POLICY

ON

ALCOHOL, DRUGS, NARCOTICS AND
OTHER UNLAWFUL SUBSTANCES

THE RAYMOND COMPANIES
Include:
The Raymond Group
George M. Raymond Co.
Raymond-Southern California, Inc.
Raymond-Northern California, Inc.
Raymond-San Diego, Inc.
THE RAYMOND COMPANIES

POLICY ON
ALCOHOL, DRUGS, NARCOTIC AND
OTHER UNLAWFUL SUBSTANCES

Alcohol, Drug and other illegal substances use in the workplace is detrimental to health and safety of the user, other employees and other people on the job sites. It also contributes to increased absenteeism, tardiness, medical costs and decreased productivity, as well as resulting in danger to, or loss of, equipment and property.

The Raymond Companies (including The Raymond Group, George M. Raymond Co., Raymond – Southern California, Inc., Raymond – Northern California, Inc. and Raymond-San Diego, Inc.) are committed to maintaining a safe work environment, free from intoxicants, illegal drugs and substance abuse. We believe that we have an obligation to take all necessary steps to provide a safe work environment which is free from avoidable hazards.

Accordingly, except as set forth below (EXCEPTIONS), The Raymond Companies including The Raymond Group, George M Raymond Co., Raymond – Southern California, Inc., Raymond – Northern California, Inc. and Raymond-San Diego, Inc., ("Company") has adopted the following policy:

1. The Company strictly prohibits the possession, use, sale, distribution or transfer of alcohol, drugs, narcotics, intoxicants or other illegal substances while performing work for the Company or while on Company property. Company property for the purposes of this policy includes all property owned, leased, used or under the control of The Raymond Companies, its affiliates and subsidiaries, including, but not limited to, structures, buildings, offices, installations, parking lots, vehicles and job sites of a client. All employees must comply with this policy on Company property, whether they are on duty or not.

2. An employee may not report to work or remain on duty impaired or under the influence of alcohol, drugs or intoxicants.

3. An employee who uses, possesses, sells or provides illegal drugs, controlled substances, or intoxicants off duty may be subject to discipline or discharge if the off-duty conduct adversely affects job performance or has a negative impact on the safety of Company personnel or property.

4. All employees are required to notify the Company of any criminal drug statute conviction within five (5) days after the conviction, if the conviction is based on a
workplace violation or otherwise relates to the employee's ability to perform his job safely or efficiently. The employee will be subject to discipline or termination for either a first offense or a subsequent offense.

**DEFINITIONS**

1. "Employee" means any person employed by The Raymond Companies and its subsidiaries or divisions, including both hourly and management personnel.

2. "Drug" or "Intoxicant" means any substance that has known mind or function-altering effects on a human subject, including but not limited to alcohol, ethanol, amphetamines, barbiturates, other hypnotics, cocaine, narcotics (opiates such as heroin, morphine and codeine) PCP and other hallucinogens, marijuana and all substances prohibited or controlled by state or federal controlled substance laws.

3. "Possess" means to have on one's person or in one's personal effects or under one's control.

4. "Under the Influence" means that an employee is affected by alcohol, drugs or intoxicants. This may, but need not, be demonstrated by observable symptoms or behavior consistent with impairment such as slurred speech, or difficulty in maintaining balance. A determination of use, influence or impairment may be established by professional opinion, testing, or a layperson's opinion. Drugs in an amount detectable by a test administered under the terms of this policy and constituting a positive result according to certified laboratory cut-off guidelines, or applicable labor agreement is presumptive of a violation of this policy.

5. In the event of a conflict between the provisions set forth in this policy, and any terms or conditions of any labor agreements covering persons subject to this policy, the existing labor agreements will take precedence over this policy.

**EXCEPTIONS**

1. **Social Events.** Alcohol may be used on company property during organized social occasions with the expressed permission of the Company's CEO, President or his/her designee.

