

STATEMENT OF SAFETY POLICY

It is the policy of this company to strive for the highest safety standards on our projects. Safety does not occur by chance. It is the result of careful attention to all company operations by those who are directly and indirectly involved. Employees at all levels must work diligently to execute the company's policy of maintaining safety and occupational health.

Our safety program has been developed to assure compliance with Federal, State and Local regulations with particular emphasis on the Occupational Safety and Health Act of 1970 (OSHA), and the OSHA requirements that apply to our construction operations. It is the obligation of all employees to be knowledgeable of the standards established by these agencies and to implement the rules and regulations contained therein on projects under their direction.

Regard for the safety of the general public, our own employees and the employees of our subcontractors is a supreme responsibility of all levels of our organization. We intend to prevent any accidental injury, property damage, fire damage and occupational illness, any of which could result in human suffering. Accidents, even minor ones, cause pain, both physical and mental. Prevention of injury and illness is a goal well worthy of our achieving.

A safe operation is organized, clean, and efficient. If every employee views accidents in the same way we consider all other aspects of our operations, we will be in a better position, not only to control accidents but also to improve the total performance of our company. It is, therefore, of utmost importance that all aspects of our safety program be strictly adhered to and that the intent of this program be followed to the letter. Any recommendations to improve our safety program are encouraged.

REGAL CONTRACTING LLC

Aaron W. Himes
President

TO: All Employees
FROM: Aaron W. Himes, President
SUBJECT: Safety Program

It is our company policy to provide a safe and healthy place to work with the prevention of accidents being our ultimate goal at all times.

As a member of our organization, you automatically accept a moral obligation to fellow employees and an economic obligation to the company to see that operations under your care, custody and control are carried out in an efficient and safe manner.

Along with other responsibilities, safety consciousness must always exist in your thinking and planning. Because of this obligation, you must not only prevent obvious unsafe acts on the part of those you work with, but you must anticipate potential hazards. After an accident occurs, it is too late to prevent it. All employees must recognize that working in an unsafe manner is counter-productive. Most important, each employee is encouraged to demonstrate leadership ability by setting a good example.

To make our approach to safety more effective and uniform throughout the organization, you will be given written information, which outlines and formalizes our Safety Program. We expect you to read this to help us in understanding and discharging our mutual responsibilities.

AWH/bk

SAFETY RESPONSIBILITIES

It is the desire of Management to protect employees from accidental injury and damage to health while working for our organization. At the management level, we are committed to provide a safe and healthy work site. In return we expect you, the employee, to support the established safety policies and to cooperate fully with the procedures and practices which have been implemented to ensure everyone's safety.

Certain construction operations require the presence of a competent person. The construction section of the OSHA Act defines a competent person as one "...who is capable of identifying existing and predictable hazards in the surroundings or working conditions which are unsanitary, hazardous or dangerous to employees, and who has authorization to take prompt corrective measures to eliminate them."

The important part of this definition is that the "competent person" must have the authority to take immediate action to take prompt corrective measures.

Also, OSHA does not consider an individual competent until the individual, in addition to meeting the requirements of the definition, has been properly designated as a "competent person" by the employer.

All of us, from the management on down, have a responsibility to safety. These responsibilities, outlines below, must be understood and supported by all employees in order for our safety program to be effective.

1. MANAGEMENT

- A. Provide visible top management involvement in implementing and enforcing the company safety and health program.
- B. Assign safety responsibilities to employees at all levels to ensure the responsibilities are understood and that essential tasks are performed.
- C. Establish safety rules and procedures designed to protect the employees and others associated with a project.
- D. Communicate a clear goal (zero accidents and/or injuries) for the safety and health program and define objectives for meeting that goal as part of the management's commitment to a safe and healthy workplace.
- E. Commit the necessary personnel with enforcement authority and resources to ensure employee safety.
- F. Discipline any employee disregarding the company safety procedures.

- G. Conduct reviews on the effectiveness of the safety program to include jobsite inspections, recordkeeping procedures and to evaluate how well the goals and objectives are being met.
- H. Encourage employee involvement in the review and updating of the company safety program to ensure their commitment and support for a safe work place.

2. SAFETY DIRECTOR

Karl Schueler is our Safety Director. He is the individual within the organization with appropriate authority to manage the following activities:

- A. Provide to all levels of management the services and technical advice needed for proper administration of the Safety Program.
- B. Establish procedures and guidelines for safety program(s) and update as necessary.
- C. Maintain current knowledge of federal, state and local regulations and maintain outside professional contacts.
- D. Be available at the worksite regularly during preconstruction and construction for the purpose of inspection to determine compliance with OSHA regulations and project safety rules.
- E. Review all accidents and injury reports and maintain accident data.
- F. Make analysis of statistical data. Identify problem areas and make recommendations for solutions.
- G. Coordinate safety-training activities.
- H. Prepare and distribute regular reports on the status of safety to executive management.
- I. Recommend programs and activities that will develop and maintain incentives for, and motivation of employee safety.
- J. Develop technical guidelines and safety recommendations for special exposure situations.
- K. Develop written Hazard Communication program for the company.
- L. Ensures Material Safety Data Sheets (MSDS) are received from the supplier and properly filed in the company MSDS binder.

- M. Provides necessary MSDS to each worksite according to chemicals used.
- N. Develop confined space entry program.

3. GENERAL MANAGER/PROJECT MANAGERS

- A. Is familiar with safety regulations related to his area of responsibility.
- B. Plans work to ensure that the employees, materials, tools and equipment are available to perform and work safety.
- C. Notifies the Safety Director of any unusual or special safety or health hazards on the job.
- D. Requires all subcontractors and subcontractor's personnel to comply with applicable safety regulations.
- E. Directs and coordinates safety activities applicable to the project.
- F. Assures that foremen are aware of and comply with requirements for safe practices and conditions to be maintained on jobsites.
- G. Reviews all accidents with the foremen, submits accident reports and ensure corrective action is taken to alleviate the cause.
- H. Monitors employee safety program.
- I. Assures required safety posters are available and posted at the jobsite.
- J. Maintains Material Safety Data Sheets (MSDS) for all chemicals used on the jobsite and coordinates with other employers as to location and availability of their MSDS.

4. OFFICE MANAGER

- A. Maintains all records of accidents that have taken place during company operations on forms designated by OSHA insurance company and other authorized agencies.
- B. Processes all paper work associated with accidents, on site inspections and in-house audits. Maintains permanent record for company files.
- C. Prepares all notices required by OSHA, State and other appropriate agencies for posting at each construction project location in accordance with designated time regulations. (Example: OSHA Form 200, Log and Summary of Occupational Injuries and Illnesses.)

5. JOB FOREMEN

- A. Is familiar with and enforces established safety procedures applicable to company operations on the jobsite.
- B. Instructs the workers to follow safe work practices.
- C. Maintains safe conditions throughout the job.
- D. Makes available the necessary personnel protective equipment, job safety materials and first aid supplies.
- E. Assures that safety devices and proper protective equipment are used by persons under his supervision.
- F. Develops a cooperative attitude toward safety by setting a good example.
- G. Continuously watches for unsafe physical conditions and unsafe workers behavior and corrects immediately.
- H. Assures that accidents and injuries are treated and reported without delay.
- I. Investigates all accidents, obtains all pertinent data, files a complete report, and initiates corrective action.
- J. Maintains effective, positive lines of communication regarding safety matters to the workforce.
- K. Conducts scheduled safety and HAZCOM training classes.

