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SP 03 Employee Disciplinary Program

1.0 PURPOSE:

1.1 The purpose of this policy is to support the enforcement of good safety performance of The Kuesel Group and to eliminate repeated or continuing safety violations by the use of appropriate disciplinary measures. Employees need to know The Kuesel Group's position on safety and health and what the Company expects of their employees. Employees need a clear understanding of the rules and the consequences of breaking those rules. This is true in all areas of work, but it is especially important for worker safety and health. As part of the policy statement, and in the employee safety handbook, this company has a written statement setting forth the Company's disciplinary policy. Company managers, foreman, and supervisors will always be on the lookout for safety violations and will conscientiously and vigorously enforce the Company's commitment to safety. The Kuesel Group believes that it is important to give employees the chance to improve their performance. The Kuesel Group has formulated a series of disciplinary steps to give them the chance to fix their performance problems.

2.0 SCOPE:

- 2.1 This procedure applies to all Kuesel Group employees. The primary objective of the company safety program is to provide a safe work environment for all employees. However, when Safety Policies and Procedures are violated or individuals continue to be involved in accidents or infractions, disciplinary action must be considered, in order to emphasize the gravity of the situation and bring about desired improvement.
- 2.2 The Kuesel Group disciplinary system does not exist primarily to punish employees. Its purpose should be to control the work environment so that workers are protected and accidents are prevented. A disciplinary system helps ensure workplace safety and health by letting the Company's employees know what is expected of them. It provides workers with opportunities to correct their behavior before an accident happens.
- 2.3 A disciplinary system is one of the keys to successfully implementing the Company's safety and health program. It ensures that the Company's rules and safe working practices are taken seriously by employees and are actually followed. It lets employees know how the Company expects them to operate in relation to the goals of the Company's safety and health program. It lays out the actions the Company will take if individuals do not meet the Company's expectations. The employee's supervisor and all members of management are responsible for the enforcement of this disciplinary program.

3.0 RESPONSIBILITIES:

3.1 **Project Manager/Jobsite Supervisor**- are required to issue appropriate specific safety instructions and equipment to all employees prior to assigning them work. They shall ensure that all employees under their direction understand and comply with this procedure. Project Managers, General Foremen and task Foremen Managers or supervisors are responsible for coordinating work with other non-company supervisors in the work area to ensure that all work can be accomplished safely.

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3.2 Employees- are individually responsible for complying with each of the provisions of this program, In addition they are responsible for following those safety instructions issued by their Foreman, General Foreman and Project Manager, either verbally or in writing. Employees shall follow the provisions contained within this program to ensure their understanding of the consequences of violating company policy that prohibit the safe and orderly conduct of work.

4.0 GENERAL:

4.1 A disciplinary system cannot work in a vacuum. Before The Kuesel Group can hold employees accountable for their actions, the Company first needs to establish its safety and health policy and disciplinary rules. The Kuesel Group management is committed to reaching its safety goals. Physical inspections by company managers/supervisors that indicate an overall lack of commitment to The Kuesel Group safety goals shall be considered a violation and violators are subject to disciplinary action.

4.2 It is important that employees understand the system and have a reference to turn to if they have any questions. Therefore, in addition to issuing a written statement of the Company's disciplinary policy, the Company has drawn up a list of what it considers major violations of Company policy and less serious violations. This list specifies the disciplinary actions that will be taken for first, second, or repeated offenses.

