

Revision Number "A"
Revision Date: 11-15-99

Policy Number 090

BACHMAN MACHINE COMPANY CORPORATE POLICY

Effective Date: 11-15-99 Supersedes Policy No. Date: 04-13-98

SUBJECT: DRUG / ALCOHOL-FREE WORKPLACE POLICY

Objectives: The objective of this policy is to: (1) provide a safe working environment to protect all Bachman Machine Company employees and others, (2) provide the maximum level of service and product to the Company's customers by minimizing the risk of accidents and injuries that may be cause through the use of illegal drugs and alcohol abuse, (3) inform Bachman Machine Company employees about the dangers of drug /alcohol abuse, the Workplace Policy and its prohibitions, disciplinary measures of the policy and testing procedures, (4) meet and fully comply with the requirements of the Drug –Free Workplace Act of 1988 and R.S. Missouri, Section 287.120.6

Scope: This policy applies to all locations of the Bachman Machine Company and its subsidiary operations.

Policy Statement: It is the policy of the Bachman Machine Company to maintain a drug/alcohol-free workplace for all employees, vendors, contractors, and others. To the extent that drugs and alcohol related problems find their way into the workplace, they represent a serious danger to everyone. Not only do employees using drugs or alcohol run the risk of serious injury, illness or death to themselves and others, but it also can have a harmful consequence to their families and the businesses providing them employment, as well as, the end users of defectively produced products.

Employees who use illegal drugs or abuse other controlled substances or alcohol, on or of duty, tend to be less productive, less reliable, and more prone to greater absenteeism and tardiness. This results in the potential for increased company costs, delays, risks in the company's business, and to its employees and their co-workers. Employees have the right to work in a safe and drug and alcohol free environment and to work with persons free from the effects of drugs and/or alcohol. Bachman

Machine Company is therefore committed to maintaining a safe workplace free from the influence and potential dangers of drugs and/or alcohol.

Each Bachman Machine Company employee has a responsibility to co-workers and the public to deliver our products and/or service in a safe and conscientious manner. Continuing research and practical experience have proven that even limited quantities of narcotics, abused prescription drugs or alcohol can impair an employees reflexes, judgement, and performance. This impairment, even when not readily apparent, can have catastrophic results. For these reasons, Bachman Machine Company has adopted a policy that all employees must be completely free from the presence of drugs (except those prescribed by a physician and taken in accordance with the prescription) and the effects of alcohol when working and operating machinery, equipment or vehicles.

Drug or Alcohol Use/ Prohibitions: Bachman Machine Company prohibits the manufacture, distribution, possession, sale or use of any non-prescription, illegal or otherwise unauthorized or mind-altering drugs, alcohol or other controlled substances while on or within any Company property, including parking areas and grounds, on or off of Company time. Included within this prohibition are lawfully controlled substances that have been illegally or improperly obtained or abused and are in an employees system while at work.

For the purpose of this policy, an employee is presumed to be impaired, intoxicated, or under the influence of alcohol if the Blood Alcohol Content (BAC) test or scientifically acceptable testing procedures shows that the employee has a BAC of at least .05 % percent blood alcohol in his/her system at the time of testing. Violations of these prohibitions potentially affect the employee's work performance, the employee's safety or the safety of others in the workplace. Any employee who violates these prohibitions will be subject to disciplinary actions by the Company, up to and including termination of employment.

Off-Duty Conduct: Any off-duty purchase, distribution, dispensing, possession, use, sale or purchase of mind-altering drugs or substances that may reflect unfavorably upon the Company is also prohibited and may be subject to disciplinary actions by the Company.

Prescription Drugs: The proper use of medications prescribed by an employee's physician is not prohibited. However, the Company does prohibit the use of prescribed medications or prescription drugs illegally or improperly obtained and used. Taking prescription drugs, with or without a valid prescription, illegally or not, can impair an employee's sensory, mental, or physical ability to function safely in the

workplace. Therefore, employee's are required to advise the Company if they have taken, or will be taking, any prescription drugs at the direction of their physician that will cause dizziness or drowsiness or otherwise impair their ability to perform in a safe manner. It is the employee's responsibility to determine from his/her physician where prescribed medications may impair job performance or affect a requested drug test and to communicate such potential for impairment to his/her Human Resources department.

Notification Of Impairment: It shall be the responsibility of each Bachman Machine Company employee who observes or has knowledge of another employee who may be in a condition that can represent a hazard to the safety and welfare of others or is otherwise in violation of this policy to promptly report that fact to his/her immediate supervisor.

