

June 13, 2018



SQE Expectations and Safety Requirements for Contractors/Visitors aboard ATC Vessels

This letter provides information on ATC's Safety, Quality and Environmental (SQE), as well as our security, expectations. A copy of ATC's poster "Attention Contractors and Visitors" is available at our website (<http://www.aktanker.com/contractors/> under "Contractors" located in the upper right corner of the website). We suggest that you post a copy of this poster at your office or other prominent location and request that you have your staff/supervisors review these expectations and safety requirements to ensure they understand them and adhere to them. Failure to do so may result in denial of access to ATC vessels or delays in the commencement of work.

The safety of all individuals on ATC vessels is of paramount importance to ATC and as such we have high expectations of you while onboard ATC vessels. In 2004, ATC began including contractors in its injury statistics. While aboard an ATC vessel, contractors are held to the same standards as the ATC vessel crew in all areas, especially health, safety, and the protection of the environment. We do not want anyone to get injured aboard one of our ships. We will continue to go to great lengths to extend our safety culture and requirements to the many contractors and vendors that support our fleet.

On that note, the following requirements must be met prior to boarding an ATC vessel:

Personal Protective Equipment (PPE): It is the responsibility of the visitor to have suitable PPE and safety processes to conduct their duties prior to boarding an ATC vessel. ATC requests 100% PPE compliance during all work evolutions and when directed by ships' staff. Where there are special requirements due to the nature of work or where HSSE questions arise, please contact your ATC representative. All PPE must be in good condition and maintained/inspected as per manufacturers' requirements. Contractors are required to use the following:

- Eye protection, including side shields on prescription glasses (accompanied by face shields when a heightened risk of eye injury exists due to the nature of the work)
- Hard hat
- Good quality leather work shoes or steel toed boots (bring extra shoes if working in tanks)
- Flashlight (*Note: proper/safe equipment includes the use of Class I Division 1 rated (intrinsically safe) flashlights and head lamps, unless the vessel is certified gas-free.*)
- Pre-prepared Job Planning and Hazard Analysis draft identifying PPE for the work expected

Safe Lifting and Carrying: Any individual item weighing 50 pounds or greater must have a label visible from the top or sides warning persons of a lifting hazard. While onboard ATC vessels, items over 50 lbs. should not be lifted or carried by one person. Contractors shall ensure that sufficient personnel are available to safely move objects, personnel understand and comply with this weight limit, and that personnel utilize appropriate lifting techniques. Contractors are encouraged to train their employees on proper lifting and carrying techniques.

Vessel Familiarization and Safety Orientation: All visitors will be given a copy of the *Safety Requirements for Visitors* information document. For safety reasons, ATC normally prohibits the use of cell phones outside of the accommodations block. At no time shall any use of a cell phone (i.e. calls/texting) be allowed to interfere with the primary duties of ship handling, navigation, and radio communication responsibilities. Check with your ATC Rep to determine the status of cell phone use on board.

Visitors may be asked to sign a *Release and Waiver of Liability* form, depending on the nature of work being conducted (available on our website under "Contractors"). Contractors attending a vessel for an extended time period may be required to undertake a vessel safety orientation and sign the aforementioned waiver (e.g. if riding or sleeping on the vessel).

If your company sub-contracts any work and those workers will be boarding an ATC vessel, we kindly request that you:

- Seek approval from your ATC representative prior to sending a sub-contractor to the vessel.
- Share this safety letter with the sub-contractor to ensure they fully understand our safety requirements.

Injury/Illness Reporting While on board: Contractors working aboard ATC vessels will be required to follow ATC guidelines for reporting injuries or illnesses. Contractors are expected to immediately report any illness or injury to the vessel's Watch Officer. If a worker intends to leave the vessel due to an injury or illness, they shall first report to the Watch Officer prior to leaving the vessel. If there is doubt as to whether to report an injury or illness, then report it.

Intrinsically Safe Equipment and Tools: Many locations on the ship are considered Class I, Division 1 spaces. These hazardous locations or areas may have contained flammable liquids, gases, or vapors that could regenerate in concentrations suitable to produce explosive and/or ignitable mixtures. Hazardous conditions may be found in locations such as, but not limited to, the following: cargo tanks, pipelines, ballast tanks, fuel tanks, lube oil tanks, acetylene storage room, chemical locker, pumproom, and paint storage room. Equipment such as flashlights, headlamps, cameras, communications equipment, hand tools, etc. must be designed and tested to ensure it will perform properly and not cause additional hazards in that environment. According to 29 CFR 1910.307(b)(2)(ii), "Equipment shall be marked to show the class, group...for which it is approved." The National Electric Code (NEC), NFPA 70, also provides guidelines. Equipment used in Class I hazardous locations must be housed in enclosures designed to contain any explosion that might occur if hazardous vapors were to enter the enclosure and ignite. These enclosures are also designed to cool and vent the products of this explosion so as to prevent the surrounding environment from exploding. If in doubt, see the Captain, Chief Engineer, or Chief Mate prior to using the equipment.

