Muskrat Falls Corporation Corporate Office 500 Columbus Drive P. O. Box 15000, Stn. A St. John's, NL Canada A1B 0M4

Lower Churchill Project Operations Office 350 Torbay Road, Suite 2 St. John's, NL Canada A1A 4E1

LTR-CH0007001-0256

30-Aug-2014

ASTALDI Canada Inc. 358 Hamilton River Road Happy Valley-Goose Bay, NL AOP 1CO Canada

Attention:

Jose Alves, Project Manager

Roger Hopkins, Contract Administrator

Subject:

Agreement No.: CH0007-001

Title: Construction of Intake and Powerhouse, Spillway and Transition Dams

RE: Contractor's Safety Operation – Safety Audit

Dear Sirs,

This letter addresses the results of the safety audit that was conducted jointly on 28-Aug-2014, with Astaldi, Labrador Ready Mix and Company ("LRM") and Company staff relative to your subcontractor Labrador Ready Mix. The results of the audit are attached for your information and reference. The audit findings and the indicated scores demonstrate that LRM is failing with respect to all eighteen areas addressed in the audit. Overall, LRM's safety record on the project has been unacceptable. Astaldi cannot allow this situation to continue.

Astaldi's action to shut down LRM's batch plant and crushing operations were totally justified. It is clear that LRM has not been meeting the objectives established in Astaldi's Health and Safety Management Plan, Astaldi's Subcontractor Policy SPO-HS-026, the Project Health and Safety Management Plan and the requirements of the Agreement, Exhibit 5.

The Company takes safety very, very seriously, and Astaldi must take action to address the safety issues regarding LRMs operations, most of which are violations of Newfoundland Occupational Health & Safety Act and Regulations. The audit findings have been divided into two distinct categories. Priority 1 items need to be addressed prior to Astaldi allowing the resumption of LRM operations. Priority 2 items are those which do not prevent the resumption of operations but which Astaldi has agreed to bring into compliance by 22-Sep-2014. The table set forth below lists the Priority 1 items.

PRIORITY 1 ITEMS

AUDIT CATEGORIES	ITEMS
Safe Work Practices / Safe Work Procedures	 Development of Safe work practices & procedures for all identified critical operational tasks PPE
Training and Communications	 Competency Assessment Leadership Training Orientation Respiratory Protection WHMIS Lock-Out -Tag-Out Confined Space Entry
Hazard Assessment and Control	 FLRA JSA Unsafe behaviors and conditions
Inspections	Workplace Tools & Equipment
Preventative Maintenance	Scheduling Program for all identified operational areas

^{***} Priority 2 items are as per the attached.

Accordingly, Astaldi is to provide the Company with an action plan to rectify all deficient items. Rectification of the Priority 1 items will enable Astaldi to resume LRM's suspended operations. The Company is prepared to support Astaldi, as needed, to expedite the correction of these deficiencies. Jointly we can monitor the implementation of the corrective practices and procedures and then follow up to ensure compliance. We expect Astaldi and its subcontractor, LRM, to accept full responsibility for any commercial or schedule impacts as a result of this shutdown.

Given the significance of the present audit findings the Company believes that it is prudent that we jointly perform additional safety audits of your other subcontractors to assess their compliance with Astaldi's Health and Safety Management Plan, and Astaldi's Subcontractor Policy SPO-HS-026. Within the next 24 hours, Mr. Kevin Miller will contact Astaldi to develop a schedule to conduct the audits of these subcontractors. Following the result of those audits we will meet to determine what further actions may be required to improve safety on all Astaldi's work fronts.

In the meantime we are requesting Astaldi to conduct a formal investigation with root cause analysis to identify any systemic failures with respect to the implementation of Astaldi's Subcontractor Policy SPO-HS-026. Please provide a copy of the report detailing the results of your investigation with corrective action. Please use the Project Investigation Report template. We request the aforementioned report be submitted on or before 07-September-2014.

^{***} Refer to the attached Audit Report for more detailed descriptions.

If you have any questions please do not hesitate to contact the undersigned.

Regards,

Muskrat Falls-Corporation

Por Desmond Tranquilla

Deputy Company Representative and Site Manager

CC: S. O'Brien, R. Woolgar, D. Healey, B. Knox, A. Kelly, H. Geres, K. Miller, L. Clarke, D. Riffe

Attachments:

- Priority 2 Items
- Evaluation of Contractor OH&S Program: Labrador Ready Mix

Lower Churchill Project LRM – Priority HS Activities 29-Aug-2014





Take a NOTENT Moreover Safety



Priorities



Priority 1 Completed before Start-Up

Audit Item	Includes
Safe Work Practices / Safe Work Procedures	 Development of Safe work practices & procedures for all identified critical operational tasks PPE
Training and Communications	 Competency Assessment Leadership Training Orientation Respiratory Protection WHMIS Lock-Out -Tag-Out Confined Space Entry
Hazard Assessment and Control	FLRAJSAUnsafe behaviors and conditions
Inspections	WorkplaceTools & Equipment
Preventative Maintenance	 Scheduling Program for all identified operational areas



Priority 2

Audit Item	Compliance Date
Health & Safety Policies	22-Sept-2014
Company Rules	22-Sept-2014
Investigations & Reporting	22-Sept-2014
Emergency Preparedness	22-Sept-2014
Records & Statistics	22-Sept-2014
Legislation	22-Sept-2014
Joint Occupational Health & Safety Committee	22-Sept-2014
Transportation of Dangerous Goods	22-Sept-2014
Subcontractor Management	22-Sept-2014
Disability Management & Return to Work Program	22-Sept-2014



Sharing our ideas in an open and supportive manner to achieve excellence.

Teamwork

Open Communication Fostering an environment where information

moves freely in a timely manner.

Honesty and Trust

Being sincere in everything we say and do.

Relentless commitment to protecting ourselves, our colleagues, and our community.

Safety

Respect and Dignity

Appreciating the individuality of others by our words and actions.

Leadership

Empowering individuals to help, guide and inspire others.