Testing Procedures: Based upon the concern for safety of our employees and to more fully observe compliance with the Drug/Alcohol-Free Workplace Policy, Bachman Machine Company reserves the right to administer alcohol and/or drug tests under the following instances:

1. All prospective applicants will be tested for the use of alcohol and/or a controlled substance. Test results showing no use of a controlled substance or alcohol shall be a condition precedent to employment. As used in this policy, "applicant" means a person who has applied for a position with Bachman Machine Company and has been offered employment conditioned upon, among other things, successfully passing a drug test. All applicants who are offered employment will be required to pass a medical examination that includes a drug and/or illegal substance screening test, and where appropriate, a confirmation test for drug and alcohol levels, at Company expense.

Any refusal by an applicant to take the drug-screening test will result in revocation of the job offer. No new hire shall be permitted to start work until he/she successfully passes the drug screening test and the results have been communicated back to the Company.

2. Employee's will be tested for the use of a controlled substance and/or alcohol when they are involved in a post accident and/or recordable injury situation causing an injury or illness requiring medical attention over and above normal first aide, has committed an unsafe act or practice, experienced or was involved in a "near miss" situation, or if the circumstances are appropriate in the Company 's opinion to justify testing.

3. Employees will be required to submit to “Reasonable Suspicion” drug testing.

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used in this policy, reasonable suspicion drug testing means drug testing based upon the belief that an employee is using or has used drugs and/or alcohol in violation of this Company policy, drawn from specific observations and /or inferences from those facts. Among other things, such observations and/or inferences may be based upon: (a) observable phenomena while at work, such as the observation of drug use or of the physical symptoms or manifestation of being under the influence of a drug and/or alcohol; (b) abnormal or erratic behavior while at work; (c) deterioration in work performance; (d) a report of drug and/or alcohol use by a credible source; (e) evidence that an individual has tampered with the drug and /or alcohol screening test during his/her employment with the Company; (g) evidence that an employee has used, possessed, sold, solicited, or transferred drugs and/or alcohol while working or while on Company property or premises or while operating a vehicle, machinery, or equipment; (h) a belief that an employee possess or uses drugs or alcohol while working or at the workplace or is intoxicated or impaired by drugs or alcohol based upon fact or reasonable inferences drawn from those facts (i) evidence that an employee possess physical evidence, e. g. drugs, alcohol, or paraphernalia, possibly connected with the use of an illicit drug or if illicit drugs and/or alcohol are found in the employee’s immediate work area, including his/her vehicle, locker, or on his/her person; (j) in any other circumstances that result in the Company’s reasonable suspicion of drug or alcohol use. It should be emphasized that possession of drugs or alcohol is prohibited whether or not it is determined that an employee also used such substances.

Definition: For the purpose of this policy, “*Under the Influence*” is defined, but is not limited to, being unable to perform one’s work in a productive and /or a safe manner because of being in a mental, physical or sensory condition that may impair the employee’s ability to perform safely or create a risk to the safety for his/her self or other employees; or having any detectable levels of illegal drugs or alcohol in his/her system as determined by testing.

4. Periodically, employees will be randomly selected by an industrial medical and injury healthcare provider, outside of the Company, and scheduled for an unannounced drug and/or alcohol screen. These random tests will be performed on up to five employees, chosen at random by the National Medical Review Office, Inc., a testing facility of Concentra Medical Centers. Random testing will be performed a minimum of four times yearly.

Giving A specimen: In an effort to preserve individual dignity and confidentiality, testing procedures will not call for a witnessed test specimen to be taken, However, if

there are circumstances indicating that the sample given has been adulterated, altered, or diluted, an observed or witnessed specimen will be required. The Company will consider any final test results coming to the Company that indicates that a urine substitution, dilution, or adulteration of some kind has taken place as a positive test result. Secondary testing of any applicant or employee will only be completed at the request and discretion of the Company.

Confirmation Testing: All testing will provide confidentiality and a chain of control and custody of the test specimen. A positive test result will require a secondary confirmation of the results by the testing laboratory. To assure that the Company receives no “False Positive” test results, a licensed laboratory, using Gas Chromatography/ Mass Spectrometry (GS/MS) or an equivalent, will confirm all positive test results. The method of testing and the tests utilized will be at the sole discretion of the Company.

Enforcement Policy: In order to enforce this policy, Bachman Machine Company reserves the right to investigate potential violations and to require its personnel to undergo substance screening, including urinalysis, blood tests, or other appropriate tests and, where appropriate, searches in accordance with the Company policy on Investigations and Searches. As set forth in such policy, employees will be subject to discipline up to and including discharge for refusing to cooperate with searches or investigations, to submit to screening, or for failing to execute any consent forms when required by supervision or any medical treating or screening facilities.

