

Employee Compliance and Disciplinary Action Policy

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26.1 PURPOSE

The employee Standards of Conduct Policy is intended to encourage employee compliance with the T.A. Woods Company's policies including general work conduct and safety.

Safety is an integrated component of our Standards of Conduct. Therefore, any and all infractions of policy will be considered violation of standards.

26.2 GENERAL

All employees are required to follow company safety policies and operating procedures. When needed, employees will be provided with the additional training and information needed to maintain the high-quality standards of T.A. Woods Company.

Employees found to be performing work tasks in an unsafe manner that would endanger himself/herself or another employee will be subject to disciplinary action, up to and including termination.

The employee's supervisor, general superintendent and/or project manager will determine the course of disciplinary action best suited to the circumstances. The steps to be taken range from a documented verbal warning to termination. The supervisor will make his decisions based on the following: employee attitude, severity of the infraction, previous disciplinary action, and similar.

26.3 SAFETY DISCIPLINARY ACTION PROGRAM

This policy is provided to uniformly apply disciplinary action for violations.

26.3.1 Safety is considered an integrated component of T.A. Woods Company's overall production and quality standards. Therefore, safety violations will be treated as any other problematic behavior associated with work at TAW.

- Imminent Danger Violations – “If there is a substantial probability that death or serious physical harm could result from a condition”.
- Serious Violations – “involves a substantial probability that death, serious physical harm, major equipment damage, or work stoppage could result”.
- Non-Serious Violations – “where an incident or occupational illness resulting from violation of a standard would probably not cause death or serious physical harm but would have a direct or immediate relationship to the safety or health of employees”.

26.3.2 Corrective Action:

Those violations noted by project supervision will be handled in the following manner:

- In **IMMINENT DANGER** situations, the work must be halted immediately by the person observing the violation. The supervisor will be notified immediately that corrective action is required prior to resumption of work. Personnel will be removed from the work area. An investigation of safety violations will be conducted prior to commencing work.
- In **NON-SERIOUS VIOLATION** situations, the supervisor should be notified in a timely manner of the condition(s) that need to be corrected. Investigation conducted by supervisor.
- In **SERIOUS VIOLATION** situations, project supervision may order immediate cessation of the practice or removal of all personnel from the area if, in his/her opinion, such action is required to avoid death or serious injury. An investigation will be conducted prior to commencing work.

26.4 PROCEDURES

Preconditions to Enforcement Activity:

- 1) Supervisor must know rules and procedures.
- 2) Supervisor must abide by rules and procedures.
- 3) Supervisor must support the established rule or procedure.

- 4) Supervisors must teach/inform subordinates these rules and procedures or have evidence that rules and procedures have been provided during training by others.
- 5) Supervisor must document and keep records of rules and procedures training (tool box meetings, hazard instructions, reprimands, etc.). Appropriate documents can be provided by TAW Safety/HR. Documents completed by supervisor should be provided to HR for filing in personnel folders.
- 6) Supervisor must enforce safety rules and procedures consistently and predictably by holding all TAW employees accountable in the same manner.

26.5 INVESTIGATION PHASE

An investigation should proceed immediately after the safety violation. This entails holding private conferences with the violating employee(s), effected employees, and witnesses.

Care should be taken to maintain confidentiality if necessary. Information obtained from investigation should be recorded. Those involved, including violating employees, effected employees and witness should be requested to provide a written statement of the events that occurred. All should concentrate on facts and avoid personal opinions.

26.6 ENFORCEMENT ACTIVITY

Complete an Employee Warning Notice (Exhibit 26A) or Employee Intervention (Exhibit 26B) for any of the following:

Note: Employee Interventions should be given for documented oral reprimand of first time non-serious violations. All other should be Employee Warning Notice.

26.6.1 Documented oral reprimand:

- Dated and signed Employee Intervention by supervisor and employee.
- Written documentation of verbal communications with an employee committing a safety infraction of job site rules or procedures and any corrective action needed.
- The employee is made aware of this action.
- Training or retraining is cited on Employee Intervention.
- Documentation is provided to the Safety/HR for placement in the employee's personnel folder.