6. ALL EMPLOYEES

- A. Thoroughly understands the work to be done and safety precautions that apply.
- B. Report any unsafe condition, act, or equipment to immediate supervisor/foreman.
- C. Use the required safety devices and proper personal protection safety equipment.
- D. Works according to the company and project safety rules to avoid endangering themselves, fellow workers or the public.
- E. Question all procedures believed to be unsafe. Always look at ways to improve safety.

- F. Report all accidents and injuries to the supervisor/foreman immediately.
- G. Assist in making the job as safe as possible.

7. SUBCONTRACTORS

- A. The provisions of all safety responsibilities apply to subcontractors and their employees working on projects for this company.
- B. Report any unsafe condition or actions.
- C. Inform project manager/superintendent of all injuries to subcontractor's employees.
- D. Have available Material Safety Data Sheets (MSDS) for all materials/chemicals used on the jobsite that require a MSDS.

COMPANY SAFETY RULES

In order for a safety program to be effective, it is vital that rules are established and monitored by responsible individuals, and implemented at all levels of management.

The following are some of the general rules applicable to our operations that must be enforced on every project contracted by our company. This is a partial listing only. The pertinent requirements OSHA Regulations CFR29, Part 1926 Safety and Health Regulations for Construction with CDR29 Part 1910 identified as Applicable to Construction, also apply to this firm's operations.

1. REPORTING PROCEDURE

- A. All accidents will be reported to the employee's immediate supervisor. The supervisor will fill out an accident report and forward it to Karl Schueler.
- B. All unsafe conditions will be remedied as quickly as possible after being discovered. Personnel will not be allowed in or around area until hazardous conditions are corrected.
- C. Reports of all accidents involving property loss in excess of \$2,000.00 will be reported to the contracting officers' representatives within four hours of the incident.
- D. On government contract jobs, reports on all safety meetings will be made and forwarded to the government, within the time specified in the contract.

2. PERSONAL PROTECTION AND RELATED EQUIPMENT

- A. Personnel protective equipment must be worn by employees as prescribed for each job by the supervisor.
- B. Employees must check with their supervisor(s) regarding any portion(s) of their job that they do not understand.
- C. Goggles, face shields, helmets and other equipment shall meet the eye and face protection needs of the employee for each task.
- D. Hard hats must be worn by all employees at all times in all outside construction work area.
- E. Gloves are to be used when handling all chemically active materials, and for protection against acids and other chemicals which could injure employees skin and eyes.

- F. Respiratory equipment in many cases is needed for protection against toxic and hazardous fumes and dust. Employees must verify with their supervisors which equipment meets the need for breathing safety.
- G. Safety shoes are required to help prevent toe and foot injuries.
- H. The use of safety belts is required when working on elevated work areas where there is no guardrail protection, and on certain suspended scaffolds.

[See new fall protection regulations.]

- I. Employees are expected to utilize good judgement in their personal habits. When they report to work each morning they must be in fit physical condition to meet daily obligations.

3. FIRE PROTECTION

- A. When utilizing heat-producing equipment, make sure that the area is clear of all fire hazards and that all sources of potential fires are eliminated.
- B. Do not use a salamander or other open flamed device in confined or enclosed structures.
- C. Vent heaters to the atmosphere and make sure they are located an adequate distance from walls, ceilings and floors.
- D. Have fire extinguishers available at all times where heat-producing equipment is used.
- E. Know the location of fire fighting equipment in the work area and have knowledge of its use and application in case of fire.
- F. Turn in all fire extinguishers for recharge after each use.
- G. Inspect and read tag on extinguisher for periodic maintenance date.

4. COMPRESSED GAS CYLINDERS

- A. All gas cylinders shall have their contents clearly marked on the outside of each cylinder.
- B. Cylinders must be placed and secured in an upright position, with valve protection caps in place, during storage and transfer.
- C. Cylinder valves must be protected with caps or guards when not in use.

- D. All leaking valves, hoses or otherwise defective cylinders must be removed from service promptly, tagged as inoperable and placed in an open space removed from the work area.
- E. All operators are required to inspect equipment regulators and hoses for gas leaks to ensure they are in proper working order.
- F. Oxygen and gas cylinders placed in storage are to be kept 20 feet apart or have the fire barrier between them.
- G. Full and empty cylinders are to be stored separately and protected from excess heat, snow, ice or physical damage.

5. HOUSEKEEPING

- A. Proper housekeeping is the foundation for a safe work environment. It prevents accidents and fires, and creates a business-like work area.
- B. Store material and equipment in a stable and tidy manner so that it will not be subject to falling or damage. Arrange all material so that any one item is easily accessible.
- C. Rubbish, scraps and debris shall be removed from the work area as soon as practical.
- D. Do not leave material and supplies in stairways, walkways, doorways, near floor openings or at the edge of the building when exterior walls are not built.
- E. Containers for flammable or harmful substances shall be provided with covers.

6. LADDERS AND SCAFFOLDS *[See new fall protection regulations.]*

- A. Use of ladders with broken or missing rungs or steps, broken or split side rails, or with other faulty or defective construction is prohibited.
- B. Straight ladders shall be placed on a firm base at 4-1 pitch extending a minimum of 36 inches above the landing to be accessed and be tied off, held or nailed down at the top for stability.

- C. The following guidelines apply and are limited to portable stepladders, portable two-section (overlapping) extension ladders and portable single ladders.

Ladder Requirements

- (1) No field-built ladders are acceptable at any time.
- (2) All ladders must meet or exceed OSHA requirement.
- (3) Maximum allowable height of a stepladder is 20 feet.
- (4) Maximum allowable height of a single ladder is 30 feet.
- (5) Maximum allowable height of an extension ladder is 60 feet.
- (6) No extension ladders will be made of wood.

Maintenance Requirements

To insure safety and serviceability, the following precautions on the care of ladders shall be observed:

- (1) Ladders shall be maintained in good condition at all times, the joints between the steps and the rails shall be tight, all hardware and fittings securely attached and the moveable parts shall operate freely without binding or undue play.
- (2) Metal bearings of locks, wheels, pulleys, etc., shall be frequently inspected and lubricated.
- (3) Frayed or badly worn rope shall be replaced.
- (4) All feet and other auxiliary equipment shall be kept in good condition to ensure proper performance.
- (5) Ladders shall be inspected frequently. Those which have developed defects shall be withdrawn from service immediately for repair or discard and tagged or marked as "Dangerous. Do Not Use."
- (6) Rungs must be kept free of grease and oil.

Usage Requirements

The following safety precautions shall be observed in connection with the use of portable ladders:

- (1) The ladder base and safety feet must be placed on a sound, rigid surface capable of carrying the maximum intended load without settling or displacement.
- (2) The proper angle for the ladder can be obtained by placing the base of the ladder a distance from the vertical wall equal to approximately one-fourth the working length of the ladder. (Example: If the vertical distance to the landing is 20 feet), then the bottom of the ladder should be placed 5 feet away from the wall.)
- (3) Ladders shall be placed so that side rails of the ladder have a secure, stable footing. Side rails must be extended at least 36 inches above the landing to be accessed.

- (4) Work loads shall be commensurate with maximum allowable loads as designed and certified by the manufacturer. These load limits are not to be exceeded.
- (5) When ascending or descending, the climber must face the ladder. Climber must not carry objects, which will cause them to lose balance or fall.
- (6) Ladders shall not be placed in front of doors unless the door is blocked open, locked or guarded.
- (7) Ladders shall not be placed on boxes, barrels, buckets or other unstable bases to obtain additional height.
- (8) Ladders shall not be used as guys, braces, gangways, walk boards or skids, or for other than their intended purposes.
- (9) The tops of the ordinary types of stepladders shall not be used as a step.
- (10) The horizontal bracing on the back legs of an ordinary stepladder is designed solely for increasing stability and not for climbing. At no time should these braces be used as rungs or steps.
- (11) On two-section extension ladders, the maximum overlap for the two sections in use shall be as follows:

<u>SIZE OF LADDER (FEET)</u>	<u>OVERLAP (FEET)</u>
Up to and including 36	3
Over 36 and up to and including 48	4
Over 48 and up to and including 60	5
- (12) Extension ladders shall be equipped with positive stops which will insure the minimum overlap specified in the table above.
- (13) No ladder shall be used to gain access to a roof unless the top of the ladder extends at least 3 feet above the point of support, at the eave, gutter or roofline, and is secured from falling over.
- (14) The user should equip all portable rung ladders with non-slip bases when there is a hazard of slipping. Non-slip bases are not intended as a substitute for care in safely placing, lashing or holding a ladder that is being used upon oily, metal, concrete or slippery surfaces.
- (15) Ladders for which dimensions are specified above should not be used by more than one person at a time.
- (16) Ladders with ladder jack and scaffold plank are not to be used by more than one person at a time. In such cases, ladders designed for this purpose shall be used.
- (17) Portable ladders shall be placed so that the side rails have a secure footing. The top rest for portable rung and cleat ladders shall be rigid and have ample strength to support the applied load.
(Placement of ladders on windows is strictly prohibited).
- (18) Only wood stepladders or approved electrical ladders can be used for electrical work or near electrical supply lines.

- C. These general guidelines have been established to identify unsafe conditions in the use of Ladder Jack Scaffolding. All Ladder Jack Scaffolding is to be constructed in accordance to approved OSHA, ANSI and UL standards.

Acceptable Ladders

- (1) All ladders to be used for ladder jack scaffolds must comply with (29 CFR) Part 1926.451 (s)(2) standards for industrial heavy duty type I extension ladders.
- (2) All ladders used with ladder jack scaffold must meet ANSI A14.1-1982 and A14.2-1990 and be 250 pounds duty rated.
- (3) Cleated ladders are not to be used for this purpose.
- (4) Scaffold system must meet general safety requirements contained in (29 CFR) Part 1926.451.
- (5) Ladders supporting the ladder jacks may not be used for access. A separate access ladder must be used.
- (6) The proper angle for ladders can be obtained by placing the base of the ladder a distance equal to one-fourth the vertical distance to the platform.
- (7) Extension ladders must overlap a minimum of 3 feet and have positive stops.
- (8) The ladder base must be placed on a sound, rigid surface capable of carrying the maximum intended load without settling or displacement. Unstable objects such as barrels, boxes, loose bricks or other materials should not be used to support ladders.

Acceptable Platforms

- (1) Platforms are to overlap the support a minimum of 6 inches and a maximum of 12 inches.
- (2) All platforms must have guardrails that comply with (29 CFR) Part 1926.451 (a)(5). Guardrails, midrails and toeboards shall be installed at all open sides and ends on all scaffolds more than 4 feet above the ground. Guardrails should be 2X4 lumber or equivalent, 42 inches above the platform. Midrails and toeboards shall be at least 4 inches in height.
- (3) All planking and walk boards must be aluminum, comply with all OSHA safety requirements and be maintained per manufacturers' specifications.
- (4) Platforms are to meet ANSI A10.8 and OSHA standards.
- (5) Minimum platform width shall not be less than 18 inches per 1926.451 (s)(5).
- (6) The span of the platform planks are not to exceed 8 feet.

Limitations

- (1) Ladder jack scaffolding is limited to light duty and are not to exceed 20 feet in height.

- (2) Ladder jack scaffolding is limited to two persons per 8 feet of planking, so long as the walk board is designed and can accept the load requirements per manufacturers' specifications.
- (3) Ladder jacks are designed and constructed so that they will bear on the side rails in addition to the rungs. If the bearing is on the rungs only, the bearing area is to be at least 10 inches on each rung.
- (4) Ladders are to be maintained and in good working condition at all times.
- (5) Ladder jacks must be UL approved and comply with OSHA standards.

D. These general guidelines have been established to identify unsafe conditions in the use of Pump Jack Scaffolding. All Pump Jack Scaffolding must be constructed in accordance to approved OSHA, ANSI and UL standards.

General Requirements

- (1) The pump jack is not intended to carry a working load that exceeds 500 pounds.
- (2) The jack must be capable of supporting, without failure, at least four times the maximum intended load.
- (3) Pump jack brackets, braces and accessories are to be fabricated from metal plates and angles. Each pump jack bracket must have two positive gripping mechanisms to prevent any failure or slippage.
- (4) All poles must be aluminum and the working shoulder height must not exceed 50 feet and comply with manufacturers' specifications or setup and usage.
- (5) A ladder must be provided for access to the platform during use in accordance with ladder safety requirements.
- (6) Pump jack scaffolds must be provided with a guardrail system that complies with OSHA standards. No guardrail is required when safety belts with lifelines are provided for and used by employees. Guardrails, midrails and toeboards shall be installed at all open sides and ends on all scaffolds more than 4 feet above the ground. Guardrails should be 2X4 lumber or equivalent, 42 inches above the platform. Midrails and toeboards shall be at least 4 inches in height.
- (7) All planking and walk boards must be aluminum, comply with OSHA standards and be maintained per manufacturers' specifications.
- (8) All planking and walk boards shall be overlapped a minimum of 12" or secured from movement (if not overlapped).
- (9) All walk boards shall extend over their end supports not less than 6 inches and not more than 12 inches.

Usage Requirements

- (1) The platform bracket is to be fully decked (depth of bracket) and the planking fully secured. Planking is to conform with 1926.451 (A).
- (2) Poles are to be secured to the work wall by rigid triangular bracing or the equivalent. Bracing is to be installed at the top and midpoint of the pole. 16d nails or one and one-half (1-1/2) inch screws are required to attach the bracing to the house.
- (3) All poles must be installed plumb and bear on an adequate foundation.
- (4) No more than two persons are to be permitted at one time on a pump jack scaffold between any two supports, providing the planking is designed to carry the intended load.
- (5) When the platform isn't level, the platform must be secured against slipping.
- (6) Employees shall not work on scaffolds during inclement, stormy weather (i.e. snow/ice storm, freezing rain or high winds).
- (7) Employees shall not work on scaffolds, which are covered, with ice or snow.
- (8) Tools, materials and debris shall not be allowed to accumulate on the scaffold or walk boards so as to present a hazard.

Scaffold Requirements

- (1) Erection crews must check each scaffold member during erection. Defective parts are not to be used for scaffold assembly.
- (2) All working decks of scaffolds shall be provided with proper handrails, midrails, and toeboards. If this is not possible, then employees working on the scaffold must wear safety belts.
- (3) Planks shall extend over the end supports by not less than 6 inches or more than 12 inches.
- (4) Tube and frame scaffolds must be tied to the structure at intervals of 30 feet horizontally and 26 feet vertically.
- (5) The height of mobile scaffolds shall not exceed four times the minimum base dimension. Casters shall have positive locking devices.

- E. The following guidelines apply only to interior lightweight tubular scaffolds, folding aluminum horses and tubular welded steel or aluminum, with or without casters.

Maintenance of Scaffolding

- (1) Scaffolding must be clean and in good working condition at all times and free of all debris.
- (2) Assembly and adjustment parts must be installed completely and correctly. Any replacement parts must meet original manufacturers' specifications.

- (3) Scaffolding found to be defective must be removed from service and immediately tagged "Danger, Do Not Use."
- (4) It will be the responsibility of the Subcontractor using the scaffolding to adhere to all rules and regulations governing the use and care of scaffolding. The Subcontractor may put in use scaffolding that is rented or supplied by a third party. This scaffolding will be the responsibility of the Subcontracts and must conform to all OSHA specifications and practice requirements called out in this policy document.
- (5) Unsafe and slippery surface conditions must be cleared immediately.
- (6) Wood planks must be scaffold-grade timber capable of carrying intended loads. Grading rules for species with maximum allowable spans will be in compliance with standards set forth in (29 CFR) Part 1926.451 (a)(10).

Usage Requirements

The following safety precautions shall be followed in connection with the erection and use of welded steel frame scaffolding.

- (1) Scaffolds and accessories such as braces, brackets, screw legs, plates, rails, planks, etc., shall be designed, constructed and erected to safely support four times the maximum rated load.
- (2) Scaffold will be erected under the supervision of a competent person designated by the Subcontractor in scaffold erection and maintenance techniques.
- (3) The footing or anchorage for scaffold shall be sound, rigid and capable of carrying the maximum intended load without settling and displacement. Unstable objects such as barrels, boxes, loose brick or blocks shall not be used to support scaffolds or planks.
- (4) Scaffolds shall be properly braced by cross bracing or diagonal bracing or both for securing vertical members together laterally. Cross braces shall be of such length as will automatically square and align vertical members so that erected scaffold is always plumb, square and rigid. Brace connections shall be made secure.
- (5) Frames shall be placed one atop the other with couplings or stacking pins to provide proper vertical alignment of legs. All poles or legs are to be plumb and secure.
- (6) Where uplift may occur, frames or panels shall be locked together vertically by pins or other suitable means.
- (7) Supported scaffolds with a height four times the minimum scaffold base dimension must be restrained from tipping by guying, tying, bracing or other equivalent means.
- (8) Guys, braces or ties must be installed at heights not to exceed four times the minimum base dimension and at intervals not to exceed 20 feet thereafter.

- (9) Guys, braces or ties which are required by the four to one rule must be installed at each end of the scaffold and at horizontal intervals not to exceed 30 feet.
- (10) All planking shall overlap a horizontal support by a minimum of 6 inches and a maximum of 12 inches. Planking shall always be secured from lateral movement.
- (11) Heavy loads shall be placed over or near load bearing members or cross members and not on the centers of planks.
- (12) Guardrails, midrails and toeboards shall be installed at all open sides and ends on all scaffolds more than 4 feet above the ground. Guardrails should be 2X4 lumber or equivalent 42 inches off the platform. Midrails and toeboards shall be at least 4 inches in width.
- (13) Persons should not work under a scaffold while in use. If work beneath scaffold is absolutely necessary, ½" wire mesh must be installed between the guardrail and toeboard.
- (14) Persons should not work on scaffolds during storms or periods of high winds. Persons shall not work on scaffolds covered with ice or snow unless all ice and snow is removed and planking is sanded or treated with a deicing agent.
- (15) Brackets used to support cantilevered loads shall be seated with side brackets parallel to the frames and end brackets at 90 degrees to the frames. Brackets shall not be bent or twisted from these positions.
- (16) Roof or chimney brackets or similar should be used as starter platforms for scaffold when erection is required on roof. Brackets must be in compliance with ANSI and OSHA standards.

F. Use of Scaffolds

- (1) Interior work that cannot be completed from established floor level shall require the use of scaffolding or ladders.
- (2) Lightweight tubular scaffolding of a fixed height may be used. This scaffolding is not to be used with anything but approved walk boards. If scaffolding is to be used as "portable" with wheels or casters, the casters must have locking devices to prevent scaffolding from moving while in use. Scaffolding is never to be moved when occupied. Scaffolding with casters must be capable of supporting four times the maximum load intended.
- (3) Folding aluminum adjustable horses may be used with approved walk boards of wood or metal. All horses shall have attached side rails to be used as steps for climbing. Horses shall be cleaned of debris and materials during use. Horses shall be capable of supporting four times the intended load.
- (4) Tubular welded scaffolding is to be used when working heights exceeding levels reachable by horses or stilts. This scaffolding may be stacked together using interlocking devices as specified by the manufacturer. All connecting devices and bracing must be in good

operating condition. This scaffolding is to be used with walk boards of either metal or wood or wooden planks of nominal dimension. Wooden walk boards must be clean, dry and free of all cracks and defects. Scaffolding is to be placed on level, firm, clean surfaces. Scaffolding and walk boards shall be capable of supporting four times the intended maximum load.

- (5) A competent person designated by the Subcontractor must supervise the erection, moving or altering of any scaffolding and inspect on a daily basis.
- (6) Access ladder or equivalent, safe access must be provided and shall extend 36 inches above the landing.
- (7) Wood planking must be scaffold grade or equivalent capable of carrying all intended loads. Grading rules for species with maximum allowable spans will be in compliance with standards set forth in (29CFR) Part 1926.451 (a)(10).
- (8) Planking must overlap at least 12 inches or be secured from movement. Planking must extend over and support at least 6 inches and no more than 12 inches.
- (9) No one is allowed to work under or pass under a scaffold.
- (10) Field built and makeshift scaffolds or platforms (i.e. buckets, boxes, loose bricks or concrete blocks) are not permitted.
- (11) No debris or tools should be left on scaffold.

G. Rolling Scaffolds

The Steel Scaffolding Institute suggests the following safety rules:

- (1) Do not ride rolling scaffolds.
- (2) Remove all material and equipment from platform before moving scaffold.
- (3) Caster brakes must be applied at all times when scaffolds are not being moved.
- (4) Do not attempt to move a rolling scaffold without sufficient help. Watch for holes in floor and overhead obstructions.
- (5) The working platform height of a rolling scaffold must not exceed four times the smallest base dimension unless guyed or otherwise stabilized.

7. TOOLS

- A. It is important that the right tool is used for the job, and that it is used in a correct manner.
- B. Keep tools in good working condition. Tag all defective tools and remove from service. Damaged, worn, or defective tools can cause injuries.
- C. Do not use tools until you have been properly instructed and authorized to do so.

- D. Never remove guards from machinery or equipment. They are there for protective purposes.
- E. Tag and return defective tools for repair by qualified employees.
- F. Inspect electrical extension cords and other wiring frequently to be certain they are properly insulated. Do not use frayed or damaged cords.
- G. Take special precautions when using power tools on a scaffold or other location with limited movement area. Get good footing, use both hands, keep cords clear of obstructions, and do not over-reach.
- H. Be sure that a power tool is off and all motion has stopped before setting tool down.
- I. Disconnect tool from power source before changing drills, blades or bits or attempting repair or adjustment. Never leave a running tool unattended.
- J. Do not use compressed air for cleaning purposes except when pressure is reduced to less than 30 psi, and then only with proper personal protective equipment.

8. INDUSTRIAL HYGIENE AND OCCUPATIONAL HEALTH

- A. Portable drinking water supply shall be provided at all sites in approved closed containers with disposable cups.
- B. Toilets with self-closing doors, latch, and toilet paper shall be provided as required for the number of workers on the jobsite.
- C. First aid kits must be provided at each jobsite. If a medical facility is not readily accessible, then a person with a valid First Aid Certificate must be present.
- D. Employees must be protected against exposure to harmful sound levels by controlling exposure or by use of the proper personal protective equipment.
- E. Employees must be protected against exposure to ionizing (x-ray, radioactive) and non-ionizing (laser beam) radiation.
- F. Protection against exposure to harmful gases, fumes, dust, and similar airborne hazards must be furnished through proper ventilation or personal respiratory equipment.

9. MOTOR VEHICLES AND MECHANIZED EQUIPMENT

- A. All equipment left unattended at night at locations adjacent to highways or construction areas shall have lights, reflectors, and/or barricades to identify location of the equipment.
- B. Operator personnel shall inspect all machinery and equipment prior to each use, and during use to make sure it is in safe operating condition.
- C. Rated load capacities and recommended rules of operation shall be conspicuously posted on all equipment at the operator's station.
- D. Wire rope with broken wires or evidence of wear, kinking, crushing, hoist caging or heat damage shall be taken out of service.
- E. An accessible fire extinguisher of 5 BC rating or higher shall be available at all operator stations.
- F. When vehicles or mobile equipment are stopped or parked, parking brakes shall be set. Equipment parked on inclines shall have wheels chocked as well as having parking brakes set.
- G. All vehicles or combinations of vehicles shall be checked at the beginning of each shift for safe operating condition of all mechanical and safety systems.
- H. Maintain vehicles and equipment at specified intervals in accordance with the maintenance manual provided by the manufacturer. Vehicles are equipped with seat belts and are to be used by drivers and passengers when vehicle is in motion.
- I. Operators shall not back up motorized equipment having the rear view obstructed unless the vehicle has an audible reverse signal alarm, or when an observer signals that it is safe to do so.

10. HAZARD COMMUNICATION

- A. Employees have been informed of the requirements of the OSHA Hazard Communication Standard and any operations in their area where hazardous chemicals are present.
- B. Employees are aware of the location and availability of the company written hazard communication program and location of the list(s) of hazardous chemicals present at the jobsite.

- C. Material Safety Data Sheets (MSDS) are available for all chemicals used and employees know where these MSDS are kept.
- D. All containers of chemicals are properly labeled with either the manufacturers or importers warning label, or tagged or marked with the identity of the chemical therein and appropriate hazard warning.
- E. All employees have been trained in the container labeling system used at their worksite and how to interpret the information on a MSDS.
- F. At multi-employer worksites, procedures are established to inform other employers of the chemicals their employees may come in contact with, the labeling system used to identify chemicals and MSDS on chemicals present at the jobsite are interchanged.

11. SAFETY VIOLATIONS

An employee guilty of safety violations will be reprimanded by his supervisor. On a second violation he will receive a written citation. On the third violation disciplinary action will be taken.

ACCIDENT PREVENTION PROGRAM

In order to maintain the safety standards desired by our organization, it is necessary to actively pursue an accident prevention program through all levels of our company. Training in hazard recognition and control is essential to prevent the occurrence of accidents. The following is a summary of the accident prevention program that is to be supported and maintained by all employees:

1. TRAINING AND EDUCATION

- A. GENERAL – Training and education cannot be over-emphasized as a means of learning the safe approach to employee work effort, as well as what to do in case of an accident. Employee training programs should be designed to ensure that employees understand and are aware of the hazards to which they may be exposed, and the proper methods for avoiding such hazards. Each new employee should be furnished information and literature covering the company safety policies, rules and procedures.

All key employees are encouraged to participate in seminars, lectures, talks, first aid courses, etc. that are provided by State, federal and other agencies.

Karl Schueler schedules training sessions and contacts individuals within the organization regarding their attendance. Each employee is encouraged to contact his immediate supervisor, should there be some training course or seminar that in his opinion would be helpful in developing safety awareness. Approval of attendance and other necessary arrangements are made through Karl Schueler.

- B. SAFETY MEETINGS – It is imperative that communication related to safety be established between all levels of our meeting. We therefore strongly support safety meetings for all employees in our organization. We believe that the most successful safety meetings are brief and concise, given to small groups to identify a specific safety subject, explain safety rules, discuss necessary precautions and exchange comments. These meetings shall be conducted on a regular basis and should be given by the immediate supervisor of the employees.
- C. SAFETY MATERIALS – Safety posters, charts, report forms, booklets and other descriptive material that will help dispense and convey safety information shall be used in all work areas. This material is generally posted and distributed on a periodic basis. However, all personnel are encouraged to contact Karl Schueler and request illustrative material that addresses problems specific to their particular situation.

- D. TRAINING RECORDS – Records should be kept of all safety and health training. Records provide evidence of compliance with OSHA standards and can supply the answer to the question during accident investigations, “Was the injured employee properly trained?”.
2. OCCUPATIONAL SAFETY AND HEALTH ACT – The Williams-Steiger Occupational Safety and Health Act was signed into law on December 29, 1970. It requires that every employer engaged in business affecting commerce shall:
- A. Furnish to each employee a place of employment free from recognized hazards that are causing or likely to cause death or serious physical harm.
 - B. Instruct each employee in the recognition and avoidance of unsafe conditions, and the regulations applicable to the employees work environment to control or eliminate any hazards or other exposure to illness or injury.
 - C. Comply with occupational safety and health standards and rules, regulations and orders pursuant to the Act that are applicable to our actions and conduct. Violators of the law and regulations are subject to penalties.

All employees must comply with occupational safety and health standards and all rules, regulations, and orders issued pursuant to this Act which are applicable to their actions and conduct.

Because of this law, and in order to maintain safe conditions on our construction projects, each supervisor and each employee should become familiar with OSHA Regulations 29 CFI Part 1926 Safety and Health Regulations for Construction, with OSHA 29 CFR Part 1910. General Industry Safety and Health Regulations identified as Applicable to Construction. For State operated compliance program refer to para. 3.

Karl Schueler should provide a copy of these OSHA regulations for construction to all supervisory personnel.

Employees are to be encouraged to contact their immediate supervisor for data and literature that will help them better understand an employers responsibilities under the Act.

The supervisor in charge of each jobsite is responsible for insuring that:

- A. The Federal (or State) OSHA Poster, Emergency Telephone Numbers, OSHA Form 200, and other notices required by OSHA are properly posted at the site.

- B. Ambulance and medical service has been arranged for employees at the site. This action must be coordinated with Karl Schueler.
 - C. A properly equipped first aid kit is at the jobsite. The kit is to be checked weekly, and expended items replaced.
3. STATE OPERATED COMPLIANCE PROGRAMS
- A. Certain states are now operating under approved State Plans for occupational safety and health rather than the Federal OSHA program. These states may have adopted the existing Federal OSHA standards and procedures or may have developed their own.
 - B. Where this firm is subject to State occupational safety and health plans, our safety policy and program will be based on State requirements. It is the responsibility of Karl Schueler to verify which OSHA regulations (Federal/State) apply to this company's operations.
4. RECORDS – It is company policy, as well as Federal law, that certain records associated with accidents experienced on our jobs be kept up-to-date and retained for a period of five (5) years. The purpose of this recordkeeping requirement is to identify recurring accidents of a similar nature, thereby allowing for the development of corrective action to eliminate their possible causes. The following is a summary of these record requirements.
- A. Accident investigating and reporting procedures are developed by Karl Schueler. An accident report on appropriate forms must be prepared within forty-eight (48) hours after each reportable incident. Reportable incidents consist of (i) fatalities, (ii) lost work day cases or (iii) non-fatal cases without lost work days but requiring medical treatment. These reports are to be transmitted to the proper authorities.
 - B. Depending on the hazard, there may be Federal/State requirements for maintaining records of exposure to hazardous/toxic materials. Check with Karl Schueler for requirements.
 - C. Maintain the OSHA Log of all reportable occupational injuries and illnesses for each job location. In some cases this log may be kept at a central location for jobs subject to common supervision. This involves posting the information from the initial accident report on a Master Log (OSHA Form 200) within six (6) work days after the accident has occurred. The form must be kept available for OSHA Compliance Safety and Health Officer review. The Summary Section of OSHA Form 200 must be posted at each jobsite by February 1st of the following year and remain in place for thirty (30) consecutive calendar days thereafter. See OSHA regulations

29 CFR Part 1904 “Recording and Reporting Occupational Injuries and Illnesses”.

5. SUBCONTRACTOR COMPLIANCE – The concern for our fellow employees must be communicated to our Subcontractors working on our projects. It is imperative that we observe our Subcontractors operations and where safety or health problems are noted, identify them to the Subcontractors, as well as to our Safety Manager.

All contracts awarded to Subcontractors shall require that Federal and State laws concerning safety are observed by the Subcontractor. **Failure to fulfill this requirement is a failure to meet the conditions of our contract.** Safety on the project extends through all Subcontractor operations, as one unsafe condition unattended generally encourages deficiencies in other areas.

The above instructions similarly apply to all other contractors on a jobsite. Safety violations by other contractors must be called to the attention of your supervisor. The supervisors, in turn, report the condition to the contractors and the company Safety Manager, Karl Schueler.

6. SAFETY INSPECTIONS – This company has a definite policy and procedures for conducting jobsite inspections as outlined in the “Company Safety Inspection Guide”. The purpose of such in-house inspections is to identify unsafe conditions or activities and to take appropriate corrective action to improve safety conditions and practices.
7. OSHA INSPECTIONS
 - A. Karl Schueler is responsible for preparing procedures to be followed in the event of an OSHA inspection of a jobsite. The procedure shall include person(s) at the central office to be notified immediately when the OSHA Compliance Safety and Health Officer arrives at the site.
 - B. Karl Schueler is responsible to develop procedures for handling OSHA citations, penalties, abatement deadlines and, as applicable, contests of unjust citations/penalties.
8. VARIANCES – OSHA has established procedures for permitting temporary or permanent variances to certain standards when valid circumstances may preclude compliance. All supervisory personnel are to recommend to Karl Schueler any standards for which a variance may be needed. Karl Schueler will take appropriate action, following procedures of OSHA Regulations 29 CFR Part 1905. “Rules for Variances, Limitations, Variations, Tolerances and Exemptions under the Williams-Steiger Occupational Safety and Health Act of 1970”.

COMPANY SAFETY INSPECTION GUIDE

1. POLICY

The management of this company firmly believes that by showing an active interest in the conditions at the jobsite there will be corresponding reaction from employees in the way they conduct themselves. One visible way of achieving this goal is to adopt a policy that emphasizes the importance of an inspection program.

The following ground rules govern this company's safety inspections:

- A. Establish and update safety procedures as necessary.
- B. Review safety program on semi-annual basis as a minimum.
- C. Establish Safety "Chain of Command" for safety responsibilities from company management to individual employees.
- D. Identify company safety goals to employees.
- E. Conduct the following inspections at each jobsite by those designated:
Weekly Inspection – Project Manager
Monthly Inspection – Safety Manager (Karl Schueler)
Unannounced Inspection – Company Office
Quarterly Inspection – Insurance Company
(Designated inspection duties should be staggered – Inspections should be conducted without prior notice.)
- F. Coordinate with OSHA and Insurance Company for on-site consultation if desired.

2. CHECKLIST

The following checklist includes items that are to be checked as a minimum during an inspection of the jobsite or shop:

- A. First aid and health equipment.
- B. Communications link for ambulance or other outside aid.
- C. Posters, signs required by OSHA and existing safety practices.
- D. Accident reporting records.
- E. Identify and eliminate unsafe equipment.

- F. Employee training performed, such as toolbox talks, worker orientation.
- G. Protective devices – availability, proper maintenance and operating condition.
- H. Housekeeping policies and actual conditions of working areas.
- I. Lighting and adequacy and safety.
- J. Personal protective equipment.
- K. Sanitation: water, toilets for cleanliness and proper operation.
- L. Noise hazards, to comply with OSHA requirements.
- M. Ventilation from gases, vapor, fumes, dust.
- N. Head protection (hard hats), respiratory devices, safety belts, and lifelines.
- O. Fire protection, prevention and control.
- P. Temporary buildings, trailers, shanties.
- Q. Open yard and interior storage.
- R. Storage of flammable and combustible liquids including service and refueling areas for vehicles.
- S. Temporary heating devices.
- T. Tools (hand, power).
- U. Electrical system and ground fault protection.
- V. Openings – floor, wall, railing, hoists.
- W. Materials handling equipment and elevators.
- X. Trenching and shoring for compliance with OSHA requirements.
- Y. Ladders and scaffolds, and their storage.
- Z. Are containers with hazardous chemicals properly labeled?
- AA. Are Material Safety Data Sheets (MSDS) readily available on the jobsite?

- BB. Is a copy of the company safety program on site?
 - CC. Is the company written HAZCOM program on the jobsite?
 - DD. Listing of hazardous chemicals on jobsite available to employees.
 - EE. Coordination with other contractors regarding exchange of hazardous chemical information.
 - FF. Have employees received instructions on the OSHA HAZCOM Program?
 - GG. Are tags for locking out or identifying faulty equipment available?
 - HH. Are compressed gas cylinders properly stored with valve protection caps in place?
 - II. Are spray hoses and gauges in good operating condition?
 - JJ. Other items as appropriate.
3. AFTER COMPLETING CHECKLISTS, THE PERSON MAKING THE INSPECTION WILL:
- A. Discuss all discrepancies with persons responsible for creating the condition and those responsible for correcting it.
 - B. Where hazards are caused by other contractors on the job, identify the problem to the Owner, General Contractor, or other Contractor(s) involved. Follow up with a written report to the company Safety Manager and to other individuals involved.
 - C. Insure recommended changes are transmitted to proper person for correction.
 - D. Follow up on actions to correct discrepancies.
 - E. Discuss safety irregularities with employees. Invite their comments, suggestions and aid.
 - F. Provide copy of checklist to company Safety Manager, along with statement of corrective actions taken or still required.

The following are to be the duties of the Project Foreman in regard to REGAL CONTRACTING, LLC Safety Program.

- A. Shall be familiar with, and enforce established safety procedures applicable to company operations on the jobsite.
- B. Instruct the workers to follow safe work practices.
- C. Maintain safe conditions throughout the job.
- D. Make available the necessary personnel protective equipment, job safety materials and first aid supplies.
- E. Assure that safety devices and proper protective equipment are used by persons under his supervision.
- F. Develop a cooperative attitude toward safety by setting a good example.
- G. Continuously watch for unsafe physical conditions and unsafe workers' behavior and correct immediately.
- H. Assure that accidents and injuries are treated and reported properly.
- I. Investigate all accidents, obtain all pertinent data, file a complete report, and initiate corrective action.
- J. Maintain an effective, positive line of communication regarding safety matters to the workforce.
- K. Conduct scheduled safety and HAZCOM training classes.
- L. Conduct monthly toolbox safety talks.

Karl Schueler is hereby appointed project safety officer for REGAL CONTRACTING LLC.

In this capacity he will have the following duties together with other duties assigned to him.

- A. You shall be familiar with safety regulations related to your area of responsibility.
- B. Plan work to ensure that the employees, materials, tools and equipment are available to perform and work safely.
- C. Notify the Safety Manager, Karl Schueler of any unusual or special safety or health hazards on the job.
- D. Require all subcontractors and subcontractors personnel to comply with applicable safety regulations.
- E. Direct and coordinate safety activities applicable to the project.
- F. Assure that foremen are aware of and comply with requirements for safe practices and conditions to be maintained on jobsites.
- G. Review all accidents with the foremen, submit accident reports and ensure corrective action is taken to alleviate the cause.
- H. Monitor employee safety training.
- I. Assure required safety posters are available and posted at the jobsite.
- J. Maintain Material Safety Data Sheets (MSDS) for all chemicals used on the jobsite and coordinate with other employers as to location and availability of their MSDS.

DRUG, ALCOHOL AND CONTRABAND CONTROL POLICY

I. PURPOSE

The purpose of this policy is to protect the safety, health, and welfare of the employees of REGAL CONTRACTING, LLC. and its subcontractors. Working while under the influence of drugs or alcohol may adversely affect productivity, pose serious safety risks to the user and other persons, and pose serious health risks to the user. The use, possession, sale, purchase, transfer, distribution, or dispensation of alcohol or illegal drugs while in the workplace may also pose unacceptable risks to the maintenance of safe, healthful, and productive operations. With your help, this policy aims to provide a safe, healthful and productive work environment for all employees and to protect REGAL CONTRACTING, LLC's property, equipment, and operations. All employees must abide by this policy as a condition of continued employment.

II. WORK RULES

A. Legal Drugs and Medications

1. Reporting Requirements. If an employee has reason to believe at the use of legal drugs, such as a prescribed medication, may pose a safety risk to any person or interfere with the employee's performance of his or her job, the employee must report such legal drug use to either the President of the company or the work site Project Manager, who shall determine whether any work restriction of limitation is indicated. Failure to report such legal drug usage may result in discipline.
2. Work and Medication. Any such employee may continue to work, if it is determined that: (1) the employee does not pose a serious threat to either his or her own safety or the safety of any other person; and (2) the employee's performance of essential job functions is not adversely affected by the legal drug. Otherwise, the employee may be required to take a leave of absence, transfer to another job, or comply with other appropriate action as determined by REGAL CONTRACTING LLC.
3. Possession of Medication. Prescription drugs are permitted on REGAL CONTRACTING LLC's property only if (1) the medication has been prescribed by a licensed physician; (2) the prescription was filled by a registered pharmacist within the last twelve months for the person who is in possession of the medication; (3) the medication is in the labeled container from the pharmacy; and (4) a medication permission form for the medication is signed by the

worksite Project Manager with a copy of the signed form on file in the field office.

B. Alcohol Policy

1. Employees of REGAL CONTRACTING LLC and REGAL CONTRACTING LLC's subcontractors may not use or possess alcohol while working, while on REGAL CONTRACTING LLC's property¹ or while operating REGAL CONTRACTING LLC's equipment, machinery or vehicles.
2. Employees of REGAL CONTRACTING LLC and REGAL CONTRACTING LLC's subcontractors may not work or report to work with detectable levels² of alcohol in their system.

A violation of either of these rules will result in discharge or, in the case of subcontractor's employees, exclusion from the jobsite, unless REGAL CONTRACTING LLC in its sole discretion decides that special circumstances warrant referring the employee to a rehabilitation program.

¹"REGAL CONTRACTING LLC's property" means all property owned, leased, managed, or used by REGAL CONTRACTING LLC, or one of its affiliate companies, including, but not limited to , structures, buildings, offices, facilities, installations, vehicles, boats, and aircraft.

²Where federal, state or local law has established governing threshold detection levels, as used in this policy the term "detectable levels" means at or above such threshold detection levels. In the absence of such governing threshold detection level, "detectable levels" means even trace amounts of the substance tested for or its metabolites; provided, however, in the case of marijuana, if 30 nanograms per milliliter of marijuana (THC) or its metabolites are detected, this will be considered a violation of the policy without regard to how the substance entered the employee's system. Less than 30 nanograms may be considered a violation to the extent permitted by law.

C. Illegal Drugs

"Illegal Drugs" means any controlled substance, medication or other substance that (a) is not legally obtainable; or (b) is legally obtainable, but is not legally obtained or not being used for the purpose(s) for which it was prescribed or was intended. Thus, "illegal drugs" may include even over-the-counter medications, if they are not used for the purpose(s) for which they were intended.

1. Employees of REGAL CONTRACTING LLC and REGAL CONTRACTING LLC's subcontractors may not use, possess, sell, purchase, transfer, distribute, dispense, or manufacture illegal drugs while working, while on REGAL CONTRACTING LLC's

property or project sites, or while operating REGAL CONTRACTING LLC's equipment, machinery or vehicles.

A violation of either of these rules will result in discharge, or in the case of subcontractor's employees, exclusion from the jobsite, unless REGAL CONTRACTING LLC in its sole discretion decides that special circumstances warrant referring the employee to a rehabilitation program.

D. Contraband

The unauthorized use, possession, sale, purchase, or transfer of weapons, explosives, firearms, ammunition, stolen property or equipment, paraphernalia or literature related to illegal drug use is also prohibited while working, while on REGAL CONTRACTING LLC property or project site or while operating REGAL CONTRACTING LLC's equipment, machinery or vehicles. A violation of this rule will result in discharge or, in the case of subcontractor's employees, exclusion from the jobsite, unless REGAL CONTRACTING LLC in its sole discretion decides that special circumstances warrant less severe disciplinary action.

III. ENFORCEMENT

A. How This Policy Will Be Enforced

This policy will be enforced by:

- a. Unannounced personal searches.
- b. Unannounced property searches and inspections of personal effects, lockers, baggage, toolboxes, desks, purchases, vehicles, and other personal effects brought onto REGAL CONTRACTING LLC's property.
- c. Urine, blood, and/or saliva tests for illegal drugs or alcohol for REGAL CONTRACTING LLC personnel involved in on-the-job accidents involving medical treatment or damage to REGAL CONTRACTING LLC's property.

Confiscated illegal items and substances, including illegal drugs, may be delivered to law enforcement officials.

B. Drug and Alcohol

REGAL CONTRACTING LLC may request or require that applicants and employees provide urine, blood, and/or saliva samples for drug and/or alcohol testing, under the following circumstances:

1. All applicants who are conditionally offered employment may be required to provide a urine sample for drug and alcohol testing.
2. An employee may be required to provide a urine, blood and/or saliva sample for drug and alcohol testing, if management suspects that the employee:
 - a. Has violated REGAL CONTRACTING LLC's rule prohibiting the use, possession, sale, purchase, transfer, distribution, dispensation, or manufacture of alcohol and/or illegal drugs while working, while on REGAL CONTRACTING LLC's property or project site or while operating REGAL CONTRACTING LLC's equipment machinery or vehicles.
 - b. Is working or has reported to work under the influence of alcohol and/or illegal drugs.
 - c. Has sustained an injury arising out of and in the course of his or her employment.
3. Any employee may be required, from time-to-time, to provide urine, blood and/or saliva samples for drug and alcohol testing on a random basis, without cause of suspicion. Such tests will be unannounced.
4. If the employee is undergoing chemical dependency evaluation or treatment or has completed chemical dependency treatment, then the employee may be required to undergo testing, without prior notice, during the chemical dependency treatment and evaluation, and for up to two years following completion of any prescribed chemical dependency treatment program.

C. Testing Procedures, Results and Consequences

1. To the extent practicable, authorized personnel will supervise the collection of urine, blood and saliva specimens for testing and, absence suspicion that the employee has or will alter or substitute a urine specimen, the collection of the urine specimen will not be directly observed. Specimens that are collected will only be tested for the presence of alcohol, illegal drugs and their metabolites.
2. Applicants or employees may refuse to undergo drug and alcohol testing. However, applicants who refuse to undergo testing or who refuse to cooperate with the testing procedures will not be hired by REGAL CONTRACTING LLC; employees who refuse to cooperate with the testing procedures will be discharged.

3. Test results will be communicated promptly to applicants and employees. REGAL CONTRACTING LLC will only rely on positive test results that have already been confirmed by gas chromatography/mass spectrometry or, if applicable, the method or methods of analysis established by governing federal, state or local law. If an applicant or employee tests positive on such a confirmatory test, he or she may: (1) submit in writing to REGAL CONTRACTING LLC additional information to try to explain the confirmed positive test result, provided that the explanation must be received by REGAL CONTRACTING LLC before the end of the next working day after he or she has been informed of the confirmed positive test results; and (2) request in writing a confirmatory retest of the original sample, at their own expense, provided that the request must be received by REGAL CONTRACTING LLC before the end of the next working day after he or she has been informed of the confirmed positive test result. Confirmatory retests paid for by the employee may be conducted only by laboratories meeting the certification requirements of the United States Department of Health and Human Services.
4. Pending the receipt of test results and written explanations and requests for retests of positive confirmatory test results, employees may be temporarily suspended from their jobs. If an employee is suspended and the final test is negative, the employee will be immediately reinstated with full back pay.
5. If an employee tests positive on a confirmatory test and the employee does not timely and successfully refute the result by explanation or re-testing, the employee will be discharged unless REGAL CONTRACTING LLC in its sole discretion decides that special circumstances warrant referring the employee to rehabilitation in lieu of discharge. All employees with substance abuse problems are encouraged to seek help for their problems before a positive test result causes the determination of his or her employment status. Employees who voluntarily come forward to obtain assistance with substance abuse problems, prior to testing and the receipt of a positive test result, will to the extent practicable be supported by REGAL CONTRACTING LLC in their efforts to address their problem and continue their employment.
6. Applicants who test positive on confirmatory tests and do not timely and successfully refute the results by explanation or re-testing will not be hired by REGAL CONTRACTING LLC.

7. Any applicant or employee may request a copy of his or her test result report. Except as required by law, test results will be kept strictly confidential and will not be disclosed by REGAL CONTRACTING LLC to persons outside the company, except that test results may be disclosed to the testing laboratories, chemical dependency evaluation and treatment centers, medical personnel and insurance carriers who have a legitimate need to know.

D. Employee Search Policy

If management suspects that an employee has possession of alcohol, illegal drugs or contraband at the work site in violation of this policy, REGAL CONTRACTING LLC may request or require the employee to submit to a search of his or her person and/or personal possessions that have been brought on to REGAL CONTRACTING LLC's property or project site, or into REGAL CONTRACTING LLC's vehicles, including, without limitation, lockers, coats, jackets, outer garments (including pockets), purses and motorized vehicles.

No employee will be required as a part of any search to remove any undergarment or first-layer out garment, such as shirts, blouses or pants. All property searches will, to the extent practicable, be conducted in the presence of the employee whose property is searched.

Employees may refuse to submit to personal searches and, if advised in advance, other searches of their property. However, refusal will result in discharge.

IV. NOTIFICATION OF CRIMINAL OFFENSES

As a condition of continued employment, employees must notify REGAL CONTRACTING LLC of any criminal drug statute conviction relating to any conduct occurring in the workplace no later than five calendar days after such conviction. Any employees convicted of such a crime will be discharged.

DISCIPLINARY PROCEDURES

The purpose of disciplinary actions as they relate to safety procedures is not to punish an employee, but to insure the health and safety of all employees.

Violations will be determined by Job Site or Field Supervisors with consideration given to the severity of the violation and the potential for injury.

We have adopted a four-step system for violations with the maximum actions to be taken by the company as follows:

- | | |
|-------------------|---|
| First Violation: | Verbal Warning, Notation in Personnel File |
| Second Violation: | Written Warning, Copy Placed in Personnel File |
| Third Violation: | Written Warning, 1-Day Suspension Without Pay |
| Fourth Violation: | Written Warning, 1-Week Suspension Without Pay
or Termination if Serious Violation |

Serious violations which severely endanger the lives and safety of other employees, or which have the potential to endanger the financial security of the corporation, may result in immediate termination with no prior warning. Examples of these violations include reckless use of motor vehicles, drug or alcohol use on the job, or other acts of carelessness or recklessness, which lead to injury to oneself or others.

All notations made to personnel files and written warning given must be recorded on our document I.D. SP005A and signed by the supervisor making the report. A copy of any specific report, a copy of all reports in any employee file, may be obtained by making a request in writing to the Personnel Department.