



Substance Abuse in the Workplace Policy

Rexnord (herein referred to as “Rexnord” or the “Company”) has a strong commitment to its employees to provide a safe work environment and to promote high standards of employee performance. Consistent with the spirit and intent of this commitment, the Company has established a policy regarding substance abuse in the workplace. Further, the Company is committed to maintaining a drug-free workplace as required by “The Drug-Free Workplace Act of 1988.” Therefore, compliance with this Policy is a condition of continued employment with Rexnord.

I. PURPOSE

To outline the procedures to be followed by each location in order to ensure that the safety and performance of employees is not impaired by alcohol, illegal drugs or other substances.

II. APPLICABILITY

This policy shall apply to all employees (full-time, part-time, exempt, and non-exempt employees) as well as to all applicants who have received a conditional offer of employment.

Personnel who perform their services on Company property or on a third party’s property at the request of the Company (e.g., a Company customer site), as provided under a contract either directly with the Company or through the services of an outside firm, are required to abide by this policy. It is the responsibility of the contracting firm (at its cost and expense) to ensure that its personnel are tested in conformance with this policy prior to working at / on behalf of Rexnord.

III. SUBSTANCE ABUSE

It is the Company’s policy that the following is prohibited and will result in discipline up to and including termination:

- A. Reporting to work or working under the influence of alcohol, illegal drugs, or impairing substances (including prescription or non-prescription drugs);
- B. The use, abuse, sale, possession, manufacture, dispensation, transportation, receipt, or distribution of illegal drugs, alcohol, or unauthorized drugs (including prescription drugs not prescribed to the employee) while on duty or while conducting Company business , or on Company premises.
- C. Testing positive for illegal drugs, alcohol, or prescription drugs not prescribed to the employee.

Though some states have enacted laws for medicinal and/or recreational use of marijuana, marijuana remains a controlled substance (*i.e.*, an illegal drug) under federal law. Employees are prohibited from being under the influence of or using marijuana on Company premises and during working time. Subject to applicable state law that is not otherwise overridden by federal requirements, a positive drug test by a registered, authorized, or prescribed user of medicinal marijuana will be subject to the same terms and conditions under this Policy as a positive test by any other employee or applicant. The Company will not,



however, take any adverse action against an employee or applicant solely based on that employee's or applicant's status as a registered, authorized, or prescribed user of medicinal marijuana or other cannabinoid-based products for medicinal purposes.

Nothing in this policy is meant to prohibit the appropriate use of over-the-counter medication or other medication that can legally be prescribed under both federal and state law, to the extent that it does not impair an employee's job performance or safety or the safety of others. Misuse of prescriptions narcotics is all too common, and employees should be aware that use of such drugs without a prescription, overuse that is not in accordance with a prescription, use of drugs prescribed to a person other than the employee, or use at a time when the prescription is no longer applicable, is also prohibited. Employees who take over-the-counter medication or other medication that can legally be prescribed under both federal and state law should inform their supervisor or Human Resources if they believe the medication will impair their job performance, safety or the safety of others or if they believe they need a reasonable accommodation before reporting to work while under the influence of that medication.

The Company provides an Employee Assistance Program (EAP), which will be available to counsel employees on illegal drugs, controlled substances, impairing substances, and alcohol, including the effects and consequences of such substances on personal health, safety, and the work environment.

The Company is willing to provide certain assistance to those employees who seek treatment for their abuse of alcohol or drugs.. Accordingly, the Company encourages all employees who may have a problem with substance abuse to come forward and take advantage of the Company's assistance and referral sources.

Coming forward with a substance abuse problem will not necessarily result in termination. However, all employees, including those with substance abuse problems, must meet the requirements of this Policy. Employees found in violation of this Policy risk termination of their employment.

