of Environmental Management prior to beginning work.

Contractors that release HAP's or VOC's on Buyer's property must maintain a record of those materials used that contain the HAP's and VOC's. Forms for recording the use of products containing HAP's and VOC's are available from the Buyer's SHEA Department. Upon completion of the contract, the contractor must return the completed usage forms to the Buyer's SHEA Department.

The use of equipment or products containing Class 1 Ozone Depleting Substances (CDS) is strictly prohibited.

(C) Water Quality

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No chemicals or hazardous materials shall be discharged into any drain, sanitary sewer system, sink, water retention basin, or on the ground.

Storm water runoff from construction activities on Buyer's premises has the possibility to impact storm water quality by contributing sediment and other pollutants exposed at the construction site.

To protect storm water quality, erosion and sediment control Best Management Practices (BMPs) shall be implemented as appropriate. Construction site operators are required to control waste such as discarded building materials, concrete truck washout, chemicals, litter, and sanitary waste that may cause adverse impacts to water quality. Buyer's construction activities must minimize the disturbance to surrounding areas, preserve natural vegetation, and implement good housekeeping practices. Construction activities that disturb large areas shall implement soil erosion controls such as mulch, grass, and stockpile covers. In addition, sediment controls such as silt fences, inlet protection, check dams, stabilized construction entrances, and sediment traps shall be implemented. Any construction activity which disturbs greater than 1 acre of land is subject to construction NPDES permitting prior to work beginning. Areas less than 1 acre are subject to review and potential permitting prior to work beginning.

Most erosion and sediment controls require regular maintenance to operate correctly. Accumulated sediments should be removed frequently and materials should be checked periodically for wear. Regular inspections by qualified personnel, which can allow problem areas to be addressed, should be performed after major rain events.

6. APPLICABLE FORMS

MD-2486, Contractor Safety & Health History
X31086, Contractor's Report of Workplace Injury/Illness
Dec-401, Contractor's Safety Checklist for Construction Activities