

# AMS DRUG-FREE SAFETY PROGRAM POLICY

## I. STATEMENT OF POLICY

AMS (the "Company") believes that it is very important to provide a safe workplace for all of its employees and a safe and healthy environment for the general public and customers whom we serve.

As a result, the Company is taking steps to address the problem of substance use that negatively affects every workplace, including ours. Our Company is concerned with the health and well being of all employees. We cannot condone and will not tolerate behaviors on the part of employees that relate to substance abuse.

Under this policy, employees are prohibited from:

1. Using, possessing, or being under the influence of any alcoholic beverage, illegal drug or illegal substance while on Company premises, facilities, job sites or in Company vehicles. "Illegal drugs" means any drug not legally obtainable (i.e., medicinal or recreational marijuana banned by federal law, cocaine, opiates, amphetamines, etc.) or any drug not legally obtained or used, including prescription drugs not being used for their prescribed purpose.
2. Using, possessing, distributing, or selling paraphernalia used in connection with any drug or controlled substance on Company premises, facilities, job sites, or in Company vehicles; or
3. Selling, purchasing, distributing, or transmitting illegal drugs or controlled substances on Company premises, facilities, job sites, or in Company vehicles.

However, possession of alcohol and reasonable alcohol use on Company premises will be permitted in conjunction with social events or business functions planned and authorized by Company management. Alcohol kept on Company premises for use at these events will be kept in designated areas preauthorized by Company management.

### A. Program Protections

This program is designed to protect employees from the behaviors of substance users. Some of the protections built into the program are:

- Employee records such as testing results and referrals for help will be kept as confidential as possible and shared only on a need-to-know basis. Any violation of confidentiality rights is subject to disciplinary action up to and including termination of employment.
- The Company is committed to getting help for employees who have substance addictions. Each situation will be reviewed individually.

Employee assistance is available for employees and their families as provided in this policy.

- Testing will be done through a local laboratory and through a certified laboratory that uses the highest level of care in ensuring that results are accurate. The certified lab will work closely with our testing facility to ensure fairness and accuracy, and we also have a Medical Review Officer (MRO), who is a trained physician responsible for checking whether there is a valid reason for the presence of the substance in the employee's system. When the MRO receives positive test results, the MRO will contact the employee and any appropriate health care provider to determine whether there is a valid reason for the presence of the drug in the person's system.
- The testing program consists of an initial screening test. If the initial results are positive, then a second test is usually used. Cut-off levels for each drug and for alcohol are established based on federal guidelines. There are many other protections for employees that are built in.
- An employee's violation of this policy will not be reported to law enforcement unless required by a regulatory body or by criminal statute, such as related to drug trafficking. However, in protection of the workforce, law enforcement may be requested to come onto Company property in conjunction with a referral for criminal prosecution.
- Cut-off levels are used to determine when an employee has enough of a certain drug or alcohol in his/her system so that it should be considered a positive test. These cut-off levels come from federal guidelines and are fair for all employees.
- In general, the Company's policy will be *not* to terminate employees for a first-time violation of this policy. However, if an employee violates the Policy and the employee's position is one that requires a zero threshold for certain drugs or alcohol under any law or regulation (Federal, State, local or otherwise), or if the employee's position is particularly safety-sensitive, then the penalty for this drug use or alcohol use may be discipline, up to and including termination of employment. In addition, if a new employee tests positive for drugs or alcohol during his or her sixty-day probationary period, the new employee will be subject to termination. Also, if an employee refuses to participate in appropriate treatment or counseling, the employee will be terminated. The implementation of discipline or of sanctions shall be at the sole discretion of the Company.
- A positive drug or alcohol test, or refusal to consent to a drug or alcohol test, could result in a denial of workers' compensation benefits.

## **B. Employee Awareness Education**

Every current employee will be required to attend a session in which this program is discussed. There will be an opportunity to ask questions. The written Policy will be shared, and everyone will be expected to sign a form acknowledging receipt of the Policy. We will have a qualified person explain the disease model for alcohol and drugs, why and how substance use is a workplace problem, the effects, signs/symptoms of use, effects of commonly used drugs in the workplace, and how to get help. We will also cover how an employee can get a referral for employee assistance, the importance of determining how much of a substance problem the employee has, and what type of help is needed.