Job Planning and Hazard Analysis: When working on our vessels, crews are required to conduct a Job Hazard Analysis (JHA) safety meeting along with the ATC Person-in-Charge of the work operation. The purpose of this meeting is to review job safety requirements and identify all possible hazards and how these hazards are mitigated prior to beginning a job. The process includes discussion of SDS' for any chemicals brought onboard by Contractors (SDS to be supplied by the Contractor). ATC's JHA procedure and the JHA form can be downloaded for your use from our website (under "Contractors"). If you have questions, please contact your ATC representative for more information.

Environmental Management: ATC maintains a high standard of environmental management aboard its vessels and as such, contractors need to be aware of processes in place designed to prevent tampering with system components that, if used inappropriately, could harm the environment. If you are working on a system that communicates with the sea, there will be numbered seals in place that can only be removed by a licensed ATC officer. Any unplanned losses of oil from its primary containment should be contained and reported to the Watch Officer. Environmental aspects of the job will be covered during the JHA process.

To help reduce our environmental impact, we encourage all vendors to submit their invoices by email to AccountsPayable@aktanker.com.

Maritime Security: Due to international security requirements, all personnel boarding ATC vessels shall be subject to security screening. Prior to departing for an ATC vessel, contractors should contact their ATC representative to ensure all personnel planning to attend the vessel are added to the security list. If ATC is not notified in advance of a visit, the contractor may be denied access to the vessel.

The Transportation Security Administration requires that individuals who need unescorted access to secure areas of ports, facilities, or vessels must hold a Transportation Worker Identification Credential (TWIC). ATC expects that contractors/vendors who access our vessels will hold TWIC cards. Any fees imposed by ports/facilities to provide an escort for vendor employees not holding a TWIC card shall be at the contractor/vendor's expense. In addition, where port/facility or vessel escorts are not available, port/facility access, including vessel access, may be denied to vendor employees not holding TWIC cards. ATC shall not be responsible for costs incurred by vendors whose employees do not hold TWIC cards. For additional information, contact your ATC representative and/or the TSA website at www.tsa.gov/twic.

The ship's gangway watch will require all visitors to show a TWIC card or other valid government issued photo identification. They may also search the individual and/or their possessions.

All marine terminals now have specific requirements for transiting their property to and from the vessel. It is imperative that all personnel attending the vessel are aware of those requirements. ATC's MARITIME SECURITY AWARENESS information guide is available on our website. We request that contractors ensure all workers visiting ATC vessels are aware of these security requirements.

Any violation of the requirements above amounts to a security breach that will be reported to the USCG, National Response Center, and other agencies as required. If a visitor is involved in any such incident, they will be required to be available for an investigation at no cost to ATC.

Due to heightened concerns about information security, please note that vessel equipment—both operations equipment and the vessel's business network—that requires electronic update or other connection may ONLY be interfaced after specific express permission has been granted by the Vessel Master, Chief Engineer, or the shoreside ATC IT department. It is likely that any such approval will involve a risk assessment. Additionally, it will generally be preferential to use USB flash devices supplied to the vessel by ATC's shoreside IT department.

Drug and Alcohol Policy: ATC's drug and alcohol policy is applicable to ATC contractors who work on board ATC vessels. Specifically, contractors are subject to "*For Cause*" and "*Post-accident*" testing whenever they are on board an ATC vessel. Contractors are also subject to "*Random*" drug and alcohol testing whenever they are on board an ATC vessel and will be tested if the crew of that vessel is tested under ATC's random testing program. Contractors are not subject to this ATC policy if they are already covered by another random drug and alcohol program acceptable to ATC. If contractors wish to be exempt from ATC's random drug and alcohol testing program, they must submit a copy of their own drug and alcohol policy to ATC for approval.

Management System: As part of our QSMS risk assessment process for contracted services, ATC periodically reviews company management systems that have been successfully implemented by contractors. While this is not a prerequisite to working with ATC, contractors are invited to provide information to ATC documenting their company's management system and whether it is certified to a recognized standard. Alternatives, such as a formally documented in-house management system or Class Society service supplier approval, may also be applicable to any response the contractor makes. If applicable, contractors are requested to provide a copy of their ISO 9001, ISO 14001 certificates, etc. to ATC by mail to the above address. ATC uses this information in our Selected Supplier process, and adjusts contractor quality ratings accordingly.

Certificates of Liability Insurance: ATC requires certificates of liability insurance from Contractors working on our vessels. The certificates must name **Alaska Tanker Company, LLC (Attention: Mr. Jeff Reynolds)** as an additional insured party on your policy. The nature and limits of such insurance are based on the type/extent of work being performed. ATC requires general liability insurance in an amount not less than \$1 million per occurrence / \$1 million aggregate. Another possible required coverage includes USL&H or P&I entry. For clarification, contact Mr. Reynolds directly at 503-207-0105.

ATC is committed to working with our contractors to accomplish these expectations, which are aimed at ensuring the safety of all those with whom we work. We hope this dialogue will help us continue our focus on protection of life, property, and the environment, and we invite any questions or concerns to the undersigned.

Sincerely,



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