26.6.2 Written Employee Warning reprimand:

- A formal record of employee disciplinary action used for Serious and Imminent Danger violations as well as repeat non-serious violations.
- Completed and signed Employee Warning Notice is provided to the Safety/HR for placement in the employee's personnel folder.

- Disciplinary action is cited on the Employee Warning ranging from retraining to discharge for cause.

26.6.3 Suspension:

- Removal from the job site for a specified period of time without use of PTO or pay.

26.6.4 Discharge for Cause:

- Severance of employment with the company.
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26.7 DISCIPLINARY ACTION OVERVIEW

All disciplinary actions taken will be documented on an Employee Intervention or Employee Warning Notice and will be incorporated into the employee's permanent file with an additional copy maintained on file in the project safety office. Verbal only interventions or warning are not compliant with TAW safety structure.

26.8 SAFETY VIOLATION CLASSIFICATION

26.8.1 Imminent Danger/Serious Safety Violation:

- Violation involves a substantial probability that death, serious physical harm, major equipment damage, or work stoppage must or could result.
- Employees who commit serious safety violations will be subject to a written reprimand recorded on an Employee Warning, suspension, or immediate termination. A documented oral reprimand cannot be issued in this case.

26.8.2 Repeat Non-Serious Violation:

- Repeat non-serious violations will be recorded on an Employee Warning document. Employees are subject to retraining to discharge for cause.

26.8.3 First Non-Serious Violation

- Employees first non-serious violation can be recorded on an Employee Intervention document. This violation can subject the employee to training/retraining and/or suspension without pay.

26.9 SUPERVISOR/SAFETY REPRESENTATIVE DUTIES

The Supervisor coordinates accident prevention as it applies to employee, industrial, public safety, health, fire protection and prevention, and the equipment and property applicable to the field or operation to which he/she is assigned.

26.10 PROJECT MANAGEMENT DUTIES

Division General Superintendents and Project management must keep a constant check on the methods used by supervisors and employees to prevent safety violations. He/she must direct the supervisor to correct and instruct employees concerning the violation of safety rules. He/she also has the authority to stop work in situations of imminent danger. Should an employee witness an unsafe work situation that requires application of the company's disciplinary program, he/she must bring this to the attention of the appropriate supervisor, and the supervisor is responsible for carrying out the necessary corrective measures. If appropriate discipline is not forthcoming, the employee should follow the chain of command until appropriate corrective measures and discipline result.

26.11 SAFETY RULE INFRACTIONS

The following is a partial list of safety rule infractions. This list is not intended to be an all-inclusive list; it represents only basic job site safety rules and is not specific to each job site.

- Violation of safety or security rules.
- Acts of sabotage.
- Destruction of or defacing Quality Control documentation.
- Making or stating false claims or falsifying reports or records.
- Smoking in unauthorized areas.
- Fueling equipment in unauthorized areas.
- Fighting on the job site or creating a disturbance of any kind.
- Unauthorized fires.
- Engaging in horseplay.
- Failure to report job-related injuries to the supervisor immediately.
- Unauthorized use of company vehicles or equipment
- Leaving workplace or "gathering" without notifying supervisor
- Littering site or buildings.
- Carelessness.
- Negligence.
- Failure to follow supervisor's instructions.
- Non-compliance to safety policies and procedures of client, owner, representative, construction manager or the like.
- Engaging in any acts that jeopardize the safety of other employees.
- Possession or use of firearms or other dangerous weapons in company vehicles, company property, project sites, or client property

26.12 T.A. WOODS COMPANY AS CONTROLLING CONTRACTOR

Subcontractors and vendors are expected to maintain site safety as well as have a programmatic disciplinary policy. Leased employees are expected to follow the safety rules of TAW and are subject to all rules governing TAW employees.

Subcontractors and vendors will provide to TAW superintendent or foreman documentation supporting disciplinary action toward employees violating company or site safety policies. If a subcontractor or vendor does not have an internal disciplinary policy, the site superintendent or foreman will use components of TAW disciplinary policies to foster compliance.