All employees will initially receive 1 hour of substance awareness education when this program is implemented. All employees will then receive an additional 1 hour of training annually. All new employees will receive at least 1 hour of substance awareness education during orientation. Thereafter, the new employee will receive annual training with the rest of the workforce as regularly scheduled.

## **C. Supervisor Training**

Supervisors will be trained to recognize substance problems that may endanger the employee and others as well as violate this Policy. This training is in addition to annual employee education. Supervisors will be trained about testing responsibilities, how to recognize and document behaviors that demonstrate an alcohol/drug problem, how to confront employees with problems, how to implement reasonable suspicion testing and how to make referrals for help. Further, supervisors will learn how to follow up with employees returning to work after a positive test.

All supervisors will receive 2 hours of training initially and participate in the 1 hour of initial education for all employees. Supervisors will then receive 1 hour of annual supervisor training and 1 hour of annual employee education. New supervisors will receive 2 hours of training within the first 8 weeks of being hired or becoming a supervisor. The new supervisor will then receive an additional 1 hour of education as soon as possible thereafter, and then, the new supervisor will receive his or her annual training and education with the rest of the supervisors as regularly scheduled.

## **D. Employee Assistance**

The Company believes in offering assistance to employees with a substance problem. We are supportive of employees taking action on their own behalf to address a substance problem. The Company believes in offering a second chance to employees who are willing to do something about their problem. To help those who come forward voluntarily and those who test positive in violation of this Policy, we have established a relationship with an Employee Assistance Program (EAP).

When an employee reveals or is determined to have a substance problem, the company will meet with the employee to discuss the problem and the violation of this Policy. It is important for the employee to come to an understanding regarding the extent of the problem in order to correct the problem and be able to avoid future usage in violation of the Company Policy. This is required in order to correct the problem and be able to avoid violating the Company Policy in the future. If an employee is willing to actively engage in resolving the substance use problem, the Company will refer the employee to the provider for an assessment and possible outpatient counseling with a substance professional.

Any employee participating in the employee assistance program will be required to exhaust his or her paid leave for any time off required to complete the program. If completion of the program requires additional time off, the employee will be required to take unpaid leave.

If an employee refuses to participate in appropriate treatment or counseling, the employee will be terminated.

An employee who violates this Policy will have the opportunity to meet with the substance counselor, and the Company will be informed whether the employee is attending sessions and actively participating but will not receive information about the specifics of the counseling. An employee who completes these counseling sessions will be allowed to return to work, subject to signing a "second chance" or "last chance" agreement acknowledging that a second violation of the Company substance use Policy may result in termination of employment. The employee will be tested prior to being allowed to return to work and at various times thereafter in conjunction with the substance use professional.

Substance abuse treatment and counseling is covered by employees' health insurance benefits with AMS to a certain dollar amount. Any cost of treatment and counseling above and beyond this amount, will be the responsibility of the employee.

#### **E. Drug and Alcohol Testing**

Testing is intended to detect problems, deter usage and allow appropriate corrective action. In addition to alcohol, the drugs that will be tested for are:

- Amphetamines (speed, uppers)
- Cocaine (including Crack)
- Marijuana
- Opiates (Codeine, Morphine, Heroin (including initial testing for 6-Acetylmorphine (-6-AM)))
- Phencyclidine (PCP, "angel dust")
- Propoxyphene
- Methadone

- Barbiturates
- Benzodiazepines
- Methaqualone
- Ecstasy (MDMA, MDA, and MDEA)

An employee attempting to adulterate a specimen or otherwise manipulate the testing process will result in termination of employment, as will a refusal to produce/provide a specimen.