Holding ourselves responsible for our actions and performance.

Accountability





Document Name: Contractor Occupational Health and Safety Program Evaluation



Reference Program: Contractor Management Evaluation of Contractor OH&S Program can be waived if Contractor possesses current Certificate of Recognition in province of project LABRADOR READY MIX Date Submitted: 28-Aug-2014 Contractor Name: OH&S Program Name: Program No: Email: _____ Phone No: ____ Responsible Person: Audit Submitted?: ☐ Yes ☐ No ☐ COR Certified Type of Audit: ☐ Internal ☑ External Review Date: 28-Aug-2014 Approximate no of workers 71 Approx no of work activities Approx no of subcontractors Ranking ☐ 1. Lead Contractor ☐ 2. Specialty Contractor ☐ 3. Subcontractor 4. Other Pass/Fail Section Score Attained Expected Pass % Percentage 38 / 80 48% 70% Pass ⊠ Fail 1. Health and Safety Policies 70% 32% 2. Hazard Assessment and Control 29 / 90 Pass X Fail 70% 0% 0 / 90 ⊠ Fail 3. Safe Work Practices Pass 70% 20% 16 / 80 X Fail 4. Safe Job Procedures Pass 70% 5. Company Rules 10 / 50 20% Pass ⊠ Fail 70% 14 / 60 23% Pass X Fail 6. Personal Protective Equipment 70% 32 / 90 36% ⊠ Fail 7. Preventative Maintenance Pass 70% 8. Training and Communications 43 / 150 29% Pass X Fail 70% 9. Inspections ⊠ Fail 10 / 90 11% Pass 70% 37% 26 / 70 X Fail 10. Investigations and Reporting Pass 70% X Fail 11. Emergency Preparedness 38 / 90 42% Pass 70% 12. Records and Statistics 29 / 70 41% X Fail Pass 70% X Fail 14 / 40 35% 13. Legislation Pass 70% 23 / 50 ⊠ Fail 14. Joint Occupational Health & Safety Committees 46% Pass 70% 7 / 40 X Fail 15. Workplace Hazardous Materials Information System 18% Pass 70% 0/30 0% ⊠ Fail 16. Transportation of Dangerous Goods Pass 70% 33 / 100 17. Subcontractor Management 33% Pass X Fail 70% 18. Disability Management & Return to Work Program 5 / 80 6% ⊠ Fail Pass 70% **Overall Scoring** 367 / 1310 28% **Pass** ⊠ Fail **Document Number** Rev Date Supersedes Section **Page** 503011-0000-68-AG-0001 June, 2011 n/a 2 - 4

1)	nalcor
	LOWER CHURCHILL PROJECT

Contractor Occupational Health and Safety Program Evaluation **Document Name:**



			Reference Pr	ogram:	Contractor Mana	agement								Income the second
N	lothing [N]	N	linimal [MIN]	Me	edium [MED]	High [HIGH]	Superior [SU]	S			Sc	oring		
	information provided		ntified but lacks ifficient details		te details and/or not orted by training records	Well detailed but not confirmed by training records or external audit	Detailed and confirmed by training records and audit	Applies to:	N 0	MIN 1 – 3	MED 4 – 6	HIGH 7 – 9	SU 10	Score
1.	Health and	d Saf	fety Policies	3										
1.	Does the e	mploy	er have a writt	en health	and safety policy	that is signed by senior m	nanagement?	Yes			5			5
2.	Does the h		and safety poli	cy include	e management's c	commitment to provide a s	afe and health work	Yes			5			5
3.	Does the h	_	and safety poli	cy recogn	ize the rights of w	orkers to work in a safe a	nd healthy work	Yes		2				2
4.											8		8	
5.	5. Is the health and safety policy reviewed annually by management? Yes 6											6		
6.	Does the h workplace			cy addres	s accountability a	nd responsibility for health	n and safety for all	Yes			4			4
7.			and safety poli the workers?	cy expres	s a commitment t	o work in a spirit of consul	tation and	Yes		1				1
8.	Is it promin	ently	posted or mad	available	to workers?			Yes				7		7
9.														
10.														
							Sectio	n Score		3	20	15		38/80
Not	es, Comme	ents,	Recommend	led Corr	ective Actions				Ex	pected	l Pass I	Percent	tage:	
,	No real	acco	untability / res	ponsibili	ty system refere	enced			Pe	rcenta	ge Obt	ained: 4	18%	
	 The wor 	ker ri	ights stateme	nt & man	agement comm	itment to safety was no	t being expressed			Pass	\boxtimes	Fail		
	 Very vag 	gue p	olicy						Εv	aluate	d by: Lo	CP, Asta	aldi H	<u>S</u>
	 Manage 	ment	verification o	f Policy	statement was p	ooor			Re	eviewed	d by:			

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Document Name: Contractor Occupational Health and Safety Program Evaluation

nalcor energy LOWER CHURCHILL PROJECT

Reviewed by:

Reference Program: Contractor Management Minimal [MIN] Medium [MED] High [HIGH] Nothing [N] Superior [SU] Scoring Applies to: Incomplete details and/or not No information Identified but lacks Well detailed but not Detailed and confirmed N HIGH SU MIN MED Score supported by training provided sufficient details confirmed by training by training records and 0 1 – 3 7 – 9 4 - 610 records records or external audit audit 2. Hazard Assessment and Control Are written hazard assessments conducted as required? Yes 4 4 Yes 6 2. Does the employer use an ongoing hazard assessment process? 6 Are appropriate personnel involved in the hazard assessment process? Yes 3 3. Are the hazards identified? Yes 4 4 Are the hazard prioritized? Yes 4 4 Is there a list of identified critical tasks? Yes 0 0 Yes Are controls developed for identified hazards? 4 4 7. Yes Are the appropriate personnel involved in or informed of the control strategies? 2 2 Yes Does management support the ongoing application of the hazard assessment process? 2 **Section Score** 22 0 29/90 **Notes, Comments, Recommended Corrective Actions Expected Pass Percentage:** Percentage Obtained: 32% No formal hazard assessment process established ⊠ Fail No clear evidence of management participation in hazard assessment Pass Evaluated by:LCP, Astaldi HS Control methods do not adequately address the hazards identified

