

KESTREL FIELD SERVICES, INC.

DRUG, ALCOHOL AND CONTRABAND POLICY

(referred to herein as "POLICY")

1. SUBJECT: DRUG-FREE WORKPLACE POLICY AND STATEMENT

2. SCOPE: ALL EMPLOYEES

3. OBJECTIVES:

3.01. In order to comply with the Drug-Free Workplace Act of 1988, any and all applicable federally or state mandated testing programs, and to provide a safe and healthful work environment for all employees of **KESTREL FIELD SERVICES, INC.** to prevent accidents and casualties in **KESTREL FIELD SERVICES, INC.** operations that result from impairment of employees who use alcohol or drugs or their use of alcohol or drugs, **KESTREL FIELD SERVICES, INC.** has determined that a uniform and effective drug policy be established to accomplish these objectives. It is recognized that the employees of **KESTREL FIELD SERVICES, INC.** are **KESTREL FIELD SERVICES, INC.** most valuable resource in the conducting of the business of **KESTREL FIELD SERVICES, INC.** and for that reason, their health and safety are of paramount concern.

3.02. It is further the objective of these policies to protect the well-being and property not only of **KESTREL FIELD SERVICES, INC.** employees, but also all other persons on company premises, including visitors and guests. By the establishment of these policies, **KESTREL FIELD SERVICES, INC.** is seeking the protection of all property of **KESTREL FIELD SERVICES, INC.** and of its employees, from damage, loss or theft.

3.03. The policy is also being established to comply with applicable laws, statutes and regulations that have been enacted relating to drugs and safety in the workplace.

4. POLICY DEFINITIONS: The following definitions are intended to clarify the prohibited substances and items covered in this policy. Use of the definition in the singular includes the plural. The term "drug" is used interchangeably with the terms chemical or chemical substance, or alcohol for the purposes of this policy.

4.01. ACT-ALIKE DRUGS - Those chemicals not manufactured to closely resemble controlled substances, but which are promoted in the same way and which contain the same ingredients as look-alike drugs.

4.02. ALCOHOL OR INTOXICATING BEVERAGE - Any liquid that may be legally sold

and consumed, and that has an alcohol content in excess of 1/2 of 1% by volume.

- 4.03. CONTROLLED DRUGS** - Those drugs or chemical substances placed on a schedule or in special categories to prevent, curtail or limit their distribution and manufacture as defined by the Controlled Substance Act of 1970, as amended.
- 4.04. DESIGNER (SYNTHETIC) DRUGS** - Those chemical substances that are made in clandestine laboratories where the molecular structure of both legal and illegal drugs is altered to create a drug that is not explicitly banned by federal law.
- 4.05. DRUG** - Any chemical substance, including alcohol, that either produces physical, mental or emotional change in the user, or one that is capable of altering the mood, perception, or judgment of the individual consuming it.
- 4.06. DRUG ABUSE** - Drug abuse is the use of a drug or chemical substance for other than medical purposes which results in the impaired physical, mental, or emotional well-being of the user.
- 4.07. DRUG MISUSE** - The unintentional or inappropriate use of prescription or over-the-counter drugs or chemical substances, which results in impaired physical, mental, or emotional well-being of the user.
- 4.08. DRUG-RELATED PARAPHERNALIA** - Any material, equipment or items used or designed for use in testing, packaging, storing, injecting, ingesting, inhaling, or otherwise introducing into the human body an illegal, unauthorized controlled or dangerous substance.
- 4.09. ILLEGAL DRUG** - Any drug (a) which is not legally obtainable or (b) which is legally obtainable, but has not been legally obtained. The term includes prescribed drugs not legally obtained and prescribed drugs not being used for prescribed purposes. The term "illegal drug" includes marijuana.
- 4.10. LEGAL DRUG** - Any prescribed drug or over-the-counter drug or medication which has been legally obtained and is being used for the purpose for which it was prescribed or manufactured.
- 4.11. LOOK-ALIKE DRUGS** - A tablet, capsule, powder or liquid containing controlled over-the-counter ingredients whose physical appearance resembles various prescription drug products which contain popular substances of abuse and are regulated under the provisions of the Controlled Substance Act of 1970, as amended.
- 4.12. PRESCRIBED DRUG** - Any substance for which a prescription has been written by a licensed medical practitioner for consumption by the individual for whom it is written or ordered.
- 4.13. PROHIBITED SUBSTANCES** - Any of the following substances specified in Schedule I or Schedule II of the Controlled Substances Act, 21 U.S.C., 801, 802 (1931 & 1987 Cum. P.P.), to include but are not limited to: marijuana, cocaine, opiates, amphetamines, phencyclidine (PCP), methadone, barbiturates, benzodiazepines, methaqualone and propoxyphene.