## **II. FREQUENCY AND SITUATIONS WHEN TESTING OCCURS**

Individuals or employees will be tested for the presence of drugs in the urine and/or alcohol on the breath under any and/or all of the conditions outlined below:

### **A. Post-Offer, Pre-Employment Drug Testing**

As part of the Company's employment procedures, all applicants will be required to undergo a post-offer, pre-employment drug screen/test that is conducted by a contractor designated by the Company. Any offer of employment is contingent upon, among other things, satisfactory completion of this screening, and the determination by the Company that the applicant is capable of performing the responsibilities of the position that has been offered. If a newly-hired employee is required to report to work immediately, that employee will be tested within seven (7) days of his or her first day of employment, or as soon as possible. If the employee tests positive, his or her employment will be subject to termination.

### **B. Reasonable Suspicion Testing**

Reasonable suspicion testing will occur when Company management and/or supervision has reason to suspect that an employee may be in violation of this Policy. The suspicion must be documented in writing within 24 hours of the event or prior to the release of the test findings. Reasonable suspicion testing may be based upon, among other things:

1. Direct observation of drug/alcohol use or possession;
2. Observation of the physical symptoms of drug and/or alcohol use, including, but not limited to:
  - Low productivity
  - Absenteeism and tardiness
  - Impaired decision making (mistakes)
  - Increased accidents
  - Damage to equipment

- Poor attitudes
  - Poor housekeeping and disregard for neat work area
  - Lack of personal grooming
  - Theft of company property
  - Gross lack of coordination (stumbling, not walking straight)
  - Slurring of speech
  - Extreme mood swings, periods of high energy followed by periods of depression
  - Odor of alcohol or marijuana
  - Dilated pupils
  - Other abnormal conduct or erratic behavior
3. Arrest or conviction for a drug-related offense, or the identification of an employee as the focus of a criminal investigation into illegal drug possession, use, or trafficking. The employee is responsible for notification of the Company, within five (5) working days, of any drug-related conviction;
  4. Information provided either by reliable and credible sources or independently corroborated regarding an employee's substance use; or
  5. Newly discovered evidence that the employee has tampered with a previous drug or alcohol test.

Reasonable suspicion testing does not require certainty. However, mere "hunches" are not sufficient to justify testing. To prevent this, all supervisors will be trained in the recognition of drug and alcohol-related signs and symptoms. Testing may be for drugs or alcohol or both. No Employee referred for a reasonable suspicion drug and/or alcohol test shall transport him or herself to the testing facility. Instead, a supervisor shall transport the individual to the facility. If the situation is life threatening, the ambulance personnel will become the authority as to where the individual will be transported.

Also, employees could be subject to searches of their personal items, such as purses, desk drawers, tool boxes, motor vehicles, lockers, etc., if the Company believes the employee possesses drugs or alcohol, possesses drug paraphernalia, or is using drugs or alcohol.

### **C. Post-Accident Testing**

Post-accident testing will be conducted whenever an accident occurs as defined below. For purposes of this policy, an accident is considered an unplanned,

unexpected or unintended event that occurs on Company property, during the conduct of the Company's business, or during working hours, or which involves Company-supplied equipment or motor vehicles or equipment or motor vehicles that are used in conducting Company business, or is within the scope of employment, and which results in any of the following:

1. A fatality of anyone involved in the accident;
2. Bodily injury to the employee and/or another person that requires off-site medical attention away from the Company's place of employment;
3. Vehicular damage in apparent excess of \$1000; or
4. Non-vehicular damage in apparent excess of \$1000.

Any employee who may have contributed to the accident will be tested for drug or alcohol use or both. This testing requirement is limited to situations in which employee drug or alcohol use is likely to have contributed to the incident in the Company's estimation.

We do not have to conduct a post-accident test if all of the following circumstances exist:

- The accident resulted in a minor injury, even when off-site medical attention was required;
- There was no violation of work rules;
- An accident investigation determined there was no reasonable suspicion related to the accident;
- The accident is considered normal in relationship to the job functions of the injured employee.

### ***Procedure for Drug and/or Alcohol Testing after an Accident***

Urine specimen collection (for a drug test) or breath/saliva (for an alcohol test) is to occur immediately after a need has been determined. At no time shall a specimen for a drug test be collected after thirty-two (32) hours from the time of an employment-related incident. Breath or saliva alcohol testing will be performed within eight (8) hours of an incident. Necessary medical attention will not be delayed by the need for testing.