2. **Prescribed and Over-the-Counter Drugs.** The use of prescription or over-the-counter drugs, or possession incident to such use, is not prohibited if: (a) the drug has been legally obtained and is being used for the purpose for which it was prescribed and manufactured; and (b) the drug is being used at the dosage prescribed or authorized; and (c) the use of the drug is not inconsistent with the safe and efficient performance of the employee's duties.
An employee who is using a prescribed or over-the-counter drug and who has been informed and has reason to believe or feels that the use of any such drug may affect his or her ability to perform his or her duties safely and/or efficiently, is required to report such drug use to his or her supervisor. A supervisor who has been informed or has reason to believe an employee is being prescribed or over-the-counter drugs that may affect the employee's ability to perform his or her job safely or effectively shall report that information to the job site superintendent and the Company's Safety Director. In those circumstances where the use of a prescribed or over-the-counter drug is inconsistent with the safe and efficient performance of duties, an employee may be required to take a leave of absence or other action determined to be appropriate by the Company.

**DISCIPLINE**

An employee who violates this policy's provisions concerning the use, possession, sale, distribution, transfer, reporting to work, or working under the influence of alcohol, drugs or intoxicants will be subject to immediate termination of employment.

**TESTING**

Testing will be performed by a laboratory certified by the National Institute on Drug Abuse.

1. **Pre-employment.** All applicants considered favorable for employment will be required to submit to a drug and alcohol screen. Candidates who refuse to undergo such testing; use chemicals to alter their testing sample; or fail to pass such testing, will not be eligible for employment. Employees who are laid off due to the lack of work activity will not be subject to pre-employment drug testing if they are rehired within 120 days of the layoff date.

2. **Prior Testing:** Applicants who can provide satisfactory evidence (said satisfaction to be determined within the discretion of the Company), of successfully passing a drug and alcohol screen administered by the Union representing that candidate within 120 days prior to the application for employment with the Company, will not be subject to pre-employment drug testing.

3. **Reasonable Cause.** Where there is reasonable cause to believe that an employee is impaired, the employee shall be asked to submit to drug and alcohol testing. Observation must be made by at least two (2) persons, one of whom may be a Union Represented employee. For employees who refuse to take the test where the prerequisites set forth in this paragraph have been met, there will be a
rebuttable presumption that the test result would have been positive for an unlawful substance.

4. **Post Accident.** Employees who are a contributing factor to an accident and where there is reasonable cause to believe that the accident resulted from drug and/or alcohol usage will be required to submit to a drug and alcohol screen.

5. **Refusal to Test/Alteration of Testing Sample/Failure to Pass.** Employees who refuse to test; alter their testing sample; or fail to pass the drug/alcohol testing will be immediately terminated.

6. **Condition of Contract Award.** In the event the Company is required, as a condition of a contract award, to abide by the terms and conditions of an owner’s substance abuse policy, the company will notify the Union Representatives of employees who will be subject to said policy before implementing the policy, and all employees of the Company will be informed that the program they are working under differs from the Company’s standard policy. Employees shall have the right to request that they be assigned to another project with no inferences being made.

7. The Company will pay the cost of each applicants’ and employees’ drug test and will pay each applicant and employee who take and pass the test for the time it takes to undergo the drug screen up to a maximum of two hours travel time, plus time at the clinic or collection site.

8. The Company will take care to administer the testing program in a fair, non-discriminatory manner, and to maintain the confidentiality of the results. There will be no disclosure of information concerning test results, corrective action or treatment to a third party who does not have a need to know.

9. Where allowed by the appropriate labor agreement, the Company may use, on a voluntary basis, an oral fluid test or an equivalent approved by the bargaining parties as an effective low-cost tool for substance abuse screening for pre-employment, reasonable cause, and post accident testing. Testing procedures shall be conducted in a manner consistent with the product manufacturers’ specifications. The employer will maintain a confidential written record of all oral fluid tests administered for a period of three years. Any "non-negative" test result shall be designated as "inconclusive" and shall be confirmed by a urine test at a certified laboratory in accordance with the drug testing procedures set forth below.

10. A sufficient amount of a sample shall be taken to allow for an initial test and a confirmation test. The initial test will be by Enzyme Multiplied Immunoassay
Technique (EMIT). In the event a question or positive result arises from the initial test, a confirmation test must be utilized before action will be taken against the employee or applicant. The confirmation test will be Gas Chromatography – Mass Spectrometry (GC/MS). The cutoff levels for both the initial test and confirmation test will be those established by the National Institute on Drug Abuse, Substance Abuse Management Health Service Association, or specific cutoff levels stated in the labor agreement. Which of these cutoff levels are used will be that defined by the appropriate labor agreements. Confirmed positive samples will be retained by the testing laboratory in secured long term frozen storage for a minimum of one year. Handling and transportation of each sample must be documented through strict chain of custody procedures.

