



Price Enterprises, Inc.
Substance Abuse Policy
(Effective April, 1996)

1. Purpose.

This Substance Abuse Policy, ("Policy"), replaces any existing drug abuse policy and is intended to support existing safety programs and avoid alcohol and illegal drug-related work performance problems at Price Enterprises, Inc. ("Company"). We want to ensure that our workplace is safe for our employees, customers, guests and general public by maintaining an alcohol and drug-free workplace. The Company shall provide substance abuse training for all of its managers and employees, and employees who need assistance for their substance abuse problem are encouraged to seek rehabilitation treatment. These guidelines are implemented in accordance with any applicable state and federal regulations.

2. Coverage.

This Policy covers all employees and job applicants of Price Enterprises, Inc.

3. Guidelines.

- A. The use, sale, transfer or possession of unauthorized beverages, illegal drugs or drug paraphernalia during work hours, while on the Company's premises or vehicles is prohibited.

For the purpose of this Policy, "alcohol" or "alcoholic beverages" means any beverage with an alcoholic content. "Illegal drug" means any drug or controlled substance, the sale, possession or consumption of which is illegal. This includes, but is not limited to marijuana, cocaine, opiates, amphetamines (including crystal methamphetamine) and phencyclidine (PCP). "Drug paraphernalia" means containers or other objects used, intended for use, or designed for use in storing or concealing illegal drugs, and objects used, intended for use, or designed for use in consuming, inhaling or otherwise introducing any illegal drug into the human body. "Vehicles" means any motor vehicle, including but not limited to cars, vans and trucks.

- B. Reporting to work or working while under the influence of illegal drugs or alcohol is prohibited.

For the purpose of this Policy, “under the influence” means being in a physical or mental condition which affects work in any way; creates a possible risk to the safety and well-being of the individual, co-workers, the general public, and/or the Company’s premises; having any detectable or measurable level of any illegal drug in the body, including but not limited to, a positive test result for drug testing conducted pursuant to this Policy; and/or having a blood-alcohol level that is considered to be under the influence of alcohol pursuant to Hawaii Revised Statutes 291-5.

- C. Employees must notify the President if their use of prescription medication(s) may adversely affect their fitness for duty or job performance.
- D. An employee shall notify the Company of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction.

Compliance with these requirements is considered an essential job qualification for **all** job assignments because of the Company’s concern for your safety and the safety for your fellow employees, our customers, and the general public. Any violation foregoing may result in discipline, up to and including discharge.

4. **Testing.**

Pre-employment. All final job applicants shall submit to a drug test prior to hire.

Reasonable suspicion. Any employee may be required by the Company, at its sole discretion, to submit to drug and/or alcohol testing as a condition of continued employment with the Company if it determines that reasonable suspicion exists for such testing. Only a member of the Company’s Management Team can require an employee to submit to reasonable suspicion testing under this Policy. For the purposes of this Policy, the Company’s Management Team consists of the President and any other manager designated by the President.

For the purposes of this Policy, “reasonable suspicion” means a good faith belief of the Company, even if incorrect, that the Company believes that the current and/or work-related actions and/or appearance and/or conduct of an employee are indicative of the use or being under the influence of an alcoholic beverage and/or illegal drug.

Random. All employees, including management, shall undergo random drug testing if selected for such testing, The minimum annual percentage rate for random drug testing shall be fifty (50) percent of the average number of all positions at the Company. The Company shall use a random selection process to select eligible employees to be tested for the use of illegal drugs. Random testing means that an employee will not be informed of his/her selection for random testing until the day of

that actual testing. The testing schedule for random testing shall be determined at the sole discretion of the Company.

Return-to-Duty. Any employee who returns to active employment status in any capacity at the Company after receiving a positive test result for drug or alcohol testing and/or successfully completing a rehabilitation program shall be subject to return-to-duty drug and/or alcohol testing prior to working for the Company in any capacity.