If the employee responsible for an employment-related accident is injured, it is a condition of employment that the employee herein expressly grants unto the Company, its officers and management, the right to request that attending medical personnel obtain appropriate specimens (breath, blood and/or urine) for the purpose of conducting alcohol and/or drug testing. Further, all employees herein expressly grant unto the Company, its officers and management, access to any and all other medical information that may be relevant in conducting a complete and thorough

investigation of the employment-related accident, to include, but not be limited to, a full medical report from the examining physician(s) or other health care providers. No Employee referred for a post-accident drug and/or alcohol test shall transport him or herself to the testing facility. Instead, a supervisor shall transport the individual to the facility. If the situation is life threatening, the ambulance personnel will become the authority as to where the individual will be transported. Should the employee be incapacitated as a result of the accident, the medical facility will determine whether or not it is appropriate to administer the test. If performed by the medical facility, blood tests can also be used to determine whether an employee was under the influence of drugs or alcohol at the time of the accident.

**D. Random Drug Testing**

Random drug testing will include all employees, including all levels of management, and contract workers and is conducted on an unannounced basis. A non-Company testing organization will utilize objective computer software that ensures a truly random selection process in which all employees in the testing pool have an equal statistical likelihood of being selected for testing. When the next random draw is conducted, all employees are again included in the pool with an equal chance of selection, regardless of whether an employee was previously selected.

Random testing is designed to deter drug use in violation of the Company Policy and ensure that the Company maintains confidence in its employees' abilities to perform their duties. The Company has contracted with an outside vendor to perform the periodic selection of employees for inclusion in the random testing pools. The contractor selects employees at random for drug testing at any time during each calendar year. The Company will provide employee identification numbers to be used in the random selection drawings. The contractor will, in turn, furnish the Company with a list of individuals to be tested at the beginning of each selection period. It shall be the responsibility of the Company to notify each employee who was selected with the date, time and location that random testing will be performed. When notified, it shall be the responsibility of the individual employee to provide a urine specimen for drug testing and/or submit to breath alcohol testing. An employee's failure to comply with the request for a specimen for random testing will result in termination of employment.

**E. Follow up Testing after Return to Work from Assessment or Treatment**

This testing occurs when an employee who has previously tested positive is allowed to return to work under a "second-chance" or "last-chance" agreement. A return-to-duty test is required before the employee is allowed to return to work and, if the employee fails this test, this will lead to termination of employment. Once an employee passes the drug and/or alcohol test and returns to work, there will be a series of up to four or more additional tests conducted over a period of at least a year. Any employee with a second positive test result will be terminated.



### **III. SUBSTANCES TO BE TESTED FOR AND THE METHODS OF TESTING**

#### **A. Forms of Testing**

For purposes of the Drug-Free Safety Program, urinalysis will be used for a panel of the eleven drugs (amphetamines, cocaine, marijuana, opiates, PCP, barbiturates, propoxyphene, benzodiazepines, methadone, methaqualone and Ecstasy) and breath test or saliva test with a evidentiary breath test (EBT) for alcohol. However, if a breath test or urinalysis is not available, not reasonably accessible, or unable to be performed because of the physical or mental condition of the employee, a blood test can be administered to determine the presence of alcohol or drugs.

#### **B. Substances**

Systems presence testing is the procedure that is used to identify the presence of the following substances that may be present: alcohol, amphetamines, cocaine, marijuana, opiates, PCP, barbiturates, propoxyphene, benzodiazepines, methadone, methaqualone and Ecstasy. A negative initial screening test is considered a negative test. For each of the tested drugs (amphetamines, cocaine, marijuana, opiates, PCP, barbiturates, propoxyphene, benzodiazepines, methadone, methaqualone and Ecstasy), there is an initial test used to screen the urine specimen. If the initial screen is positive [at or higher than a cut-off level that comes from the federal Department of Health & Human Services (DHHS)], a second or confirmatory test is done. This is a different test and is considered 100% accurate. Detection thresholds (or cut-off levels) are standards that have been established by the DHHS for each of the above drugs after years of research. These levels will be used to interpret all drug screens/tests, whether for a pre-employment examination, reasonable suspicion test, post-accident test or follow up test. Breath alcohol testing will be: conducted by a testing contractor that uses only certified equipment and personnel. Breath alcohol concentrations exceeding .04 will be considered a verified positive result. In the event of an accident where an employee has a "whole blood" alcohol drawn at a medical treatment facility, a result equal to or greater than .04 shall be considered to be a verified positive result. An Evidentiary Breath Test (EBT) is used to confirm any initial positive test result. The Company also expressly reserves the right to add or delete substances on the list above, especially if mandated by changes in existing Federal, State or local regulations or legislation.