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FLRA's not being reviewed and approved by front-line supervision Management no reviewing FLRA's for completeness or accuracy

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Evaluation of Contractor OH&S Program

Document Name: Contractor Occupational Health and Safety Program Evaluation

Reference Program: Contractor Management



e:	Notes, Comments, Recommended Corrective Actions Expected Pass Percentage:														
0/90	0	0	0	0	0	Score	Section								
												10.			
					0	Yes	Are they readily available to workers?								
					0	Yes			s?	nderstood by workers	Are they ur	8.			
					0	Yes		r's activities?	curately reflect the compan	e Work Practices acc	Do the Safe	7.			
					0	Yes		ractices to the workforce?	cate changes in safe work p	rocess to communic	Is there a p	6.			
					0	Yes	ss?	s to determine effectivenes	aluating safe work practice	ormal process for ev	Is there a fo	5.			
					0	Yes	nd review of safe	ted in the development an	risors and workers participa		Have both work practi	4.			
					0	Yes		s activities?	urately reflect the company	work practices accu	Do the safe	3.			
					0	Yes		escription?	nprehensive in detail and d	e work practices con	Are the saf	2.			
					0	Yes	Have applicable safe work practices been written?								
							2.3.5.1			Practices	Safe Work	3.			
	SU 10	HIGH 7 – 9	MED 4 – 6	MIN 1 – 3	N 0	Applies to:	Detailed and confirmed by training records and audit	Well detailed but not confirmed by training records or external audit	Incomplete details and/or not supported by training records	Identified but lacks sufficient details	information provided	No			
		oring	Sc				Superior [SU]	High [HIGH]	Medium [MED]	Minimal [MIN]	othing [N]	N			

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Evaluation of Contractor OH&S Program

Document Name: Contractor Occupational Health and Safety Program Evaluation



		Reference Pr	ogram: Contractor Mana	agement								
•	No SWF	o's produced for rev	view			_	Ре	rcentaç	ge Obta	ained: ()%	
								Pass		Fail		
							Ev	aluated	y:			
							Re	viewed	l by:			
Ne	othing [N]	Minimal [MIN]	Medium [MED]	High [HIGH]	Superior [SU]	S			Sc	oring		
	information	Identified but lacks	Incomplete details and/or not	Well detailed but not	Detailed and confirmed	Applies to:	N	MIN	MED	HIGH	SU	Score
	provided	sufficient details	supported by training records	confirmed by training records or external audit	by training records and audit	Ą	0	1 – 3	4 – 6	7 – 9	10	
4.	4. Safe Job Procedures											
1.	Does the co	ompany have docum	nented safe work procedure	es?		Yes			5			5
2.	Are the pro		sive and descriptive of the	step by step instructions re	equired to perform	Yes			4			4
3.	Do the safe	work procedures co	over the work activities perfo	ormed by the Contractor?		Yes			4			4
4.	Have both i		visors and workers participa	ited in the development ar	nd review of these	Yes	0					0
5.	Are the safe	e work procedures re	eviewed periodically to vali	date they are appropriate	to the activity?	Yes	0					0
6.	Is the proce	ess for safe work pro	ocedure review documented	d and reviewed by manage	ment?	Yes	0					0
7.	Do the safe work proced		entify when a "qualified per	son" is required to review	and approve the safe	Yes	0					0
8.	Have all cri	tical safe work proce	edures been written?			Yes		3				3
9.).											
10.												
					Section	n Score	0	3	13	0	0	16/80
Note	es, Comme	nts, Recommend	led Corrective Actions				Ex	pected	Pass F	Percent	age:	

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Document Name: Contractor Occupational Health and Safety Program Evaluation



Reference Program: **Contractor Management** SJP's for LOTO, CSE, and Respiratory Protection but nothing specific to crushing and batch Percentage Obtained: 20% operations. Pass **⊠** Fail No formal review process in place Evaluated by: LCP, Astaldi HS Workers not aware of existing SJP's Reviewed by: No evidence of management development or approval; all procedures are generic High [HIGH] Superior [SU] Minimal [MIN] Medium [MED] Nothing [N] Scoring Applies to: No information Identified but lacks Incomplete details and/or not Well detailed but not Detailed and confirmed Score N MIN MED HIGH SU supported by training by training records and provided sufficient details confirmed by training 0 1 - 37 – 9 4 - 610 records records or external audit audit 5. Company Rules Are the company rules clearly stated in writing? 0 0 Yes Yes 5 Does the health and safety program address non-conformance and progressive disciplinary actions? 5 Are the rules applied and enforced consistently with all employees? Yes 5 5 3. Yes 0 0 Do the rules identify health and safety requirements for visitors, consultants and inspectors? 4. 0 Yes Are the company rules posted in conspicuous areas? 0 6. 7. 8. 9. 10. **Section Score** 10 10/50 **Expected Pass Percentage: Notes, Comments, Recommended Corrective Actions Document Number** Rev Date **Supersedes** Section **Page** 503011-0000-68-AG-0001 PA June, 2011 2 - 4 n/a 6



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Evaluation of Contractor OH&S Program