Follow-up. Any employee who returns to active employment status in any capacity at the Company after receiving a positive test result for drug and/or alcohol testing and/or successfully completing a rehabilitation program shall be subject to a minimum of four (4) follow-up drug and/or alcohol tests for a twelve (12) month period that commences upon the individuals' return to active employment status. Follow-up testing shall be unannounced and scheduled at the sole discretion of the Company.

5. **Testing Procedures.**

Unless otherwise advised in writing in advance by the Company, drug testing conducted pursuant to this Policy shall involve urinalysis for the following illegal drugs; marijuana, cocaine, opiates, amphetamines (including crystal methamphetamine), and phencyclidine (PCP). The Company reserves the right to test for alcohol and/or other illegal drugs for reasonable suspicion; such testing may take the form of urinalysis, blood testing, breath testing or other type of testing. Employees and job applicants of the Company subject to drug and/or alcohol testing pursuant to this Policy shall be requested to provide urine, blood and/or breath specimens at the collection site.

Drug and alcohol testing conducted pursuant to this Policy shall comply with any applicable state law and regulations. This means that all testing will be conducted by a state-certified lab.

Prior to testing, eligible employees and job applicants shall be required to sign a form consenting to submit to drug and/or alcohol testing, to provide urine, blood and/or breath specimens as part of drug and/or alcohol testing, and to release the test results to Company's Medical Review Officer and the Company. All testing conducted pursuant to this Policy shall be consensual on the part of the individual. All specimens identified as positive for illegal drugs shall be confirmed using gas chromatography/mass spectrometry (GC/MS) techniques.

All results of drug and alcohol testing shall be reviewed and verified by the Company's Medical Review Officer to ensure accuracy of results and consistency of testing methods and procedures. All questions regarding the accuracy or validity of positive test results must be directed only to the Company's Medical Review Officer. You may contact the Company's Medical Review Officer to discuss drug testing issues; please contact the President to obtain the name and telephone number of the

Company's Medical Review Officer. You must identify yourself as an employee or job applicant of the Company to the Medical Review Officer.

Employees subject to reasonable suspicion drug and/or alcohol testing shall be placed under indefinite suspension without pay pending investigation from the time of the test until they are informed of the test results. Generally, such employee shall be escorted to the collection site by a Company manager who shall remain with the employee until the completion of the collection process. Also, an employee subject to reasonable suspicion drug and/or alcohol testing shall not be permitted to operate a vehicle after the completion of the collection process; such employee shall be asked to have someone drive him/her home. If the test results are negative, the employee shall be reimbursed for lost wages unless otherwise disciplined pursuant to any other policy or guideline of the Company.

You are further advised that over-the-counter medications or prescribed drugs may result in a positive test result. For this reason, the Medical Review Officer may need your assistance in identifying which medication or drugs you may be taking at the time of specimen collection or testing any may have taken within the thirty days prior to the time of specimen collection or testing to ensure accuracy of the testing results. A medication disclosure form is provided for your convenience and use; you should retain this form for your records.

6. **Discipline.**

For job applicants, violations of this Policy shall result in their not being considered for employment by the Company. For employees, violations of this Policy may result in disciplinary action, up to and including termination, as determined at the sole discretion of the Company.

Except where circumstances warrant termination as determined at the discretion of the Company, the following disciplinary action shall apply where an employee receives a positive test result for drug/alcohol testing conducted pursuant to this Policy:

- 1) **First Offense** – The employee shall receive a disciplinary suspension without pay for a minimum of two (2) weeks. During this suspension period, the employee may not sue any earned vacation and/or sick leave benefits if applicable.
 - a) The employee must produce a negative test result for return-to-duty drug and/or alcohol testing within one (1) month from the date of his/her initial notice of the positive drug and/or alcohol test result prior to being allowed to return to active employment status in any capacity at the Company. Only one (1) return-to-duty testing shall be allowed during this period.

