Appendix

Contractor Safety Agreement

This agreement applies only to the UBE Urethanes Business, the urethanes business of UBE Corporation. It does not apply to any other business of UBE, which is governed by separate terms.

This agreement applies to all on-Site service activities by any service provider (collectively referred to as "Contractor") inside the fence line of UBE legal entities (collectively referred to as "Site") including but not limited to process areas, utilities, offices, lab and open areas.

The purpose of this agreement is to ensure all the activities in Site conducted in a manner fully following local regulations about safety, health, environment and UBE requirements. On the basis of friendly negotiation, the Parties entered into this Agreement in respect of follows.

1. Site Responsibilities:

1.1 Provides necessary HSE training to all the staff under Contractor and its subcontractors before they start work in Site. Training covers but not limited to:
  1.1.1 Potential hazards and precautions associated with assignments
  1.1.2 Work Permit and other specific permitting programs
  1.1.3 Personal Protective Equipment (PPE)
  1.1.4 Emergency Response Plan
  1.1.5 Incident reporting
  1.1.6 Chemical handling
  1.1.7 Waste disposal
  1.1.8 Civilized construction and housekeeping
1.2 The Site and Contractor need to make the risk assessment together, and identify the risk of work area and work content.
1.3 Safety and technical disclosure should be transmitted to the Contractor, and this process shall be recorded.
1.4 The work area must be defined, notice not to walk around and forbid to touch any valve, pipe and equipment, etc. without permission.
1.5 The fire extinguishing facility, evacuation route and emergency meeting point in work area should be informed to the Contractor. Also include what PPEs shall be worn during working if needed
1.6 Checks and qualifies electric tool, power box and scaffolding before initially used.
1.7 For high risk works, the Contractor's work permit and related safety precautions should be confirmed before the implementation. High risk works cover but not limited to: Elevated work, Hot work, Excavation work, Confined space work, Lifting work, Scaffolding, Ray work, Static pressure testing, High pressure jet work, Temporary electronics work, Pipeline disconnection work.
1.8 Conducts regular on-Site inspections and provides clear feedbacks in time.
1.9 Takes necessary actions based on different risk levels associated with unsafe behaviors of Contractor:
  1.9.1 Stops unsafe behaviors immediately,
  1.9.2 Kicks individuals or supervisors off-Site,
  1.9.3 Close the contactor, and financial penalty,
  1.9.4 Closes the field for certain days

2. Contractor Responsibilities:

2.1 Contractor must comply with the related laws and regulations of the applicable jurisdiction, HSE policies, procedures and regulations of Site, and accept the supervision, inspection from Site.
2.2 Contractor must ensure the submitted certificates and documents credible, legal and valid according to the demand. Ensures all individuals have necessary experience, knowledge, education, expertise and right attitude for their assignments.
2.3 Contractor's management and supervision shall achieve and maintain a well-informed and motivated workforce that contributes effectively to HSE performance on Site. The Contractor project manager is the chief HSE responsible person in Site project and assigns qualified on-Site coordinator(s) and establishes team (committee) for HSE and documents these to Site.
2.4 Ensures any individuals have received HSE training initially and whenever needed by Site before their work starts.
2.5 Submits HSE management plan to Site for review initially and after changes.
2.6 The Contractor shall provide operation personnel or sub-Contractors personnel with sufficient safety information on Site operation according to risk assessment content and regulatory measure requirements, ensuring that the personnel fully understand the corresponding risk and control and protection measures.
2.7 Provides appropriate PPE for all individuals and gets PPE pre-qualified by Site HSE.
2.8 Ensures all equipment and substances are reviewed and approved by Site before initially used in Site including but not limited to:
  2.8.1 Chemicals
  2.8.2 Machines
  2.8.3 Gas cylinders and other pressure vessels
  2.8.4 Electrical, mechanical and hand tools
  2.8.5 Vehicles (e.g. forklift, crane, etc.)
2.9 Is responsible of managing all individuals and on-Site activities. Is ultimately responsible for sub-Contractor(s).
2.10 Is NOT allowed to-

2.10.1 Move into areas where are not relative to assigned work.
2.10.1 Do any works not assigned.
2.10.2 Send individuals without any assignment or third parties in without approval by Site.

2.11 Reports any injuries, fires, epidemics and other emergencies immediately to Site and local authorities, and takes appropriate actions per Emergency Response Plan to minimize all losses from it.

2.12 Contractor must report to Site management on all required reporting categories, e.g. safety performance, incident, injuries, environmental loss and security cases etc. The Contractor is requested to support and provide required assistance to ensure that accidents, incidents and reported cases are investigated for root cause and issued with improvement plans.

2.13 Is responsible for any losses due its violations to local HSE regulation and Site HSE systems. Any violations, the Contractor must follow the Site's regulation and accept the safety penalty.

3. Reward and penalty management
   Site will manage a Reward and Penalty plan for the whole capital project. Contractors are encouraged to set up their own reward and penalty system.

4. Liability
   Both Site and Contractor have the responsibility of dealing with emergency cases and providing disaster relief when an incident happens.
   If the HSE incident is single caused by Site or Contractor, the responsible party should bear the responsibility.
   If the Contractor violates this agreement or other reason to cause incident and losses to Site, Site has right to ask for expiation from Contractor.
   If the incident is caused by breach of the agreement from both of Site and the Contractor, both parties shall take the responsibilities and liabilities for the loss according to proportion to the extent of each party's fault.

Where a local-language version of this agreement is provided for a given Site, the English version shall prevail in case of any discrepancy. This agreement constitutes an important component of all the contracts (or purchase order) signed by and between UBE legal entities and the Contractor, and the agreement shall remain in effect for Contractor until the Contractor or its subordinate unit's employees or personnel of other third Party authorized by the Contractor doesn't provide any work or service to the legal entities of UBE anymore.

The agreement is in 2 originals held by both sides and each of them has same judicial effectiveness.

Both parties have read and fully understand the said terms and agreed to affix their signatures.

Buyer/Site

Confirmed and accepted by Buyer

Entity name:

_____

Name:

_____

Title:

_____

Signature:

_____

Date:

_____

Contractor

Confirmed and accepted by Contractor

Entity name:

_____

Name:

_____

Title:

_____

Signature:

_____

Date:

_____