Document Name: Contractor Occupational Health and Safety Program Evaluation



		Reference Pr	ogram: Contractor Mana	agement								
•	Compar	ny Rules are non-e	xistent, but there is evide	ence of written disciplina	ry action being appli	ed	Pe	rcenta	ge Obta	ained: 2	20%	
								Pass	\boxtimes	Fail		
							Ev	aluated	d by: LC	CP, Asta	aldi H	S
							Re	viewed	l by:			
No	othing [N]	Minimal [MIN]	Medium [MED]	High [HIGH]	Superior [SU]	S			Sc	oring		
	information	Identified but lacks	Incomplete details and/or not	Well detailed but not	Detailed and confirmed	Applies to:	N	MIN	MED	HIGH	SU	Score
	provided	sufficient details	supported by training records	confirmed by training records or external audit	by training records and audit	Ap	0	1 – 3	4 – 6	7 – 9	10	
	- I I	· ·		records of external addit	audit							
		Protective Equip										
1.	Is there a v	vritten policy for PPE	?			Yes		2				2
2.	Are worker	s made aware of the	requirements for PPE?			Yes		2				2
3.	Are there w	vritten procedures for	r the proper fitting, care, and	d use of specialized PPE?		Yes			4			4
4.	Are employ	ees given instructior	n or training in the use of Pf	PE as required?		Yes			6			6
5.	Is there crit	eria used to select P	PPE?			Yes	0					0
6.	Is there a s	ystem in place to rec	gularly inspect and maintair	n basic and specialized PF	PE?	Yes	0					
7.												
8.												
9.												
10.												
					Section	n Score	0	4	10			14/60
Note	es, Comme	ents, Recommend	ed Corrective Actions				Ex	pected	Pass F	Percent	age:	

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Document Name: Contractor Occupational Health and Safety Program Evaluation

Reference Program: Contractor Management

nalcor energy LOWER CHURCHILL PROJECT

• Produced records for specific training sessions on the use of specialized PPE, but no evidence exists of ongoing training for any new employees.

Percentage Obtained: 23%

☐ Pass ☐ Fail

• Supervisor stated in interview that employees were informed about PPE requirements immediately before entering the work area.

Evaluated by: LCP, Astaldi HS

They have adopted Astaldi's PPE program, but the most current Astaldi HS Manual was not on-site for

Reviewed by:

• There is no process in place to formalize the issuance of PPE

No	othing [N]	Minimal [MIN]	Medium [MED]	High [HIGH]	Superior [SU]	S	Scoring					
	information provided	Identified but lacks sufficient details	Incomplete details and/or not supported by training records	Well detailed but not confirmed by training records or external audit	Detailed and confirmed by training records and audit	Applies to:	N 0	MIN 1 – 3	MED 4 – 6	HIGH 7 – 9	SU 10	Score
7.	Preventati	ve Maintenance										
1.	Is there a preventative maintenance program for facilities, tools, equipment and vehicles?											0
2.	Is there an	inventory of items to	be maintained?			Yes			4			4
3.	Do mainter	nance protocols iden	tify the requirement to mee	t regulatory and manufact	urers' standards?	Yes	0					0
4.	Is there use	e of schedules and c	hecklists?			Yes			6			6
5.	Is there a re	ecord for corrective	actions taken?			Yes				7		7
6.	Is there a s	ystem in place to ef	fectively remove defective	tools, equipment, and veh	icles from service?	Yes	0					0
7.	Does a qua	alified and competen	t person perform the inspec	ction and maintenance?		Yes				7		7
8.	8. Is there a process for inspection and certification of equipment prior to arrival/use on site?					Yes		3				3
9.	Are copies of inspections/certifications maintained at the workplace?					Yes			5			5
10.												

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Reference Program: Contractor Management



		Troioronoo 1 1	ogram: Contractor Mana		Sectio	n Score	0	3	15	14	0	32/90		
Note	es, Comme	ents, Recommend	ed Corrective Actions		Ex	pected	Pass F	Percent	age:					
	All main	tenance appears to	o be reactive, and there i	s no policy for maintena	ance		Pe	rcenta	ge Obta	ained: 3	36%			
•		7 1	spections for crusher ar	nd batch plant, but boil	er and ice plants nee	ed to be	be Pass Fail							
		o daily inspections						aluated						
•	 They use foremen and operators to do inspection and repair, as well as specialized personnel for other specialized equipment. Reviewed by:													
N	Nothing [N] Minimal [MIN] Medium [MED] High [HIGH] Superior [SU]													
No	information provided	Identified but lacks sufficient details	Applies to:	N 0	MIN 1 – 3	MED 4 – 6	HIGH 7 – 9	SU 10	Score					
8.	records records or external audit audit Training and Communications													
1.	Does the e	mployer have a form	al orientation program?			Yes	0					0		
2.	Is orientation	on mandatory for all	new employees before star	ting work?		Yes	0					0		
3.	Is orientation	on mandatory for all	visitors, consultants, inspec	ctor before entering the wo	orkplace?	Yes	0					0		
4.	Is there a s	tandardized written o	orientation form?			Yes	0					0		
5.	Are manda	tory training requirer	nents verified or training pro	ovided before starting wor	·k?	Yes				8		8		
6.	Are there c	ompetency based te	sts which validate the prop	er understand of the work	ers.	Yes	0					0		
7.	Are training	g records maintained	?			Yes				8		8		
8.	Is job-spec	ific training provided	and documented as require	ed?		Yes			4			4		
9.	Does a cor	npetent person cond	uct job-specific training?			Yes	0					0		
10.	Are there s	tandards established	d for what constitutes a qua	lified and competent train	er?	Yes	0					0		
11.	Have supervisors received training in workplace inspections and health and safety responsibilities?											0		
12.	2. Is a system in place to measure worker knowledge and competency?											0		
13.	13. Are tailgate or toolbox meetings held regularly and documented? Yes 8											8		
14.	Is there a p	process for communic	cating health and safety info	ormation to the workforce	?	Yes				7	_	7		