- b) Unless otherwise notified by the employee, the Company shall schedule an employee's return-to-duty testing within one (1) month from the date of his/her initial substance abuse testing. No return-to-duty testing shall be conducted during an employee's disciplinary suspension period.
 - c) Should an employee fail to produce a negative test result for return-to-duty drug and/or alcohol testing within one (1) month from the date of the initial substance abuse testing, the employee shall be terminated **unless** he/she is participating in treatment for substance abuse problems that has been approved in advance by the Company.
 - d) Any employee who returns to active employment status after producing a negative return-to-duty drug and/or alcohol test result shall be subject to follow-up testing pursuant to this Policy.
- 2) **Second Offense** – Any employee who receives a positive test result for drug and/or alcohol testing pursuant to this Policy for the second time shall be terminated.

For the purposes of this Policy, a positive test result for drug testing means a test result that is deemed positive in accordance with Hawaii law and regulations. A positive test result for alcohol testing means 0.08 blood-alcohol concentration level or more.

The admission of the violation of any policy guideline will result in appropriate disciplinary action.

Any employee who fails to cooperate with drug and/or alcohol testing pursuant to this Policy (including but not limited to; refusal to undergo testing, refusal to sign the form acknowledging his/her consent to submit to testing and to release the test results to the Company, failure to provide a specimen within a reasonable of time, failure to report for a scheduled appointment to provide a specimen, and adulteration or tampering of a specimen) shall be subject to disciplinary action which in all likelihood will be termination for gross insubordination, as determined at the sole discretion of the Company. An applicant who fails to cooperate with drug and/or alcohol testing pursuant to this Policy shall not be considered for employment with the Company.

Any employee who refuses to seek rehabilitation for his/her substance abuse problem as required by the Company, who fails to comply with all terms and conditions of the rehabilitation program (including attendance requirements) or who leaves the rehabilitation program prior to being properly discharged shall be terminated for gross insubordination, as determined at the sole discretion of the Company.

7. **Employee Assistance and Rehabilitation.**

The Company supports education about and treatment for substance abuse. The Company shall endeavor to provide substance abuse training and education for managers, supervisors and employees on a regular basis. Employees with substance abuse problems are encouraged to contact the Company's President to receive confidential referral services for substance abuse treatment programs.

Employees who violate this Policy's guidelines prohibiting the use, sale, manufacture, transfer or possession of illegal drugs or drug paraphernalia while on the job, on the Company's premises and/or in the Company's vehicles are **NOT** eligible for rehabilitation and employee assistance as set forth in this section.

Any employee with a substance abuse problem who voluntarily requests assistance from the Company **PRIOR** to being required to submit to the Company's mandated substance abuse test shall be permitted to a one-time opportunity to seek rehabilitation for their problem. Such employee shall not be disciplined under this Policy **UNLESS** the employee's action or conduct otherwise violates this Policy or any other policy or guideline of the Company.

Following any disciplinary suspension period, the Company may authorize, at its sole discretion, up to three (3) months of unpaid personal leave of absence for any employee who seeks rehabilitation for his/her substance abuse problem. During this unpaid personal leave of absence, the employee may utilize any earned vacation and/or sick leave benefits.

Upon successful completion of a rehabilitation program, an employee shall ensure that the Company's President receives a written certification of his/her successful completion of the rehabilitation program and a negative test result for use of illegal drugs. Upon receipt of such certification and test result by the Company, the employee shall be returned to active employment status. Wherever possible, the employee shall be allowed to return to his/her former position, if available. The Company, however, shall not guarantee that the employee's former position within the Company shall be available.

If an employee does not complete his/her rehabilitation program within three (3) months of his/her enrollment, he/she may be terminated with the right to seek re-employment with the Company upon successful completion of the rehabilitation program subject to job availability and without credit for past service with the Company.

Rehabilitation and its costs are the sole responsibility of the employee. Employees who are enrolled in the Company's medical insurance plan and who seek or are directed to obtain rehabilitation for substance abuse may be entitled to benefits as provided by the plan. Such employees should consult their medical insurance plan for coverage.

8. Confidentiality.

The Company shall administer this Policy and its drug and alcohol testing procedures as privately possible. All results from drug and alcohol testing shall be treated as confidential information.

Price Enterprises, Inc.