11. The Company will notify the employee of results from any test that is positive for any substance included in the procedure. In the case of a positive result, the employee will be provided with an opportunity to explain the presence of the identified substance prior to taking disciplinary action. This requirement will be considered satisfied if the employee has been asked in connection with the sample collection procedure to provide information concerning all drugs or medications used within the past three weeks. A drug test that is received with a diluted result will be reviewed using the DOT guidelines. Employees not passing the drug screen will be immediately removed from the Employer’s payroll.

12. An employee or applicant who tests positive may request a second confirmation test of the original urine specimen at his/her own expense.

13. Present employees who tests positive must enroll in a rehabilitation program at his/her own expense to be considered eligible for rehire. When such program has been successfully completed, and proof has been presented, the employee may re-apply for employment. The Company reserves the right to determine, within its discretion, the sufficiency of any proof or certificate of completion from any rehabilitation program. If work for which the employee is qualified exists after he/she completes a rehabilitation program, he/she shall be reinstated. Employees shall be considered for reinstatement only after a rehabilitation program has been completed.

14. An applicant who tests positive has the option of reapplying for employment and retesting after six (6) months from the date of testing positive, with or without completing a rehabilitation program. An applicant will only be eligible for employment after all of the conditions of employment are satisfied and there is available work suited for that individual’s qualifications. This policy shall in no way limit the ability of the Company to exercise its discretion when offering at will employment to any individual. At all times the Company shall not
discriminate for any reason against any person who has tested positive according to the provisions of this policy. The drug test used in the retesting situation described above shall be a urine test at a certified laboratory in accordance with procedures set forth previously in this policy.

15. Any dispute under this policy shall be submitted to the grievance and arbitration procedure set forth in the applicable Union agreement.

16. Employees must report ALL injuries IMMEDIATELY to their supervisor whether the injury requires medical treatment or first aid only. Late reporting of any injury may result in discipline and denial of a claim.

17. Subcontractors: The Raymond Companies require that all subcontractors participate in efforts to prevent and detect the abuse of alcohol and illegal substances by their employees. It is forbidden to use, possess, distribute, be under the influence, or manufacture illegal drugs or alcohol while on the jobsite premises. Subcontractors should maintain a substance abuse and prevention policy as one method to accomplish this. When requested, subcontractors will provide a copy of their program.

18. If an employee or applicant has attended a rehabilitation program three times and failed a drug test three times, they will not be eligible for re-employment.

19. The Company reserves the right to use its discretion in the enforcement or waiver of any provision of this policy to ensure its fair and equitable application. Any use of this discretion will be in a non-discriminatory manner and consistent with any relevant union agreements and any other applicable laws.
DRUG USE IN OUR COUNTRY HAS BECOME EPIDEMIC

FACTS

Illegal drug and substance abuse endangers us all. We are all at risk while using public transportation, driving, working or at play.

We are a country of great personal freedom but drug use endangers us all and cannot be permitted. We all must help eliminate the problem through our attitude and responsible use of peer pressure.

The Raymond Companies accept their responsibility as a corporate citizen to influence employees away from the harmful and dangerous effects of drug use. We have adopted a drug policy which is not intended to be punitive, but rather to provide a safe, secure workplace for our employees and those of our subcontractors.

LET'S ALL WORK TOGETHER TO SOLVE THE PROBLEM. DON'T USE DRUGS AND DO YOUR BEST TO DISCOURAGE DRUG USE BY OTHERS.

EMPLOYEE ACKNOWLEDGEMENT

The undersigned employee acknowledges that he/she has received and read this drug and substance abuse policy, and understands that this policy is effective for all employees who are hired or remain employed after January 1, 2003. Any employee who performs services for the Company on or after that date shall be deemed to have consented to testing as required by this policy.

EMPLOYEE NUMBER  __________________________

EMPLOYEE NAME (Please Print) __________________________

SIGNATURE  __________________________

DATE  __________________________