- 4.14. REASONABLE SUSPICION - KESTREL FIELD SERVICES, INC.** supervisor's or management level employee's belief based upon objective and articulable facts, based on specific, contemporaneous physical, behavioral, or performance indicators, sufficient to lead a prudent person to suspect that any employee is using drugs or alcohol, or otherwise is in violation of this policy.
- 4.15. THEFT/STOLEN PROPERTY** - The taking, asportation, conversion, misappropriation or unauthorized removal, concealment, or possession or use of the Company, other employees, persons, or companies, and including, but not limited to, materials, facilities, tools, equipment, documents and proprietary information, or items of property of other employees, persons or companies.
- 4.16. UNDER THE INFLUENCE** - For the purposes of this policy an employee is Under the Influence if an employee is affected by a drug, chemical substance or alcohol, or the combination of a drug, chemical substance or alcohol in any detectable manner. The symptoms or influence are not confined to those consistent with misbehavior, nor to obvious impairment of physical or mental ability, such as slurred speech or difficulty in maintaining balance. A determination of influence can be established by professional opinion, scientifically valid test and, as in case of alcohol, by a lay person's opinion.
- 4.17. WEAPONS** - For the purpose of this policy, the term "weapons" includes firearms, guns, knives, explosives, ammunition or other similar items. The use, possession, transfer, storage, concealment, transportation or sale of which is not specifically authorized or allowed on **KESTREL FIELD SERVICES, INC.** property by the President of **KESTREL FIELD SERVICES, INC.** or his/her designated representative.

5. APPLICATION OF POLICY:

- 5.01.** This policy pertains to illegal, controlled and unauthorized drugs, alcohol, chemical substances, weapons, stolen property. For the purposes of the policy, the term "Company Premises" of **KESTREL FIELD SERVICES, INC.** includes its affiliates or subsidiaries. It also includes all property, offices, facilities, land, buildings, structures, fixtures, installations, automobiles, trucks and all other vehicles and equipment, whether owned, leased, rented or used by **KESTREL FIELD SERVICES, INC..**
- 5.02.** This policy applies to property of all customers of **KESTREL FIELD SERVICES, INC.,** while on company premises.
- 5.03.** This policy applies to any other work locations of **KESTREL FIELD SERVICES, INC.,** and the mode of transportation to and from those locations in the scope of **KESTREL FIELD SERVICES, INC.** employment.

6. POLICY STATEMENT:

- 6.01.** The use, abuse, reporting to work with detectable amounts in the system, bringing onto **KESTREL FIELD SERVICES, INC.** premises of **KESTREL FIELD SERVICES,**

INC. property (as defined above), possession, transfer, storage, concealment, promotion or sale of the following substances and other items as listed below by employees of **KESTREL FIELD SERVICES, INC.** is strictly prohibited.