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				Sitti Extribit							. 49	0 10
	nalco)r	Evaluation	n of Contracto	or OH&S Pro	gram				1	na	lcor
	LOWER CHURCHILL PROJ	Document Na	ame: Contractor Occ	upational Health and Safet	ty Program Evaluation						LOWER CHUR	energy CHILL PROJECT
		Reference P	rogram: Contractor Mar	agement		_		,				
15.	Are sign/no	otice boards used to	post health and safety info	ormation in the workplace?		Yes				8		8
					Sectio	n Score	0	0	4	39	0	43/150
Not	es, Comme	ents, Recommend	ded Corrective Actions				Ex	pected	Pass	Percent	tage:	
	No formal system for assessing competency, based on Superintendent's judgment Percentage O											
	They follow only the union process for complying with training requirements Pass											
	-	•	ompleted by safety advis	• .			Εv	aluate	d by: Lo	CP, Ast	aldi H	S
	There is	no formal orientat	tion in place. They are u	ısing Astaldi's which is n	ot site, or process sp	ecific	Re	eviewed	d by:			
		Γ	1	1	T	1						
	othing [N]	Minimal [MIN]	Medium [MED]	High [HIGH]	Superior [SU]	les	N	MIN	Sc MED	oring	011	
	No information provided Sufficient details Supported by training Supported by Supported Su									HIGH 7 – 9	SU 10	Score
	'		records	records or external audit	audit		0	1 – 3	4 – 6	7 - 9	10	
9.	Inspection	ns										
1.	Is there a v	vritten policy for insp	pections?			Yes		2				2
2.	Does the p	olicy include frequer	ncy of inspections?			Yes			6			6
3.	Is there a fo	orm or checklist use	d for inspections?			Yes	0					0
4.	Are superv	isors performing ins	pections as required?			Yes	0					0
5.	Are worker	s involved in the ins	pection process?			Yes	0					0
6.	Are identifie	ed deficiencies corre	ected in a timely manner?			Yes		2				2
7.	Is there a process to track deficiencies to ensure they're corrected in the prescribed timeframe? Yes											0
8.	8. Does senior management review or participate in the inspection process? Yes 0										0	
9.	Are inspect	tion reports posted o	or communicated to approp	oriate employees?		Yes	0					0
						ļ		J				
			· · · · · · · · · · · · · · · · · · ·									

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1)	nalcor energy LOWER CHURCHILL PROJECT

Document Name: Contractor Occupational Health and Safety Program Evaluation

Reference Program: Contractor Management



10. **Section Score** 10/90 **Notes, Comments, Recommended Corrective Actions Expected Pass Percentage:** Percentage Obtained: 11% Policy gives a timeframe of 30 days or less to complete deficiencies Pass ⊠ Fail The only inspections being completed are daily equipment inspections Reliance on Astaldi & LCP to initiate and compose worksite inspections **Evaluated by:** Reviewed by: No evidence of management involvement in inspection process Nothing [N] Superior [SU] Minimal [MIN] Medium [MED] High [HIGH] Scoring Applies to: No information Identified but lacks Incomplete details and/or not Well detailed but not Detailed and confirmed N MIN MED HIGH SU Score by training records and provided sufficient details supported by training confirmed by training 10 7 – 9 1 - 34 - 6records records or external audit audit 10. Investigations and Reporting Is there a written investigation policy and reporting procedure? 5 Yes 5 Are standardized forms readily available and used? Yes 2. 8 8 Yes 0 3. Have supervisors been trained in investigation and reporting procedures? 0 Are appropriate employees involved in investigations? Yes 0 0 4. Are near misses being reported? Yes 4 4 Are recommendations for prevention or remedial action implemented in a timely manner? Yes 4 4 Yes 5 5 7. Are investigation reports reviewed by management? 8. 9.

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nalcor energy LOWER CHURCHILI PROJECT

10.

Evaluation of Contractor OH&S Program

Contractor Occupational Health and Safety Program Evaluation **Document Name:**

Reference Program: **Contractor Management**



Notes, Comments, Recommended Corrective Actions

- No Incident files presented for review contained final, approved reports, but rather working drafts.
- Only bodily injuries were noted as reportable events in the manual
- No copies of closure of corrective actions available
- Only Safety involved in the Investigation process

Workers stated that corrective actions were not being communicated as lessons learned

Expected Pass Percentage:

18

Percentage Obtained: 37%

Pass ⊠ Fail

Evaluated by: LCP, Astaldi HS

Reviewed by:

Section Score

N	othing [N]	othing [N] Minimal [MIN] Medium [MED] High [HIGH] Superior [SU]							Sc	oring		
	o information provided sufficient details supported by training records or external audit provided sufficient details supported by training records or external audit supported by training records or external audit supported by training records and supported by training records or external audit supported by training records and supported by training records or external audit supported by training records and su					Applies to:	N 0	MIN 1 – 3	MED 4 – 6	HIGH 7 – 9	SU 10	Score
11.	Emergenc	y Preparedness										
1.	Are there g work area?		relopment of emergency res	sponse plans to make the	m appropriate to the	Yes			4			4
2.	Does the p	lan include a require	ment for training in emerge	ncy procedures, roles and	l responsibilities?	Yes		2				2
3.	Does the p	lan include requirem	ents for inspection/interacti	on with emergency respor	nse agencies?	Yes			5			5
4.	Is there a re	equirement to test th	e emergency response pla	n on an annual basis to ve	erify its effectiveness?	Yes	0					0
5.	Are correct	ive actions impleme	nted for any deficiencies in	the emergency response	plan?	No						N/A
6.	Are the em	ergency response pl	lans required to be posted i	n the workplace?		Yes			5			5
7.	Does the e	mployer use signage	e to indicate emergency mu	ster locations?		Yes				8		8
8.	Does the e		extinguishers and first	No						N/A		
9.	Does the e	mployer have a writt		No						N/A		
10.	Does the e	No						N/A				
11.	Is there a p	rocedure to regularly	y inspect and maintain fire e	extinguishers?		Yes				9		9

