

FANTON LOGISTICS INC.
10801 Broadway Ave.
Garfield Heights, OH 44125

Employee/Contractor Safety Manual

1 TABLE OF CONTENTS

2	Welcome to FANTON LOGISTICS INC.	3
3	Safety Mission Statement	3
3.1	Safety Policy	3
3.2	Commercial Motor Vehicles (CMV)	3
3.3	Commercial Motor Vehicle Drivers.....	4
3.4	CMV Driver Hiring Standards	4
3.5	DOT/Medical Cards	5
3.6	Hours of Service	6
3.7	Safe Driving Policy.....	7
3.8	Distracted Driving Policy	7
3.9	Safe Driving policy - Speeding and Seat Belt Safety Policy	8
3.10	Failure to Obey Traffic Control Device.....	9
3.11	Accident Procedures	9
4	Safety Rewards & Bonus program	11
5	Drug and Alcohol Policy	11
5.1	Drug Testing	12
5.2	Medical Marijuana	15
5.3	Drug and Alcohol Clearinghouse.....	15
6	Maintenance Procedures.....	16
7	Disciplinary Policy	17
8	Separation from Employment.....	18

2 WELCOME TO FANTON LOGISTICS INC.

Dear Employee:

Welcome to FANTON LOGISTICS INC.! We are delighted that you have chosen to join our organization and hope that you will enjoy a long and successful career with us.

Please take time to review the policies contained in this Safety Manual. If you have questions, feel free to ask your supervisor or to contact the Human Resources Department.

Our Company Mission Statement

To provide excellence in customized logistics services, adding further value to our customers' businesses that assists them achieving their own company goals.

3 SAFETY MISSION STATEMENT

At FANTON LOGISTICS INC. we fully believe there is nothing more important than protecting our people, the environment and everyone who travels on our nation's highways. Therefore, safety is of the utmost importance and will take precedence over everything we do.

3.1 SAFETY POLICY

We believe everyone that is employed at FANTON LOGISTICS INC. is responsible for the safety of themselves, everyone around them and the organization. Therefore, we are committed to continuous safety training with each Employee/Contractor and contractor we are committed to having a culture where everyone has ownership of and is responsible for safety, for following all company safety procedures and holding each other accountable for safety. We believe that Safety is everyone's job.

3.2 Commercial Motor Vehicles (CMV)

It is the policy of FANTON LOGISTICS INC. to not allow riders in any CMV, including pets. In addition, CMV's must always operate in a safe manor by authorized personnel only. This is achieved by following the FMCSA rules and regulations while also obeying state and federal laws for CMV's. In addition, this means following the FMCSA regulations for the Hours-of-Service guidelines (see written policies on unsafe driving and HOS compliance). To be eligible to drive a company vehicle, you must meet company standards and DOT requirements which are approved by the safety and recruiting department (seeing hiring standards).

3.3 COMMERCIAL MOTOR VEHICLE DRIVERS

All CMV drivers that are employed and or contracted with FANTON LOGISTICS INC. will and are employed or contracted in a position that is working in a Safety Sensitive Function defined by the FMCSA Regulations.

CFR part 382.107 defines **Safety-sensitive function** as the following:

This means all time from the time a driver begins to work or is required to be in readiness to work until the time he/she is relieved from work and all responsibility for performing work. Safety-sensitive functions shall include:

- (1) All time at an employer or shipper plant, terminal, facility, or other property, or on any public property, waiting to be dispatched, unless the driver has been relieved from duty by the employer.
- (2) All time inspecting equipment as required by §§392.7 and 392.8 of these subchapters or otherwise inspecting, servicing, or conditioning any commercial motor vehicle at any time.
- (3) All time spent at the driving controls of a commercial motor vehicle in operation.
- (4) All time, other than driving time, in or upon any commercial motor vehicle except time spent resting in a sleeper berth (a berth conforming to the requirements of §393.76 of this subchapter).
- (5) All time loading or unloading a vehicle, supervising, or assisting in the loading or unloading, attending a vehicle being loaded or unloaded, remaining in readiness to operate the vehicle, or in giving or receiving receipts for shipments loaded or unloaded; and
- (6) All time repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle.