- 6.02.** The possession of illegal drugs, unauthorized controlled substances, look-alikes, act-alikes, inhalants of abuse, designer and synthetic drugs, alcohol or intoxicating beverages (including the presence of any detectable amount in the employee's body while working), and any other drugs or substances which may affect a person's perception, performance, judgment, reactions or senses while working or while on **KESTREL FIELD SERVICES, INC.** business, including any and all drugs declared to be illegal under any Federal or State law is prohibited.
- 6.03.** The possession or the reporting to work or working with detectable amounts in the system of alcoholic or intoxicating beverages on Company Premises which may affect an employee's mood, senses, responses, motor functions, or alter or affect a person's perception, performance, judgment, reactions or senses while working or while on **KESTREL FIELD SERVICES, INC.** premises, the bringing onto **KESTREL FIELD SERVICES, INC.** Premises (as defined above), or the possession, transfer, storage, concealment, transportation, promotion or sale of alcoholic or intoxicating beverages is prohibited.
- 6.04.** Except as specifically authorized by the President of **KESTREL FIELD SERVICES, INC.**, or his/her designated representative the possession of firearms, weapons, explosives and ammunition is prohibited.
- 6.05.** The possession or the reporting to work or working with drug-related paraphernalia, including any material or equipment used or designed for use in testing, packaging, storing, injecting, ingesting, inhaling or otherwise introducing into the human body an illegal, unauthorized controlled or dangerous substance as defined by this policy is prohibited.
- 6.06.** The theft, conversion, misappropriation or unauthorized removal, possession or use of **KESTREL FIELD SERVICES, INC.** property, including but not limited to, materials, facilities, tools, equipment, documents and proprietary information, or of any items of property of other employees or customers, is prohibited.
- 6.07.** The legal use of prescription drugs (Legally Controlled Substances) prescribed by a licensed physician are permitted, however:
 - 1. Employees will immediately inform their supervisor prior to using prescribed drugs or medication on the job.*
 - 2. Medication will be in its original vial or be in a vial provided by the pharmacist commonly referred to as "day carriers" and will be in the employee's name and will have the doctor's name and the prescription number on the label, as well as the date of issuance.*
 - 3. Each prescription will be not older than one (1) year of the date issued.*
 - 4. Employees will only possess a reasonable amount of medication for a normal shift.*
 - 5. The employee whose name appears on the label of the vial will not allow any other company employee, visitor, guest, subcontractor or any other person to consume the prescribed drug or medication.*

6. *The employee will not consume the prescribed drug or medication more often than as prescribed by the employee's physician and as set out on the label of the vial.*

6.08. KESTREL FIELD SERVICES, INC. reserves the right to have its Medical Review Officer determine if use of a prescription drug or medication by an employee produces effects which may increase the risk of injury to the employee or other employees. If such a finding is made, **KESTREL FIELD SERVICES, INC.** reserves the right to restrict the work activity of the employee until such time as the Medical Review Officer advises **KESTREL FIELD SERVICES, INC.** that the employee's ability to perform his/her job is no longer adversely affected by the consumption of said drug or medication.

6.09. Any employee who is convicted of any criminal drug statute must notify the President of **KESTREL FIELD SERVICES, INC.** or his/her designated representative of the conviction within five (5) days and the President of **KESTREL FIELD SERVICES, INC.** or his/her designated representative is to notify Federal agencies under contract with **KESTREL FIELD SERVICES, INC.** within ten (10) days after receiving notice of a conviction.

7. ENFORCEMENT ACTIVITY:

7.01. KESTREL FIELD SERVICES, INC. will enforce these policies by job site searches, urine, sweat, or hair /substance screening and blood, plasma and/or saliva/breath testing.

Drug screening may occur in the following situations:

- **Post offer of employment**
- **Random**
- **Post Accident**
- **Reasonable Cause**
- **Customer Contractual Compliance**
- **Annual**

7.02. KESTREL FIELD SERVICES, INC. reserves the right to have managerial, supervisory, and security personnel conduct security searches and inspections of employees, persons and their effects (such as, but not limited to, lockers, baggage, briefcases, lunch boxes, food/beverage containers, desks, tool boxes, clothing and vehicles) for the purpose of determining if such employees are in possession, use, transportation or concealment of any of the prohibited items and substances covered by this policy. All searches that are conducted by authorized outside search and inspection specialists will be in the presence of **KESTREL FIELD SERVICES, INC.** supervision. At no time will employees be touched during a search or inspection by outside search and inspection specialists or **KESTREL FIELD SERVICES, INC.** managerial supervisory, or security personnel.