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1	nalcor		Evaluation	of Contracto	r OH&S Pro	gram				1	na	cor		
	LOWER CHURCHILL PROJECT	Document Na	me: Contractor Occu	upational Health and Safet	ty Program Evaluation						LOWER CHUR	energy CHILL PROJECT		
	ı	Reference Pr	ogram: Contractor Mana	agement		ı					1			
12.	Does the emp	oloyer have a hot v	vork permitting process, in	cluding issuance of hot wo	ork permits.	Yes			5			5		
13.	Does the emp	oloyer have a proc	ess for conducting fire safe	ety inspections of the work	place?	Yes	0					0		
					Sectio	n Score	0	2	19	17	0	38/90		
Note	es, Commen	Ex	pected	Pass I	Percent	age:								
•	Using Site	Plans for Emerg	gency Response, but hav	ve posted a corporate c	opy in the workplace		Pe	rcenta	ge Obta	ained: 4	12%			
•	 Some tele 	phone numbers	in the posted document	are not correct / applica	ble			Pass	\boxtimes	Fail				
	Using radi	o and cellphones	s to alert workers to mus	ter			Ev	aluated	d by: Lo	CP, Asta	aldi H	S		
•	No Emerg	ency Drills					Re	viewed	l by:					
No	othing [N]	Minimal [MIN]	Medium [MED]	High [HIGH]	Superior [SU]				Sc	oring				
	information	Identified but lacks	Incomplete details and/or not	Well detailed but not	Detailed and confirmed	Applies to:	N	MIN	MED	HIGH	SU	Score		
ı	provided	sufficient details	supported by training records	confirmed by training records or external audit	by training records and audit	App	0	1 – 3	4 – 6	7 – 9	10			
12.1	Records and	d Statistics												
1.	Is there a pro	cess to organize a	nd manage program docui	mentation?		Yes			6			6		
2.	Are adequate	health and safety	activity summaries develo	ped and maintained?		Yes	0					0		
3.	Are health an	d safety statistical	reports generated on an o	ngoing basis and readily a	available?	Yes				9		9		
4.	Does the com	pany compare he	alth and safety performand	e year to year or project to	o project?	Yes		2				2		
5.	Are the annua	al statistics analyze	ed and needs or trends ide	ntified?		Yes		2				2		
6.	Are first aid treatment records kept? Yes									8		8		
7.	Was an action plan developed based on the most recent audit? No											N/A		
8. Was that action plan communicated and implemented?										N/A				

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1	nalco		Evaluation	of Conti	racto	r OH&S Pi	rogram				1)	na	lcor
	LOWER CHURCHILL PROJECT	Document Na				y Program Evaluation						OWER CHUR	energy CHILL PROJECT
		Reference Pro	ogram: Contractor Man	agement								COVER CHAR	CINET ROSE
9.	Is the 5 year	Recordable Incide	nt Frequency Rate accepta	able?			Yes		2				2
10.													
10.													
						Sec	tion Score	0	6	6	17	0	29/70
Notes, Comments, Recommended Corrective Actions									pected	l Pass I	Percent	age:	
 No evidence of corporate communication regarding trends, and analysis of indicators 									rcenta	ge Obt	ained: 4	11%	
□Pass										\boxtimes	Fail		
Evaluated by: LCP, A										CP, Asta	aldi H	S	
								Re	eviewed	d by:			
N	othing [N]	Minimal [MIN]	Medium [MED]	High [HIGH	1]	Superior [SU]	S			Sc	oring		
	information provided	Identified but lacks sufficient details	Incomplete details and/or not supported by training	Well detailed bu confirmed by tra		Detailed and confirme by training records ar		N 0	MIN 1 – 3	MED 4 – 6	HIGH 7 – 9	SU 10	Score
			records	records or extern	al audit	audit		Ů	. •		. ,		
13.	Legislation								I			I	
1.	Does the OF	I&S manual state th	ne worker's rights and resp	onsibilities and he	ow to exe	ercise them?	Yes			5			5
2.	Does the OF	I&S manual describ	e due diligence requireme	nts?			Yes	0					0
3.	Does the OF	I&S manual describ	e how the employer will m	eet due diligence	requiren	nents?	Yes	0					0
4.	Is there a cu	rrent version of Pro	vincial OH&S Act & Regul	ations on site and	availabl	e to workers?	Yes				9		9
						Sec	tion Score	0	0	5	9	0	14/40
Note	es, Commen	ts, Recommend	ed Corrective Actions					Ex	pected	l Pass I	Percent	age:	
,	 Employer 	responsibilities n	ot mentioned in the Cor	porate Manual				Percentage Obtained: 35%					
 Manual references employee rights, but is not encompassing of employee responsibilities as legislated 									Pass	\boxtimes	Fail		
								Ev	aluate	d by: Lo	CP, Asta	aldi H	S
Reviewed								d by:					
	othing [N]	Minimal [MIN]	Medium [MED]	High [HIGH	-	Superior [SU]	. lies	<u> </u>	l		oring	l _	l <u>-</u>
	information provided	Identified but lacks sufficient details	Incomplete details and/or not supported by training	Well detailed but transcript to confirmed by transcript to the confirmed by the c		Detailed and confirmed by training records are		N 0	MIN 1 – 3	MED 4 – 6	HIGH 7 – 9	SU 10	Score
Doc	ument Numb	er		Rev	Date	<u> </u>	Supersedes			<u> </u>	Section Page		
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1	nalco	r		Ε	valuation	of (Contr	acto	r OH&S Pr	ogram				1)	na	lcor
	LOWER CHURCHILL PRO	JECT .	Document Na	ame:	Contractor Occu	ıpationa	al Health a	nd Safet	y Program Evaluatio	n					OWER CHUR	energy CHILL PROJECT
			Reference Pr	ogram:	Contractor Mana	agemen	nt							0.5	OWER CHOIC	CHILL PROJECT
					records	record	ds or externa	al audit	audit							
14	Joint Occ	unati	onal Health	and Sa	afety Committ	000										
1.	Does the e	mploy	er have a prod	ess for e	stablishing and ma	aintainir		Occupat	ional Safety and	Yes			5			5
Health committee, including the requirement for subcontractors to attend? 2. Have committee members or the worker representative received any training in how to carry out these duties and responsibilities? Yes								Yes		2				2		
3.	·							Yes	0					0		
4.								Yes				7		7		
5.	Are meetin	gs occ	curring as per i	regulatory	atory requirements and are minutes posted/available? Yes									9		9
									Sect	ion Score	0	2	5	16	0	23/50
Not	es, Comme	ents,	Recommend	led Corr	ective Actions						Ex	pected	Pass I	Percent	age:	
Only 1 / 4 Committee Representatives have been trained									Pe	rcenta	ge Obta	ained: 4	16%			
Subcontractors don't participate in the OHS Committee									☐Pass ⊠ Fail							
	 Meeting 	s are	held monthly	instead	of quarterly.						Εv	aluate	d by: Lo	CP, Asta	aldi H	S
	Minutes	are p	osted, but wo	orkers st	ate they only "sh	nowed (up" yeste	rday			Re	viewe	by:			
N	othing [N]	М	inimal [MIN]	Me	edium [MED]		High [HIGH	 []	Superior [SU]	S			Sc	oring		
	information provided		ntified but lacks fficient details		te details and/or not orted by training records	conf	ll detailed bu firmed by tra ds or externa	ining	Detailed and confirmed by training records and audit		N 0	MIN 1 – 3	MED 4 – 6	HIGH 7 – 9	SU 10	Score
15.	Workplace	e Haz	vardous Ma	terials I	Information Sy				awan							
1.			er have a WHI			70.0		4		Yes			5			5
2.	Does the p	rograr	n address edu	cation an	d instruction requi	irements	s for the e	mployee	s?	Yes		2				2
3.	Does the p	rograr	n address wor	ksite deca	anting and labeling	g?				Yes	0					0
4.	Does the p	rograr	n address disp	osal of C	ontrolled Products	s after u	ise in the v	workplac	e?	Yes	0					0
			·					·		ion Score	0	2	5	0	0	7/40
Not	es. Comme	ents.	Recommend	led Corr	ective Actions						Ex	pected	Pass	Percent	age:	<u> </u>
	•				struction progran	n for th	e workers	S				•		ained: 1		
												Pass		Fail		
Doc	ument Num	ber					Rev	Date	;	Supersedes			Sect	ion		Page
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Document Name: Contractor Occupational Health and Safety Program Evaluation