4.3 The list for immediate termination and grounds for immediate discharge are:

4.3.1 Drinking alcohol, and/or drug abuse prior to or during working hours

4.3.2 Fighting, provoking or engaging in an act of violence against another person on company property

4.3.3 Theft

4.3.4 Willful damage to property

4.3.5 Failure to wear Personal Protective Equipment (eye protection, hearing protection, safety helmets, etc.).

4.3.6 Not using safety harnesses and lanyards when there is a potential for falling

4.3.7 Removing and/or making the safety guards on tools and equipment inoperative

4.3.8 Tampering with machine safeguards or removing machine tags or locks

4.3.9 Removing barriers and/or guardrails and not replacing them

4.3.10 Failure to follow recognized industry practices

4.3.11 Failure to follow rules regarding the use of company equipment or materials

4.3.12 Major traffic violations while using a company vehicle

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4.3.13 Engaging in dangerous horseplay

4.3.14 Failure to notify the Company of a hazardous situation, and

4.3.15 Other major violations of company rules or policies

4.4 Violations / Minor General Offenses for which written warnings will be issued and/or work suspensions imposed are as follows: (Note. The list is not all inclusive, other violations may be added on a case by case basis.)

4.4.1 Not following written or verbal safety procedures

4.4.2 Negligent abuse of Personal Protective Equipment

4.4.3 Excessive lateness to work

4.4.4 Frequent/Excessive tardiness returning to work after breaks

4.4.5 Poor work production

4.4.6 Inappropriate personal conduct, and

4.4.7 Excessive arguing with Foremen/Project Managers

5.0 PROCEDURE:

5.1 Each employee who reports for work will be given a safety orientation as a part of the general hiring process. During this orientation, the company's positive attitude toward working safety will be stressed and the employee will be advised that safety compliance is a condition of work. The safety program will be explained and safe responsibilities will be clearly defined.

5.2 When an employee is observed committing an unsafe act, or violating policy the employee is to be informed by the following means:

5.2.1 First Violation – Verbal warning with documentation that the warning was given. (Days off without pay may be given depending on the violation.) The supervisor gives the employee a verbal reprimand and asks the employee to stop the behavior or improve his or her performance. The supervisor should be clear about what behavior or performance is expected. The date and nature of the reprimand should be documented briefly in the supervisor's own records, but would not normally be put in the employee's personnel file.

5.2.2 Second Violation – Formal written warning with potential for suspension without pay. (Days off without pay may be given depending on the violation.) The supervisor writes a letter (reprimand letter) to the employee, asking the employee to stop the behavior or improve his or her performance. The supervisor should be clear about what behavior or performance is expected. The letter indicates that a further incident will result in suspension from work without pay. A copy of the letter is put in the employee's personnel file.

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5.2.3 Third Violation – Written warning, suspension without pay, subject to termination depending on violation. The employee is suspended for up to three days. The employee is told in writing (suspension letter) the reason for the suspension. The letter is clear about what behavior or performance is expected. The letter also tells the employee that a further incident will result in the employee being fired. A copy of the letter is put in the employee's file.

5.2.4 Fourth Violation – The employee is dismissed/terminated.

5.2.5 Termination without warning – depending on the circumstances and seriousness of the violation. Severe disciplinary problems such as, but not limited to, intoxication on the job and overt insubordination may require that initial disciplinary steps be omitted. The most severe problems may require that the initial disciplinary step result in employee dismissal.

5.3 The Kuesel Group has in-house forms for documenting employee violations as outlined in Sections 4.3 and 4.4 above. The employee's immediate Foreman or Supervisor shall complete the appropriate form to document the violation.

5.4 The exact nature of the violation and what is acceptable must be thoroughly explained to the employee.

5.5 Copies of the written warnings will be given to the employee's Supervisor and a copy placed in the employee's personnel file located in the main office in O'Fallon, Missouri.

6.0 TRAINING:

6.1 All employees shall be made aware of this program and the importance of conducting themselves with self discipline and professionalism. If applicable, training will include client or jobsite specific procedures for dealing with their Disciplinary Procedures.

6.2 Training on this program shall be covered in the employee's orientation training and periodically covered as part of safety briefings. Training records shall be maintained at The Kuesel Group main office in O'Fallon, Missouri.

6.3 Retraining will be conducted when an employee reveals inadequacies in knowledge or performance.

7.0 REVISION REGISTER

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