IV. RIGHT TO TEST/SEARCH

Drug and/or alcohol tests will be performed in the following situations to the extent allowed by applicable state and federal law. Employees and applicants may be tested for alcohol or drugs, including, but not limited to the following: marijuana, cocaine, opiates, phencyclidine, and amphetamines. The Company reserves the right to test for other substances without further notice, unless otherwise prohibited.

A. Pre-employment Testing

Any applicant who has been conditionally offered employment will be required to take a medical examination that will include a test for illegal drugs. Applicants shall be informed that testing will be part of the physical examination process by a printed notice with the employment application. Any applicant who tests positive on a confirmatory test and who does not refute the results through the MRO (Medical Review Officer) process in a timely and successful way by explanation or retesting of the original sample will not be hired by the Company. Any applicant who refuses to submit to testing, interferes or tampers with the test, or fails to appear for his or her scheduled test, will be denied employment, and will not be considered for employment in the future.



B. Reasonable Cause Testing

Where there is reasonable cause to suspect that an employee has violated this Policy, the Company will require the employee to submit to a drug and alcohol test at the Company's expense as soon as possible after the Company acquires the information. Reasonable cause may be based on, but not limited to, a change in an employee's temperament, speech, physical condition, appearance, body odor, lowered job efficiency, mistakes, poor judgment, dilated or constricted pupils, bloodshot eyes, puncture marks, confusion, balance problems, possession of drug paraphernalia, or other facts (including credible reports).

The Company will transport the employee to a medical facility in order to have blood or urine samples drawn and/or a breath test administered. The employee will not be allowed to return to work until the results of the test are received. If the test is negative, the employee will be paid for their lost work time. The employee will be offered safe passage home from the medical facility or Company premises, at the Company's expense.

C. Searches On Company Property

1. The Company reserves the right to conduct searches of the company's premises, including work areas, rest areas, parking lots, offices, company vehicles, lockers, desks, and cabinets. The company also reserves the right to take custody of and submit for testing any item, article, or substance the company discovers during a search that appears to the company to be evidence of a violation of this Policy or any other company policy, including policies prohibiting theft. Employees must use only company locks to secure company vehicles, lockers, desks, file cabinets and other company owned areas. Searches may be conducted at any time without advance notice and without employee consent. An employee who refuses to cooperate with such searches, or who violates any provisions of this Policy, will be subject to discipline up to and including discharge.
2. The Company reserves the right to conduct searches of an employee's possessions, such as briefcase, purse, lunch box, tool box, or motor vehicle while the employee is on company property or on duty. Before conducting a search pursuant to this paragraph, the Company will tell the employee the reason for the search and request the employee's written consent to the search. The employee may be requested to empty his or her pockets for inspection of the contents. No search will be conducted if the employee refuses to consent in writing to the search, but the employee's refusal to cooperate with search efforts will subject the employee to discipline up to and including discharge.
3. Illegal drugs or other contraband discovered during a search will be confiscated and turned over to the authorities.
4. If a search reveals an employee is in violation of this Policy, or any other Company rule or policy, the employee will be subject to discipline up to and including discharge under the applicable policy.



D. Post-Accident Testing

The Company will require employees to submit to drug and alcohol testing following any work-related accident or injury, unless prohibited by law. Any accident that involves injury or threat of injury to persons or damage to property or a “near-miss” which could have had a similar result will require all involved employees to be tested.

Employees will be sent for drug and alcohol testing as soon as possible after the Company knows of such an incident. An employee who is seriously injured and cannot provide a sample at the time of the accident will provide the necessary authorization for obtaining hospital reports and other documents that would indicate whether there were any prohibited substances or alcohol in the employee’s system.

Employees are prohibited from consuming alcohol within an eight-hour period immediately following a work-related accident or until the employee has submitted to post injury or accident testing or a “for-cause” suspicion test, whichever comes first.

E. Testing After Layoff or Leave of Absence

Any employee who has been called back to work from a layoff of more than ninety (90) days or has returned to work from an unpaid leave of absence of more than ninety (90) days will be required to submit to a drug and alcohol test. Employees who return in a timely fashion from an FMLA leave are exempted.