Employee Assistance: Early recognition and treatment of drug and/or alcohol abuse is important for successful rehabilitation, economic return to the Company and reduced personal, family and social disruption. The earliest possible diagnosis and voluntary treatment of drug and/or alcohol abuse is always the preferred method. Bachman Machine Company expects an employee who suspects that he/she has an alcohol or drug problem to seek treatment voluntarily. It is important to note, however, that it is the responsibility of the employee to seek and accept assistance **before** substance abuse leads to any disciplinary action, including any request by the Company that the employee submit for testing, as well as, before any discipline for any violation of this policy or eventual termination. If an employee has a drug and/or alcohol problem, the failure to voluntarily enter, remain, or successfully complete a prescribed treatment program will result in termination of employment. All parties will maintain strict confidentiality of medical records and information.

Entrance into a treatment program does not provide exceptions to this policy or other policies, including but not limited to those regarding performance and conduct. An employee’s participation in such programs will not prevent the Company from

administering discipline for violations of its policies or relieve the employee of his/her responsibility to perform his/her job in a satisfactory and efficient manner.

As part of the follow-up to counseling or rehabilitation for drug and/or alcohol abuse, once an employee voluntarily enters into and completes a treatment program, he/she will be subject to periodic testing for the use of alcohol or a controlled substance for up to a period of three (3) years from the date of entrance into the program. As with other testing situations, any positive test result will subject the employee to disciplinary action, up to and including termination.

Disciplinary Actions: Any employee who refuses to submit to a drug and/or alcohol test when requested to do so or refuses to sign or execute appropriate waivers, releases, or other documentation necessary to release the results of such tests to the Company, will be subject to immediate suspension pending an investigation and will be subject to discharge. In the event the results of any drug test is positive, or alcohol testing exceeds the guidelines used by Federal and/or State courts in the determination of alcohol related offenses, the employee will be subject to discharge for a first offense.

Any and all drug test results that are confirmed positive for illegal controlled substances, regardless of test levels, will be considered as having a controlled substance within the employee's system. He/she will then be disciplined, as required, with a suspension, pending investigation and subject to discharge.

Under the Drug/Alcohol-Free Workplace Act, employees are required to advise their company of any conviction inside or outside of the workplace, of a drug statute, including any pleas of guilty and nolo-contendere, within five (5) days of the conviction occurring. Failure to inform the Company subjects the employee to disciplinary action, up to and including termination for a first offense. By law, the Company must also notify any Federal Contract Officer within ten (10) days of receiving such notice from an employee, a contractor or subcontractor, or otherwise receiving notice of such conviction.

In addition to the discipline outlined herein, failure to follow this policy will result in a fifteen (15%) percent reduction in worker's compensation benefits where a work related injury or illness occurred in connection with the use of alcohol or non-prescribed drug or any controlled substance. Where the drug and/or alcohol use is the proximate cause of the injury or illness, all benefits (including death or disability) payable under the worker's compensation system will be forfeited.

Searches: Upon reasonable cause to suspect a violation of this policy, the Company reserves the right to search the employee's locker space, desk or any other Company property under the control of the employee. Failure to give voluntary consent to a search of the employee's person, personal effects or automobile on the Company property, including all Company parking lots, may result in disciplinary action at the sole discretion of the Company, up to and including discharge, depending upon the circumstances.

Effect: The effect of this policy shall be to:

- comply with the intent of and the written guidelines for the compliance of the Drug/Alcohol-Free Workplace Act of 1988 that mandates that a safe and drug/alcohol-free work environment be provided for all employees.
- inform employees of the dangers of drug and/or alcohol abuse and its potential detrimental effect on the employee, his family, his/her co-workers, the Company and its customer client base.
- identify drug and/or alcohol testing procedures and the instances when such testing will take place.
- define the Company's enforcement policy and establish the disciplinary actions associated with violating the various policy issues.
- provide the employee with information for the voluntary treatment of any drug and/or alcohol abuse problems, as well as, the detrimental effect of not seeking treatment that rectifies the abuse problems.
- make known the prohibition by the Company of the manufacture, distribution, possession, sale, or use of any non-prescription drugs and/or alcohol or other controlled substances while on or within Company property and on or off of Company time.
- identify the notification process for the employee who is required by a physician to take prescription drugs while working and the notification requirement for the employee has been convicted of a drug statute violation, in or outside of the workplace: