



Internal Drug Free Workplace Memo and Acknowledgement Form

Purpose

In compliance with the Drug-Free Workplace Act of 1988, Power Component Systems Inc. (PCS) has a longstanding commitment to provide a safe, quality-oriented and productive work environment consistent with the standards of the community in which the company operates. Alcohol and drug abuse poses a threat to the health and safety of Power Component Systems Inc. employees and to the security of the company's equipment and facilities. For these reasons, PCS is committed to the elimination of drug and alcohol use and abuse in the workplace.

Scope

This policy outlines the practice and procedure designed to correct instances of identified alcohol and drug use in the workplace.

This policy applies to all employees and all applicants for employment of Power Component Systems. The human resource (HR) department is responsible for policy administration.

Substance Abuse Awareness

Illegal drug use and alcohol misuse have many serious adverse health and safety consequences. Information about those consequences and sources of help for drug or alcohol problems is available from the HR department, which has been trained to make referrals and to assist employees with drug or alcohol problems.

Employee Assistance

PCS will assist and support employees who voluntarily seek help for such problems before becoming subject to discipline or termination under this or other company policies. Such employees will be allowed to use accrued paid time off, placed on leaves of absence, referred to treatment providers and otherwise accommodated as required by law. Such employees may be required to document that they are successfully following prescribed treatment and to take and pass follow-up tests if they hold jobs that are safety-sensitive or require driving, or if they have violated this policy previously. Once a drug test has been scheduled, unless otherwise required by the Family and Medical Leave Act or the Americans with Disabilities Act, the employee will have

forfeited the opportunity to be granted a leave of absence for treatment, and possible discipline, up to and including discharge, will be enforced.

Employees should report to work fit for duty and free of any adverse effects of illegal drugs or alcohol. This policy does not prohibit employees from the lawful use and possession of prescribed medications. Employees must, however, consult with their doctors about the medications' effect on their fitness for duty and ability to work safely, and they must promptly disclose any work restrictions to their supervisor. Employees should not, however, disclose to Power Component Systems Inc. underlying medical conditions unless directed to do so.

Work Rules

1. Whenever employees are working, are operating any Power Component Systems Inc. vehicle, are present on Power Component Systems Inc. premises or are conducting company-related work offsite, they are prohibited from:
 - a. Using, possessing, buying, selling, manufacturing or dispensing an illegal drug (to include possession of drug paraphernalia).
 - b. Being under the influence of alcohol or an illegal drug as defined in this policy.
 - c. Possessing or consuming alcohol.
2. The presence of any detectable amount of any illegal drug or illegal controlled substance in an employee's body system, while performing company business or while in a company facility, is prohibited.
3. Power Component Systems Inc. will also not allow employees to perform their duties while taking prescribed drugs that are adversely affecting their ability to safely and effectively perform their job duties. Employees taking a prescribed medication must carry it in the container labeled by a licensed pharmacist or be prepared to produce it if asked.
4. Any illegal drugs or drug paraphernalia will be turned over to an appropriate law enforcement agency and may result in criminal prosecution.

Required Testing

Pre-employment

All applicants must pass a drug test before beginning work after receiving an offer of employment. Refusal to submit to testing will result in disqualification of further employment consideration.

Reasonable suspicion

Employees are subject to testing based on (but not limited to) observations by the supervision of apparent workplace use, possession or impairment. HR, the department manager or the director of operations should be consulted before sending an employee

for testing. All levels of supervision making this decision must use the Observation Checklist to document specific observations and behaviors that create a reasonable suspicion that the person is under the influence of illegal drugs or alcohol. If the results of the Observation Checklist indicate further action is justified, the manager or supervisor should confront the employee with the documentation and another member of management. *Under no circumstances will the employee be allowed to drive himself or herself to the testing facility. A member of supervision/management must escort the employee; the supervisor/manager will make arrangements for the employee to be transported home.*

Post-accident

Employees are subject to testing when they cause or contribute to accidents that seriously damage a Power Component Systems Inc. vehicle, machinery, equipment or property or result in an injury to themselves or another employee requiring offsite medical attention in which there is a reasonable basis for concluding that drug use could have contributed to the incident. A circumstance that constitutes probable belief will be presumed to arise in any instance involving a work-related accident or injury in which an employee who was operating a motorized vehicle (including a forklift, pickup truck, overhead cranes and aerial/man-lifts) is found to be responsible for causing the accident. In any of these instances, the investigation and subsequent testing must take place within two hours following the accident, if not sooner. *Under no circumstances will the employee be allowed to drive himself or herself to the testing facility.*

Random Testing

PCS reserves the right to conduct random drug tests in compliance with its drug-free workplace policy. As used in this policy, "random testing" refers to a method of selecting employees for testing. The selection will result in an equal probability that any employee from a group of employees will be tested without bias to age, race, gender, position etc.

PCS will conduct oral drug tests in a private and confidential manner to where employees' privacy rights are not violated. Once the drug test is complete, the HR representative will disclose the employees' results to the employee. Should the employee refute the results of the drug screen, the employee will then be directed to retest at an outside designated testing facility. All expenses related to the offsite testing facility will be incurred by the company in accordance with State and Federal regulations. The employee must report to the outside testing facility no more than 1 ½ hours from the time of the initial drug screen result or the secondary test will not be considered.

Follow-up

Employees who have tested positive, or otherwise violated this policy, are subject to discipline, up to and including discharge. Depending on the circumstances and the employee's work history/record, Power Component Systems Inc. may offer an employee who violates this policy or tests positive the opportunity to return to work on a last-chance basis pursuant to mutually agreeable terms, which could include follow-up drug testing at times and frequencies determined by Power Component Systems for a minimum of one year but not more than two years as well as a waiver of the right to contest any termination resulting from a subsequent positive test. If the employee either does not complete the rehabilitation program or tests positive after completing the rehabilitation program, the employee will be subject to immediate discharge from employment.

Consequences

Applicants who refuse to cooperate in a drug test or who test positive will not be hired and will not be allowed to reapply/retest in the future.

Employees who refuse to cooperate in required tests or who use, possess, buy, sell, manufacture or dispense an illegal drug in violation of this policy will be terminated. *If the employee refuses to be tested, yet the company believes he or she is impaired, under no circumstances will the employee be allowed to drive himself or herself home.*

The first time an employee tests positive for alcohol or illegal drug use under this policy, the result will be discipline up to and including discharge.

Employees will be paid for time spent in alcohol or drug testing and then suspended pending the results of the drug or alcohol test. After the results of the test are received, a date and time will be scheduled to discuss the results of the test; this meeting will include a member of management/supervision, and HR. Should the results prove to be negative, the employee will receive back pay for the times/days of suspension.

Confidentiality

Information and records relating to positive test results, drug and alcohol dependencies, and legitimate medical explanations provided to the MRO should be kept confidential to the extent required by law and maintained in secure files separate from normal personnel files. Such records and information may be disclosed among managers and supervisors on a need-to-know basis and may also be disclosed when relevant to a

grievance, charge, claim or other legal proceeding initiated by or on behalf of an employee or applicant.

Inspections

PCS reserves the right to inspect all portions of its premises for drugs, alcohol or other contraband. All employees, contract employees and visitors may be asked to cooperate in inspections of their persons, work areas and property that might conceal a drug, alcohol or other contraband. Employees who possess such contraband or refuse to cooperate in such inspections are subject to appropriate discipline, up to and including discharge.

Crimes Involving Drugs

PCS prohibits all employees, including employees performing work under government contracts, from manufacturing, distributing, dispensing, possessing or using an illegal drug in or on company premises or while conducting company business. PCS employees are also prohibited from misusing legally prescribed or over-the-counter (OTC) drugs. Law enforcement personnel should be notified, as appropriate, when criminal activity is suspected.

PCS does not desire to intrude into the private lives of its employees, but recognizes that employees' off-the-job involvement with drugs and alcohol may have an impact on the workplace. Therefore, PCS reserves the right to take appropriate disciplinary action for drug use, sale or distribution while off company premises. All employees who are convicted of, plead guilty to or are sentenced for a crime involving an illegal drug are required to report the conviction, plea or sentence to HR within five days. Failure to comply will result in automatic discharge. Cooperation in complying may result in suspension without pay to allow management to review the nature of the charges and the employee's past record with PCS.

Definitions

"Company premises" includes all buildings, offices, facilities, grounds, parking lots, lockers, places and vehicles owned, leased or managed by PCS or on any site on which the company is conducting business.

"Illegal drug" means a substance whose use or possession is controlled by federal law but that is not being used or possessed under the supervision of a licensed health care professional. (Controlled substances are listed in Schedules I-V of 21 C.F.R. Part 1308.)

"Refuse to cooperate" means to obstruct the collection or testing process; to submit an altered, adulterated or substitute sample; to fail to show up for a scheduled test; to refuse to complete the requested drug testing forms; or to fail to promptly provide

specimen(s) for testing when directed to do so, without a valid medical basis for the failure. Employees who leave the scene of an accident without justifiable explanation prior to submission to drug and alcohol testing will also be considered to have refused to cooperate and will automatically be subject to discharge.

"Under the influence of alcohol" means an alcohol concentration equal to or greater than .04, or actions, appearance, speech or bodily odors that reasonably cause a supervisor to conclude that an employee is impaired because of alcohol use.

"Under the influence of drugs" means a confirmed positive test result for illegal drug use per this policy. In addition, it means the misuse of legal drugs (prescription and possibly OTC) when there is not a valid prescription from a physician for the lawful use of a drug in the course of medical treatment (containers must include the patient's name, the name of the substance, quantity/amount to be taken and the period of authorization).

Reasonable Suspicion and Post-Accident Testing Protocol

1. The employee will be advised that PCS believes that there is reasonable suspicion to believe that he or she is affected by illegal drugs or alcohol (or due to the nature of the accident the policy mandates this) and that this test is being offered to confirm or deny this suspicion.
2. The employee will be transported to any one of the company's contracted testing facilities (e.g., health services, prompt care or the emergency department). One member of management or a designated attendant will accompany the employee. *Under no circumstances will the employee be allowed to drive himself or herself to the testing facility.*
3. Prior to leaving for the testing facility, supervision/management will contact the testing facility to inform it that a staff member from [Company Name] will be arriving and will need a drug or alcohol test completed.
4. The employee should be provided water to drink prior to leaving the company premises.
5. The employee should be given reasonable time—not to exceed 15 minutes—to secure photo ID in the company of a PCS representative.
6. The employee to be tested must present a photo ID (i.e., a driver's license or state ID card) to the testing facility staff before the specimen can be obtained. Ensure that the employee brings the photo ID with him or her when leaving PCS premises.
7. The employee to be tested must sign a consent form provided by the testing facility. Refusal to sign is addressed under the "Consequences" section of this document.
8. A PCS representative must sign as a witness to the collection procedure, along with the tested employee.
9. After returning to the company or when leaving the testing facility, the supervisor/manager must make arrangements to transport the person home

(unless testing results are immediate). Under no circumstances will the tested employee be allowed to drive himself or herself home.

Enforcement

The HR department is responsible for policy interpretation, administration and enforcement.

Drug and Alcohol Policy Certificate of Receipt

I hereby certify that I have received a copy of this latest version of the PCS Drug and Alcohol Policy.