F. Conviction of A Drug-Related Offense

Employees who are convicted of a drug-related offense in the workplace will be considered in violation of this Policy and will be subject to appropriate disciplinary action, depending on the nature of the offense. As a condition for continued employment, an employee who is convicted of such an offense must notify his or her supervisor within five (5) calendar days after the conviction. (Under the Drug-Free Workplace Act of 1988, the Company is required to: (1) notify a federal contracting agency of any such criminal conviction within 10 calendar days of learning of the conviction and (2) within 30 calendar days, take appropriate disciplinary action or require the convicted employee to participate in a drug rehabilitation program.)

G. Legally or Contractually Required Random Testing

Under limited circumstances, legal obligations or contracts require that Company employees be subject to a random drug testing program in order to work on a particular job or project, or with a particular customer. When such circumstances arise, employees chosen to work on the job or project, or with the particular customer, will be enrolled in random drug testing in accordance with the random drug testing program outlined in Attachment A to this Policy. At the time of enrollment, employees will be notified that they will be subjected to random drug testing, and to the extent possible, will be informed of the projected duration of their enrollment in the random drug testing program. If an employee does not wish to work on a job or project, or with a customer, that requires enrollment in the random drug testing program, the employee should speak with his/her manager about alternative assignments.



V. SPECIMEN COLLECTION AND TESTING PROCEDURES

A. Collection Procedures and Employee Privacy

To the extent practicable and permitted by law, medical personnel will supervise the collection of specimens (i.e., urine, blood, etc.) for testing. Any employee who attempts to alter or substitute a specimen or otherwise undermine the integrity of the process will be subject to immediate discharge.

B. Testing Procedures

Only laboratories that have been approved for drug and alcohol testing by the governing federal or state authority will test specimens. Specimens will be tested at the detection levels established by the governing federal or state authority (“impairment”) to the extent applicable. In the absence of federal and/or state standards, the Company will apply cutoffs established by the Department of Health and Human Services or the Department of Transportation regulations in consultation with medical professionals. The Company will rely only on positive test results that have been confirmed by gas chromatography/mass spectrometry or, if applicable, the method or methods of analysis established by governing law (“confirmatory tests”). The Company will pay for any drug and/or alcohol tests that it requests or requires.

Upon the employee’s request, he or she may obtain a written copy of the test results.

VI. FAILURE TO COMPLY WITH POLICY

Failure to comply with this Policy, including testing requirements, will result in immediate discharge. This includes the outright refusal of a test, causing delay in the administration of a test or an attempt to undermine, tamper, or interfere with the integrity of the test. There may also be legal consequences to violating this Policy under state and/or federal law.

VII. TEST RESULTS AND RETESTING

A. Consequences of Testing Positive for the First Time

For the purposes of this Policy, a “first-time failing employee” will be defined as any employee who: (1) tests positive on a confirmatory test for the first time; (2) does not timely and successfully refute the test results by explanation or retesting; and (3) has not violated any other Rexnord rule or policy, including other rules or prohibitions outlined in this Policy. A first-time failing employee will be required to participate in a drug and alcohol evaluation, and will be expected to complete counseling, rehabilitation, and/or the treatment program (the “treatment program”) as recommended. In addition, “first-time failing employees” may be subject to discipline, suspension, transfer, demotion or other personnel action short of discharge. They will also be required to enter into a Last Chance Agreement (See Attachment B) before returning to work, the terms of which will govern their return to work.

A first-time failing employee will be discharged if he/she:



1. in addition to the first-time failed confirmatory test, is found to have violated another Rexnord policy or has engaged in other prohibited conduct that can lead to discharge, including, but not limited to, violating another rule or prohibition contained in this Policy (*e.g.* possessing or consuming illegal drugs in the workplace in addition to a positive test);
2. in addition to the first-time failed confirmatory test, has engaged in conduct that endangers the safety of him/herself or other co-workers;
3. refuses to enter into a Last Chance Agreement;
4. fails to appear for Company scheduled chemical dependency evaluations;
5. refuses to participate in recommended counseling, rehabilitation, and/or treatment programs;
6. fails to successfully complete recommended counseling, rehabilitation, and/or treatment programs; or
7. fails to submit to required follow-up testing.

Time lost by a first-time failing employee during participation in a treatment program that requires the employee to miss work will be governed by the Company's applicable sickness, disability, absence and/or other leave-of-absence policy, in accordance with applicable law.

B. Consequences of Testing Positive the Second Time

Any employee who tests positive on a confirmatory test for the second time during his/her employment with the Company and who does not timely and successfully refute the test results by explanation or retesting will be discharged.

VIII. COMPANY-SPONSORED EVENTS

Management reserves the right to allow the consumption of alcoholic beverages, in moderation, at some Company-sponsored events involving employees, customers, suppliers or affiliated companies. Company employees are, however, expected to exercise reasonable judgment at all times in the use of alcohol authorized under this section and are expected to return to work unimpaired. If employees choose to consume alcohol at such events, they must do so responsibly and maintain their obligation to conduct themselves properly and professionally at all times with colleagues and/or third parties. The Company disclaims any responsibility for supervising employee alcohol consumption and for action taken by any employee while under the influence of alcohol.

IX. CONFIDENTIALITY

All test results and any information related to drug testing or investigations will be kept in separate medical files. Results will be released on a need-to-know basis only and only to the extent permitted by law, which may include: (a) to the employee who has been tested; (b) to persons he/she designates in writing; (c) to the Human Resources Manager; (d) to those management personnel who will make employment and discipline decisions in light of positive test results; (e) to the Medical Review Officer (MRO); (f) as required or permitted by law; and (g) as may be necessary in the event of a challenge to any test result or to this Policy.



X. POLICY COMMUNICATION

To ensure that all job applicants and current employees are aware of the Substance Abuse Policy, information will be distributed as follows:

- a. Notices will be posted in conspicuous places advising all applicants and employees of the Substance Abuse Policy.
- b. All newly hired and current employees shall be issued a Substance Abuse Policy. All employees must sign an acknowledgment form that they have received the Policy and understand that they are required to comply with its terms. (See EMPLOYMENT APPLICANT ACKNOWLEDGEMENT). The signed statement will be maintained in the employee's personnel file.

XI. DRUG AND ALCOHOL EDUCATION

Information will be provided periodically in an effort to inform employees about the problem of drug and alcohol abuse and resources available for assistance.

XII. MISCELLANEOUS

This policy is subject to applicable federal, state, and local laws and regulations. Nothing contained in this policy is intended to create any legally enforceable rights and the Company reserves the right to change and interpret this policy at any time; and its interpretation and application shall be final and binding.

The terms set out in this Policy work in conjunction with, and do not replace, amend or supplement any terms or conditions of employment stated in any collective bargaining agreement that a union has with the Company. Employees should consult the terms of their collective bargaining agreement. Wherever employment terms in this policy differ from the terms expressed in the applicable collective bargaining agreement with the Company, employees should refer to the specific terms of the collective bargaining agreement, which will control.



[ATTACHMENT A]

**LEGALLY OR CONTRACTUALLY/CUSTOMER REQUIRED
RANDOM DRUG AND/OR ALCOHOL TESTING PROGRAM AND CONSENT FORM**

This document sets forth the Company's process for conducting random, unannounced drug testing for individual groups required to undergo random drug and/or alcohol tests pursuant to the Company's Substance Abuse in the Workplace Policy. Individuals will be required to participate in this Random Drug and/or Alcohol Testing Program where legal obligations and/or contractual/customer obligations require that individuals be subject to a random drug testing program in order to work on a particular job or project, or with a particular customer. All individuals in safety-sensitive positions governed by Department of Transportation (including FAA) testing regulations shall, at all times, be maintained in a separate random testing pool from employees required to participate in this Program by contract or for legal reasons not involving the DOT requirements.

I. Duration

Individuals will be subject to this Random Drug and/or Alcohol Testing Program for the duration of their work on the particular job or project, or with a particular customer, that requires random drug and/or alcohol testing. At the time the individual is selected to enroll in this Random Drug and/or Alcohol Testing Program, the individual will be provided with an estimate of the intended duration of an individual's enrollment in the Program. In certain circumstances, individuals may be enrolled for an open-ended period of time. Notwithstanding the Company's best estimate, the duration of an individual's enrollment is subject to change based on the needs of the job, project, or customer.

II. Individuals Subject To Testing

Individuals will be selected for enrollment in this Program based on the Company's needs and the legal or contractual requirements of a particular job or project, or requirements to work for a particular customer.

III. Random Selection Protocol and Retention of Documentation

The Company will rely on its designated third-party testing entity to utilize a scientifically verified random selection tool to identify individuals enrolled in this Program that shall be randomly selected for testing on a quarterly basis. Subject to the exceptions below, all active individuals enrolled in this Program must be run through the random selection process. No individual shall be disqualified, eliminated, or avoid testing simply because he or she has been selected in a prior test. Those that are randomly selected for testing each month are referred to as the "Testing Group".

To the extent possible, the third-party testing entity will provide to the designated Human Resources professional dates within a given selection period the individuals within the Testing Group who are to be tested. All names shall be maintained confidential by the designated Human Resources professional until immediately prior to notifying each individual's supervisor, and each Employee, of the required testing.



The third-party testing entity and/or the designated Human Resources professional shall retain complete documentation of the data inputted into the selection tool and the output data of the tool for a period of 1 year.

IV. Frequency and Percentage of Employee Group Tested

Unless otherwise required by law or regulation, at least 25% of all individuals enrolled in this Program shall be tested on an annualized basis. For example, if 100 individuals are enrolled in the Program at various points throughout the year, at least 25 random tests should be conducted over the course of the year.

V. Notification to Employees to be Tested

The designated Human Resources professional shall notify the individual's supervisor that the individual has been designated for random testing immediately prior to testing. The supervisor, or if the supervisor is not available to do so, the designated Human Resources professional, shall then immediately notify the individual. Such individual shall be required to report directly to the third-party medical provider for testing, without stopping anywhere else unless authorized by the designated Human Resource professional.

VI. Specific Considerations

- Individuals on continuous FMLA leave shall not be considered for random selection until their return date. Individuals designated for participation in this Program who are on intermittent FMLA will remain eligible for selection but shall not be required to come into work for testing on a date in which they are utilizing FMLA leave. They will be tested on the first day they return to the workplace in the same workweek. If they do not return to work within the same work week, their random test will be skipped on that occasion.
- If an individual is randomly selected to be tested on a day s/he is off on vacation or on other paid time off for less than a full workweek, the individual shall be tested on his or her first workday back to work, or if the individual will be gone on a Friday, the individual will be tested the day prior to the time off to the maximum extent possible.
- If an individual is randomly selected to be tested on a day s/he is off on vacation or other paid time off and the time off lasts the entire workweek, the individual's random test will be skipped on that occasion.
- If an individual requires a disability-related accommodation related to his or her testing or his or her participation in this Program, individual should speak with Human Resources or his or her supervisor as soon as practicable after the need for the accommodation is known to the individual.



Notice to Affected Individuals of Random Testing

To: [Individual Group]

From: [Human Resources Professional]

Date: [insert]

Rexnord's Substance Abuse in the Workplace Policy permits the Company to enroll individuals in our Random Drug and/or Alcohol Testing Program (the "Random Testing Program") when random testing is required by law or contractual/customer obligation for designated individuals to be able to work on certain jobs or projects, or for certain customers. You have been selected to work on a job or project, or for a customer, that requires your participation in the Random Testing Program. Along with this letter, you are being provided with a copy of the document outlining the Random Testing Program.

Your enrollment in the Program will begin immediately upon your execution of this Notice, and is anticipated to last for the duration of your assignment to the specific job or project, or with the specific customer requiring testing. The Company reserves the right to revise any estimates regarding your enrollment in the Random Testing Program, but currently estimates that you will be enrolled until approximately [DATE].

If you have any questions regarding this notification, please direct your questions to Human Resources at ext. _____.

Acknowledgement of Receipt

I, _____ (individual name), acknowledge that on the date of this Notice, I received and read a copy of Rexnord's Random Drug and/or Alcohol Testing Program and this Notice to Affected Individuals of Random Testing. I understand that if I have any questions, I can direct them to [Designated Human Resources Professional]. I also understand that this Notice does not change my at-will employment with the Company or set forth an employment contract of any kind.

Individual Signature



[ATTACHMENT B]

LAST CHANCE AGREEMENT

I, _____, in consideration of the Company's willingness to continue to employ me in lieu of termination for my violation of the Company's Substance Abuse in the Workplace Policy agree:

1. Not to report to work or work under the influence of alcohol, illegal drugs, or impairing substances, and not to possess or consume alcohol, illegal drugs, or impairing substances while at work or working and to comply fully with the Company's Substance Abuse in the Workplace Policy.
2. To cooperate in any number of unannounced random tests (of my breath, blood or urine, etc.) for evidence of alcohol and/or illegal drug use at a time determined by the Company up to twenty four (24) months following my return to work;
3. To abstain from using, selling, possessing, or distributing any illegal drugs at any time and to abstain from abusing any (prescription and/or non-prescription) drugs;
4. To undergo a substance abuse evaluation and assessment through the Employee Assistance Program or a health care provider approved by the Company;
5. To participate in and successfully complete any treatment program recommended for me by the Company's Employee Assistance Program or an approved health care provider; and
6. To authorize the Employee Assistance Program or the approved health care provider to disclose information regarding my compliance and/or non-compliance with my treatment program to the Company.

I understand and agree that I may be terminated from my job without recourse if I violate any of the terms of this agreement or the Company's policies.

I understand that this Agreement is not a guarantee of employment, that my employment with the Company remains at-will, and that I may be terminated for any reason (including, but not limited to, layoff for lack of work, poor performance, rule violation, or any other reason) notwithstanding my compliance with the Agreement.

I have read and understand this Agreement and certify that I am entering into it voluntarily. I also certify that I am legally competent to execute this Agreement.

EMPLOYEE: _____
DATE: _____

WITNESSED AND APPROVED:

WITNESS: _____
DATED: _____



EMPLOYMENT APPLICANT ACKNOWLEDGMENT

In an effort to maintain a safe and productive work environment, and in compliance with the Drug-Free Workplace Act of 1988, Rexnord has established a Substance Abuse in the Workplace Policy. Pursuant to this Policy, a urinalysis drug screen test has been integrated into the post-offer medical examination.

I understand that as a condition of employment I must successfully pass a urinalysis drug screen test.

I further understand that once employed I may be required to submit to tests or examinations for screening for drugs or alcohol. If the test result is positive for prohibited drugs or alcohol or if I refuse to undergo a test upon request of the Company, I may be subject to disciplinary action up to and including termination.

I hereby give my consent to Rexnord, its doctors, employees, agents and any clinic, hospital or laboratory it designates to perform appropriate tests and examinations on me to detect the presence of prohibited drugs or alcohol in my system. I also give my permission to release the results of such tests and examinations to Rexnord.

(Applicant's Printed Name)

(Applicant's Signature)

(Date)