#### **C. Testing Procedure**

Testing shall be conducted by trained collection personnel, who meet quality assurance and chain-of-custody requirements for urine collection and breath alcohol testing. Confidentiality is required from our labs. Any individual subject to testing under this Policy shall be permitted to provide urine specimens in private, but subject to strict scrutiny by collection personnel so as to avoid any alteration or substitution of the specimen to be provided. Breath alcohol testing will likewise be done in an area that affords the individual privacy. In all cases, there will only be one individual tested at a time. Failure to appear for testing when scheduled shall be considered refusal to participate in testing, and will subject an employee to the range of disciplinary actions, including dismissal, and an applicant to the cancellation of an offer of employment. Further, the following procedures will be followed:

- The employee must present photo identification to the testing facility. The employee must bring all prescription drugs taken in the preceding month in their original containers and a list of all medications taken during the preceding month, including all over-the-counter drugs, such as aspirin, cold medications, etc. The employee shall take into account drugs administered during dental work, outpatient surgery and similar procedures.
- No coats, purses, bags, etc. shall be allowed in the testing room during sample collection.
- The employee must wash his or her hands immediately prior to providing a specimen.
- Bluing agent shall be added to the toilet water and there shall be no access to any other water during the collection period.
- Upon providing a specimen, the testing facility will seal the bottle, in the presence of the employee, with a tamper-proof label and place the bottle in a tamper-proof bag.
- A chain of custody form must be filled out and shall include:
  - date and time of collection
  - code name or number of person from whom the specimen was collected
  - name, date and title of every person handling the specimen
  - person to whom the report is to be sent
- All samples will be shipped directly to a qualified laboratory.
- All positive samples will be locked up and stored for a minimum of one (1) year.

#### **IV. REVIEW OF TEST RESULTS**

To ensure that every employee who is subjected to drug and alcohol testing by Company is treated in a fair and impartial manner, the Company has hired a Medical Review Officer ("MRO"), a medical doctor or doctor of osteopathic medicine with a specialized knowledge of substance abuse disorders. The MRO will be able to determine whether there are any valid reasons for the presence in the employee's system of the substance that was tested positive.

#### **V. EMPLOYEES' RIGHTS RELATED TO AN INITIAL POSITIVE TEST RESULT**

An employee who tests positive under this Policy will be given an opportunity to explain the findings to the MRO prior to the issuance of a positive test result to the

Company. Upon receipt of a confirmed positive finding, the MRO will attempt to contact the employee by telephone or in person. If contact is made by the MRO, the employee will be informed of the positive finding and given an opportunity to rebut or explain the findings. The MRO can request information on recent medical history and on medications taken within the last thirty days by the employee. If the MRO finds support in the explanation offered by the employee, the employee may be asked to provide documentary evidence to support the employee's position (for example, the names of treating physicians, pharmacies where prescriptions have been filled, etc.). A failure on the part of the employee to provide such documentary evidence will result in the issuance of a positive report by the MRO with no attendant medical explanation. A medical disqualification of the employee will result. If the employee fails to contact the MRO as instructed, the MRO will issue a positive report to the Company.

## **VI. REPORTING OF RESULTS**

All test results will be reported to the MRO prior to the results being issued to the Company. The MRO will receive from the testing laboratory a detailed report of the findings of the specimen. Each substance tested for will be listed along with the results of the testing. The Company will receive a summary report, and this report will indicate that the employee passed or failed the test. All of these procedures are intended to be consistent with the most current guidelines for Medical Review Officers, published by the federal DHHS.

