



100% Employee Owned

Date: March 15, 2023

To: All KE&G Employees

From: Ed Anderson, Vice President, KE&G Construction

RE: DRUG FREE WORKPLACE POLICY

Neither the Federal Drug Free Workplace Act of 1988 nor the Arizona Medical Marijuana Act (Arizona Revised Statute 36-2851, *et seq.*) restricts the right of employers to maintain a drug and alcohol-free workplace or affects the ability of employers to have workplace policies restricting the use of marijuana by employees or prospective employees, to the extent that such use could impact workplace safety and/or work efficiency. Therefore, KE&G Construction is committed to providing a drug-free workplace for our employees. ***KE&G requires all employees, identified as working on company time or premises, or working in a defined Safety Sensitive position; or employees operating company owned equipment outside of working hours; adhere to our Drug Free Workplace Policy.*** The term “Drug Free Workplace” includes the use of alcohol, illegal drugs, Marijuana, or another controlled substance.

Additionally, evidence of possession, use of or being in a condition where your ability to work safely is limited in any way by the “previous” use of a substance identified above can be a workplace violation and subject you to immediate disciplinary action, up to and including termination.

Safety Sensitive Assignments that by their nature could pose a significant risk of causing or contributing to a Work-Related Incident, especially those assignments where an employee has the responsibility for his/her own safety or other people’s safety. These assignments include the operation of motor vehicles, construction, mining, milling, or manufacturing operations and managing or supervising other employees performing such activities. The job titles frequently associated with these assignments include, but are not limited to Carpenters, Cement Finishers, Equipment Operators, Truck Drivers, Foremen/Supervisor, Helpers, Iron Workers, Laborers, Mechanics, Managers, and Superintendents. The company reserves the right to determine which assignments are safety sensitive.

Medical and Recreational Marijuana

Valid cardholders under the Arizona Medical Marijuana Act (“AMMA”) will not be discriminated against in violation of AMMA. However, **AMMA does not give any employee the right to use, possess, or be under the influence of marijuana in the workplace.** Further, recreational marijuana users have no protections under AMMA. Smoking, consuming, ingesting, possessing, or being under the influence of marijuana during work hours, while operating any vehicle on behalf of the Company, while present on Company premises, or while working at a customer location off-site is strictly prohibited.

Employees in Safety-Sensitive Positions may not be protected by AMMA. In other words, AMMA cardholders are not eligible for Safety-Sensitive Positions, and any AMMA cardholder employee (or other individual who chooses to use recreational marijuana) in a Safety-Sensitive Position may be required to transfer to a non-Safety-Sensitive Position (if available and the employee is qualified for such position), be subject to disciplinary action, or terminated at the Company’s discretion due to the employee not being qualified to hold a Safety-Sensitive position.

Employees with a valid card issued pursuant to the requirements of the AMMA must inform KE&G Construction and the testing laboratory of their status as an AMMA cardholder **Prior To** any subject testing pursuant to KE&G policy. A failure to disclose AMMA cardholder status prior to any subject testing may be considered a waiver of the employee's right to invoke the protections of AMMA. Similarly, the failure to disclose AMMA cardholder status prior to hiring or transfer to or from a Safety Sensitive position may be considered a waiver of the employee's right to invoke the protections of AMMA.

Additionally, because the Company may receive Federal funding, it must comply with the Drug Free Workplace Act of 1988, which prohibits any employee from using, possessing, or being impaired in the workplace (in or on Company premises or while conducting Company business) by any substance considered unlawful under the Controlled Substances Act. While Arizona voters passed ballot initiatives to make medical and recreational marijuana legal pursuant to state law, it remains an illegal drug under Federal law.

By signing below, you acknowledge KE&G's continuous commitment to provide a Drug Free Workplace for all employees.

Print Name

Date:

Employee Signature

A full version of the Drug Free Workplace Policy is attached hereto for your review. By signing this acknowledgement, you are agreeing that you had the opportunity to review the Drug Free Workplace Policy and agree to abide by its terms.