		Reference Pr	ogram: Contractor Mana	agement															
	 No bour 	nd copy of MSDS s	heets for review in comn	non areas			Ev	aluate	d by: L0	CP, Asta	aldi H	S							
,	 No polic 	y reference to dec	anting, labelling, or dispo	sal			Re	viewed	d by:										
Nothing [N] Minimal [MIN] Medium [MED] High [HIGH] Superior [SU] ,										Scoring									
	No information		Applies to:	N	MIN	MED	HIGH	SU	Score										
	provided sufficient details supported by training confirmed by training by training records and records or external audit						0	1 – 3	4 – 6	7 – 9	10								
16.	Transport	ation of Danger	ous Goods [TDG]																
1.	Does the e	mployer have a TDG	program?			Yes	0					0							
2.	Does the program address education and instruction requirements for the employees? Yes											0							
3.												0							
					Sectio	n Score	0	0	0	0	0	0/30							
Note	es, Comme	ents, Recommend	led Corrective Actions				Ex	pected	Pass F	Percent	age:								
No evidence of TDG program exists								Percentage Obtained: 0%											
								Pass		Fail									
							Ev	aluate	d by: L(CP, Asta	aldi H	S							
		<u>-</u>					Re	viewed	by:										
	othing [N]	Minimal [MIN]	Medium [MED]	High [HIGH]	Superior [SU]	S			Sc	oring		Τ							
	information provided	Identified but lacks sufficient details	Incomplete details and/or not	Well detailed but not confirmed by training	Detailed and confirmed by training records and	Applies to:	N	MIN	MED	HIGH	SU	Score							
	provided	Sufficient details	supported by training records	records or external audit	audit	А	0	1 – 3	4 – 6	7 – 9	10								
17.	Subcontra	actor Manageme	nt			□N/A													
1.	Does the C	contractor have a pol	icy statement covering sub	contractors?		Yes	0					0							
2.	Does the c	ontractor have speci	fic rules and requirements t	or subcontractors?		Yes	0					0							
3.	Does the C	Contractor have a saf	ety evaluation/qualification	process for subcontractor	s?	Yes	0					0							
4.	Does the C		n copies of subcontractor C	DH&S programs which are	then reviewed by	Yes			5			5							
5.			cords of training for subcor ubcontractor workers?	tractor workers and/or ha	ve a process to	Yes				8		8							
	•																		