## **VII. STORAGE OF TEST RESULTS AND RIGHT TO REVIEW TEST RESULTS**

All records of drug/alcohol testing will be stored separately and apart from the employee's general personnel documents. These records shall be maintained under lock and key at all times. Access is limited to designated Company officials. The information contained in these files shall be utilized only to properly administer this Policy and to provide to certifying agencies for review as required by Law. Those designated Company officials that shall have access to these records are charged with the responsibility of maintaining the confidentiality of these records. Any breach of confidentiality with regard to these records may be an offense resulting in termination of employment. Any employees tested under this Policy have the right to review and/or receive a copy of their respective test results. An employee may request from the Drug-Free Safety Program Administrator, in writing, with a duly notarized Employee Request for Release of Drug Tests Results form, a copy of the test provided. The Company will use its best efforts to promptly comply with this request and will issue to the employee a copy of the results personally or by U.S. Certified Mail, Return Receipt Requested.

## **VIII. POSITIVE TEST RESULTS**

**Employees who are found to have a confirmed positive drug or alcohol test or refuse to test will be immediately removed from duty and be subject to discipline up to and including termination.**

**Any employee who is found to be under the influence of illegal drugs or alcohol by chemical tests, or who refuses to submit to a drug or alcohol test pursuant to this policy, may be denied workers' compensation benefits.**

## **IX. EMPLOYMENT-AT-WILL STATUS**

Nothing in this Policy alters the employment-at-will status of any at-will employee.

## **X. TERMINATION NOTICES**

In those cases where substance testing results in the termination of employment, all termination notices will list "misconduct" as the reason. Termination shall be deemed "for cause."

## **XI. SAFETY ACTION PLAN**

In our ongoing commitment to safety, AMS undertook a Drug-Free Safety review. As a result, we have identified a number of goals which include Accident Analysis, Accountability, Hazard Control, and Safety Culture. These goals are described more fully below.

- **Accident Analysis**  
Based on the results of our 2010 Safety Review, accident analysis is our number one priority. Improving our ability to identify and analyze the root causes of accidents will help us prevent future accidents. We are providing training for our field supervisors and are holding meetings for all supervisors.
- **Accountability**  
Improving accountability is an ongoing commitment at AMS. Toward that end, we have implemented the Presidential Safety Letter, the Presidential Safety Pipeline Weekly Safety Instructions, and written policies for personal protective equipment. We have included safety responsibilities in written job descriptions and are using outside safety consultants for inspections and audits.
- **Hazard Control**  
Hazard control is another ongoing commitment at AMS. Activities in progress include establishing a safety hotline where employees and subcontractors can call in concerns. We are ensuring that all field supervisors are OSHA 30 Hour Construction trained and that all other field employees are OSHA 10 Hour Instruction trained. Field supervisors are completing job site safety inspection checklists. The safety director is recording and investigating all reported hazards.
- **Safety Culture**  
To establish a culture of safety, we need to improve communication and trust. We ask each employee to sign a safety pledge to demonstrate their commitment to a culture of safety and awareness. We are establishing a newsletter with a full page dedicated to safety, in an effort to enhance communication.

## Acknowledgement of Drug-Free Safety Policy

I hereby acknowledge receipt of the Applied Mechanical Systems Drug-Free Safety Policy. I recognize that my receipt of this policy constitutes notice of all company policies contained therein, including the company's policy regarding drug/alcohol testing and the consequences of a positive drug/alcohol test.

I understand that nothing in this policy is intended to create any type of employment agreement or guarantee of hours of work. I agree that my employment with Applied Mechanical Systems is on an "at-will" basis. I understand that failure of a drug/alcohol test or my refusal to take a drug/alcohol test could result in the denial of workers' compensation benefits.

I further understand that it is my responsibility to fully read and comply with all the rules and regulations in this policy. I agree to ask any questions I may have and take whatever steps are necessary to fully comprehend and comply with this policy.

Date: \_\_\_\_\_ Employee Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_ Employer Representative: \_\_\_\_\_

Printed Name.: \_\_\_\_\_