7.03. KESTREL FIELD SERVICES, INC. reserves the right to require employees to submit to medical, physical, or psychological evaluations or examinations at any time as a condition of initial or continued employment. Such examinations or evaluations may include, but are not limited to, urine, hair, sweat drug and/or alcohol screens, blood or plasma tests, or saliva/breath tests or other or tests as deemed

appropriate to determine the use of illegal/unauthorized drugs or alcohol prohibited by this policy or to establish the employee's fitness for duty.

7.04. Any Company contractor may, to the extent permitted by law, conduct a search and inspection of its own employees and the employees of any of its subcontractors performing work for **KESTREL FIELD SERVICES, INC.** on **KESTREL FIELD SERVICES, INC.** property, provided that such contractor first notifies **KESTREL FIELD SERVICES, INC.** of such a proposed search and inspection, and provided further that contractor does not search employees of **KESTREL FIELD SERVICES, INC.** or of other contractors without the express written authority of **KESTREL FIELD SERVICES, INC.** or other companies that may be involved.

8. NOTICE OF DISCIPLINARY ACTION FOR POLICY VIOLATIONS:

8.01. No employee search, inspection or testing procedure (urine, hair, sweat, blood/plasma, saliva/breath) will be conducted without the written consent from the employee(s) involved.

8.02. Entry onto **KESTREL FIELD SERVICES, INC.** property as described above constitutes the recognition of the right of **KESTREL FIELD SERVICES, INC.** or its authorized representatives to search, inspect, or test its employees for drugs or alcohol, as well as search their personal effects, vehicles, tool boxes, desks, food or beverage containers, clothing, and any other property of its employees while entering, on, or departing the premises of **KESTREL FIELD SERVICES, INC.** as described in this policy.

8.03. All employees of **KESTREL FIELD SERVICES, INC.** and its subsidiaries are subject to the following disciplinary actions:

Refusal to participate in a search, provide a urine, hair, sweat, blood, saliva, or breath sample

Termination

Positive Drug Result

Disciplinary action up to and including termination

Alcohol Result > .00

Disciplinary action up to and including termination

Substituting, Adulterating, or attempting to adulterate a specimen

Termination

8.04. Disciplinary action will be any action levied against an employee or applicant, as determined by **KESTREL FIELD SERVICES, INC.** management.

8.05. Any **KESTREL FIELD SERVICES, INC.** employee who is found in possession, use or transportation of any illegal substances, contraband, unauthorized possession of **KESTREL FIELD SERVICES, INC.** property or other employees' property, or any of the herein mentioned drugs, chemical substances or property, or unauthorized

items, or who has been convicted of a drug related offense, will be subject to disciplinary action, up to and including termination of employment. Preliminary findings of a policy violation may require that the employee be suspended pending the results of an investigation.

9. REQUIREMENTS OF TESTING FACILITY:

1. All searches, collections and testing will be performed with concern for each employee's privacy. The results of any drug screening will be considered a confidential record to be disseminated strictly on a "need-to-know" basis or as may be legally required.
2. All collections will be performed by approved third party personnel who are familiar with the proper collection procedures of this policy.
3. For drug urinalysis, each specimen will be tested to determine the presence of prohibited substances to include but are not limited to: amphetamines, cannabinoids, cocaine, opiates, phencyclidine, barbiturates, methadone, benzodiazepines and propoxyphene.
4. For cannabinoids, 50 NG/ML will be the screening level for employees to generate a positive screen result.
5. All sample collections, storage, and transportation will be performed in accordance with SAMHSA (Substance Abuse & Mental Health Services Administration) guidelines.
6. All positives reported by the laboratory must be confirmed by GC/MS (Gas Chromatography / Mass Spectrometry).
7. Testing will be performed by the laboratory chosen by **KESTREL FIELD SERVICES, INC.** or its testing contractor. The laboratory shall be accredited by the College of American Pathologists, certified by the Department of Health & Human Services, or SAMHSA.
8. All alcohol tests will be administered by properly trained personnel utilizing only approved evidential breath/saliva testing devices.
9. A breath/saliva screening test will be administered, and if the result is greater than .02, a second test, a confirmation test, will be performed 15 minutes later (no later than 30 minutes) with an evidential breath device to verify the original screen. If the confirmation test verifies the original positive result, disciplinary action will be levied as defined above in section 8.03.

10. ACKNOWLEDGMENTS:

- 10.01.** Compliance with this drug-free workplace statement and this policy is a condition of employment with of employment with **KESTREL FIELD SERVICES, INC.** Nothing in this policy will be construed as any guarantee or promise to any applicant or any employee, of any employment, any continued employment whatsoever, nor will any provisions of this policy constitute or be interpreted by any party or tribunal

to constitute any contractual rights of employment, express or implied, with **KESTREL FIELD SERVICES, INC.** or any obligation of employment rights created by covenants of good faith and fair dealing, either express or implied.

10.02. Nothing in this policy will be interpreted as constituting any waiver of or limitation on **KESTREL FIELD SERVICES, INC.** right to invoke disciplinary measures as may be appropriate nor will it constitute and waiver of or limitation on all employees responsibility to protect, guard and take adequate precautions for his or her own safety and health in the work-place.

10.03. This policy may be amended as necessary to meet the requirements applicable laws, statutes, or regulations. It may also be amended as deemed necessary by **KESTREL FIELD SERVICES, INC.**, or to meet the interests of the objectives of this policy as may be determined, from time to time, by **KESTREL FIELD SERVICES, INC.**. All rights to further amend, refine and redefine are specifically reserved to **KESTREL FIELD SERVICES, INC.**.

KESTREL FIELD SERVICES, INC.

May 4, 2016
Revision Date

KESTREL FIELD SERVICES, INC.

ACKNOWLEDGMENT

DRUG / ALCOHOL / CONTRABAND POLICY

By my signature below, I, (please print) _____ hereby acknowledge that I have read (or it has been read to me) and understand the Drug and Alcohol Policy of **KESTREL FIELD SERVICES, INC.** which outlines **KESTREL FIELD SERVICES, INC.** policy regarding the use or possession of drugs, alcohol, firearms, weapons and related items. *As a condition of employment*, I understand that **KESTREL FIELD SERVICES, INC.** requires employees to submit urine, hair, sweat, blood, plasma, saliva, and/or breath specimens to be analyzed for the presence of drugs and/or alcohol.

I also authorize and give full written permission to the doctor, clinic, hospital or its agents and associates to send this specimen to the laboratory for screening tests for the presence of prohibited substances to include but are not limited to alcohol and/or Amphetamines, Opiates, Cocaine, Cannabinoids, Phencyclidine, Barbiturates, Benzodiazepines, Methadone, Propoxyphene, and hereby authorize these results to be given to **KESTREL FIELD SERVICES, INC.**, its authorized agents and/or employees, partners or associates.

I have been informed and understand that I retain the express right to terminate the taking of the urine, hair, sweat, blood, plasma, breath, and/or saliva samples at any time I so desire and to leave the room without further delay.

I realize that the presence of a detectable trace of any unauthorized prohibited substance is grounds for disciplinary action and that this may include termination of my employment. I further realize that my cooperation is voluntary and that refusal to submit a specimen for testing is grounds for my termination.

I agree to cooperate and abide by this policy and understand that any failure to do so on my part is grounds for termination.

EMPLOYEE SIGNATURE

DATE

SIGNATURE OF SUPERVISOR OR WITNESS

DATE