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	nalcor		Eva	aluation	of C	Contr	acto	r OH&S Pr	ogram				1	na	lcor
	LOWER CHURCHILL PROJECT	Document Nam	me: Co	ontractor Occu	upational	Health a	nd Safet	y Program Evaluatio	on					LOWER CHUR	e n e r g y CHILL PROJECT
	T	Reference Prog	gram: Co	ontractor Mana	agement					Ī					1
6.		ractor seek/obtain equipment inspection/certification records before permitting Yes equipment onto site?											8		8
7.	Does the Contra compliance with						uipment,	personnel for	Yes	0					0
8.	Does the Contra	ctor have a prog	gressive disc	ciplinary proces	ss for su	bcontract	or non-c	compliance?	Yes	0					0
9.	Does the Contra	ctor have a proce	ess for colle	ection of subco	ontractor	statistics	?		Yes			5			5
10.	Does the Contra	ctor participate ir	n subcontra	actor investigati	tions?				Yes				7		7
11.															
12.															
13.															
	L							Sec	tion Score	0	0	10	23	0	33/100
Note	es, Comments,	Recommende	ed Correct	tive Actions						Ex	pected	Pass I	Percent	tage:	
Currently have 3 subcontractors in their employ; BMH, Erecteur, and Isketeu									Percentage Obtained: 33%						
l (- Carronay nav	de o subcontrac	Ciors in the	зи етпрюу, ыч	vi⊓, ⊑re	cteur, ar	a isket	eu		ГЕ	Centa	ge Obia	aineu.	JJ /0	
	•	stematic pre-qu		• •							Pass		Fail)	
	•			• •							Pass		Fail		S
	•			• •						Ev	Pass	d by: L	Fail		S
N	No formal sy:		ualification	• •	sub-cont		n-board		S	Ev	Pass aluated	d by: L(Fail		S
No	No formal system othing [N] Information	stematic pre-qu	Mediui Incomplete de supportec	m [MED] etails and/or not d by training	H Well confir	tractor or High [HIGH detailed bu rmed by tra	n-board	Superior [SU] Detailed and confirme by training records an		Ev	Pass aluated	d by: L(Fail		S
No	othing [N] information provided No formal system No formal syste	Inimal [MIN] Intified but lacks Ifficient details	Mediui Incomplete de supportec rec	im [MED] letails and/or not d by training cords	H Well confir	tractor or High [HIGH detailed bu	n-board	Superior [SU] Detailed and confirme		Ev Re	Pass aluated viewed	d by: L(d by: L(d by: Sc MED	Fail CP, Asta	aldi H	ı
No	No formal system of thing [N] Information Identification	Inimal [MIN] Intified but lacks Ifficient details	Mediui Incomplete de supportec rec	im [MED] letails and/or not d by training cords	H Well confir	tractor or High [HIGH detailed bu rmed by tra	n-board	Superior [SU] Detailed and confirme by training records an	Applies to:	Ev Re	Pass aluated viewed	d by: L(d by: L(d by: Sc MED	Fail CP, Asta	aldi H	I
No	othing [N] information provided No formal system No formal syste	Inimal [MIN] Intified but lacks Ifficient details agement & R	Mediui Incomplete de supported rec	im [MED] letails and/or not d by training cords Work Progr	H Well confir records	tractor or High [HIGH detailed bu rmed by tra	n-board	Superior [SU] Detailed and confirme by training records an		Ev Re	Pass aluated viewed	d by: L(d by: L(d by: Sc MED	Fail CP, Asta	aldi H	I
No 18. I	othing [N] information provided Disability Man	linimal [MIN] Intified but lacks Ifficient details agement & R I/er have a disabi	Medium Incomplete de supportec recent	m [MED] etails and/or not d by training cords Work Progreement program	H Well confir records	High [HIGH detailed bu rmed by tra s or externa	n-board I t not ning I audit	Superior [SU] Detailed and confirme by training records an audit	□N/A	Ev Re	Pass aluated viewed	d by: L(d by: L(d by: Sc MED	Fail CP, Asta	aldi H	I
18. I	othing [N] Identification provided Su	linimal [MIN] Intified but lacks Ifficient details agement & R If yer have a disabi	Medium Incomplete de supportect rectangle Return to illity manage	m [MED] etails and/or not d by training cords Work Progrement program	H Well confir records ram n?	High [HIGH detailed bu rmed by tra s or externa	n-board I t not ning I audit	Superior [SU] Detailed and confirme by training records an audit	N/A Yes	Ev Re N 0	Pass aluated viewed	d by: L(d by: L(d by: Sc MED	Fail CP, Asta	aldi H	Score 0
18.1 1. 2.	No formal system othing [N] information provided Disability Man Does the employ Does the employ Does the employ	Inimal [MIN] Intified but lacks Ifficient details agement & R Iver have a disability how an identify how an i	Medium Incomplete de supported rec Return to illity manage in injured/dis	im [MED] letails and/or not d by training cords Work Progrement program isabled worker work available more	H Well confir records ram n? will be prodified du	High [HIGH detailed bu rmed by trass or externations or extern	n-board I not ning I audit	Superior [SU] Detailed and confirme by training records an audit	Yes Yes Yes	Even No O	Pass aluated viewed	d by: L(d by: L(d by: Sc MED	Fail CP, Asta	aldi H	Score 0 0
18.1 1. 2. 3.	othing [N] information provided Disability Man Does the employ Does the employ	Inimal [MIN] Intified but lacks Ifficient details agement & R Iver have a disability how an identify how an i	Medium Incomplete de supported rec Return to illity manage in injured/dis	im [MED] letails and/or not d by training cords Work Progrement program isabled worker work available more	H Well confir records ram n? will be prodified du	High [HIGH detailed bu rmed by trass or externations or extern	n-board I not ning I audit	Superior [SU] Detailed and confirme by training records an audit duties?	Yes Yes Yes	Even N 0 0 0 0 0 0 0 0 0	Pass aluated viewed	d by: L(d by: L(d by: Sc MED	oring HIGH 7 - 9	SU 10	Score 0 0 0

1	nalcor	E	valuation of Contractor OH&S Pro	gram				1	na	cor	
	LOWER CHURCHILL PROJECT Document Name: Contractor Occupational Health and Safety Program Evaluation									energy HILL PROJECT	
		Reference Program:	Contractor Management							Principal Control of Transaction	
5.	Does the employ	0					0				
6.	6. Does the employer have a process for notifying injured/disabled employees that modified duties are available?									0	
7.	Do the employer first aid reports include a notation that modified duties are available? Yes						5			5	
8.	B. Does the employer have a physical demands analysis process to determine appropriate modified duties?									0	
9.											
10.											
			Sectio	n Score	0	0	5	0	0	5/80	
Note	es, Comments,	Recommended Corr	ective Actions		Expected Pass Percentage:						
	Utilizing Morr	neau Shepell First Aid	(Occupational) notification form		Percentage Obtained: 6%						
•	No formal Dis	sability Management F	Process in place			Pass	\boxtimes	Fail			
					Ev	aluate	d by: Lo	CP, Ast	aldi H	S	
					Re	viewe	d by:				

- The evaluation was based on a COR certification audit covering 18 sections of Health & Safety Management.
- Audit Team consisted of: LCP, Astaldi, and Labrador Ready Mix personnel.
- Audit process consisted of a team review of subcontractor documents contained in-house, as well as corporate provision. Followed by interviews with both field and supervisor personnel.
- Primary areas of concern are lack of formalized health & safety documentation, training, and communication, as well as lack of safety leadership from all levels of supervision.
- Recommend that Astaldi assume immediate control of safe work operations, and implement a formalized system of health & safety management. Also, due to the worker ratios, 2 full time safety personnel are required.

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