3.4 CMV DRIVER HIRING STANDARDS

The following Driver Guidelines are provided as an aid to determine driver acceptability:

- ❖ A driver must have two or more years of verifiable long-haul over-the-road experience.
- ❖ A driver must be at least 23 years old.
- ❖ Clean MVR and PSP report
- ❖ Up to date medical examiners certificate
- ❖ Owner operator/Contractor trucks must pass our internal vehicle inspection process.

Disqualifying Events

A driver will be considered unacceptable if any of the following have occurred during the latest three-year period because of business and personal use, unless prohibited by state law:

- One at-fault accidents within the last 12 months that has resulted death, an injury, or severe damage.
- Other serious violations (i.e., speed of 15 mph or more over the speed limit, failure to use seatbelt)

- Conviction of reckless, careless, or negligent driving within last 12 months
- Conviction of driving under the influence (DUI) or driving while intoxicated (DWI) of drugs or alcohol (an "open container" conviction would also fall within this category) within last 5 years.
- Illegal possession of a controlled substance
- Refusing to test and or testing positive to a drug and alcohol test (last 3 years)
- Driving while impaired
- Operating after license has been denied or suspended.
- Misrepresentation to avoid arrest.
- Misrepresentation to obtain driver's license.
- Traffic violation resulting in death.
- Conviction of leaving the scene of an accident (hit-and-run)
- Conviction of using a vehicle to elude an officer.
- Current license is under suspension or revocation.
- Revocation for any reason
- Operating while license is revoked or suspended.
- Vehicle used in connection with a felony.
- Driving while using a wireless phone, or texting while driving
- 3 or more jobs within the last year, 5 or more jobs within the last 2 years

3.5 DOT/MEDICAL CARDS

FANTON LOGISTICS INC., through our Safety Consulting firm, Safety1st Consulting LLC., will monitor the expirations of all medical cards and notify you via email, phone calls or text messages, and verbal communications about expiring items; however, it is still the driver's responsibility to know when their annual physicals expire. We will start the notification process 30 days in advance, then notify you again within 14 days. Drivers will be required to obtain their new physical card at least 15 days prior to their current one's expiration date. This way if there are any issues such as blood pressure, sleep apnea, or other concerns these can be addressed before your current one expires. Waiting till the last day is no longer an option, this causes to many issues for operations when they are expecting you to be working and you are unable to do so for these types of unforeseen circumstances. If the day your medical certification expires and you have not renewed this, you will be placed out of service and not dispatched until we have proof of your renewal. In addition, drivers must provide the state license bureau with an updated copy of their physical for the self certification of your medical credentials to your state. Failure to comply with this DOT regulation will result in you as a driver and FANTON LOGISTICS INC. being out of compliance with the federal regulations and you will be placed out of service until you comply.

Fitness for duty

When leave is taken for the employee's own health condition, the Employee/Contractor is expected to return to work when released by a health care provider. The Employee/Contractor will need to provide a Fitness for Duty certification before returning to work. All CMV drivers

may be required (dependent upon the type of leave and condition) to take a DOT physical and or drug screen prior to returning to duty.

3.6 HOURS OF SERVICE

FANTON LOGISTICS INC. is committed to the safety of our employees, the environment, the public, and all stakeholders of this organization. Therefore, we have created a safety policy that we will abide by to remain compliant with the FMCSA HOS regulations. All Commercial Motor Vehicle Drivers are required to use The Qtracs electronic logging device to record all hours of service. All Drivers will follow the 11-hour driving limit, the 14-hour duty limit, the 30-minute break rule and the 70-hour duty limits set forth in **The FMCSA's Part 395 CFR**. In addition, all drivers are required to certify their logs each day and ensure that there are no form and manor violations, such as not adding a trailer number or conducting a pre-trip inspection.

Log Auditing:

The safety department will also conduct weekly and monthly log audits, to ensure drivers are not in violation of the regulations. If drivers are found to be in violation, the safety department will counsel, retrain, or discipline drivers that break the HOS laws.

FANTON LOGISTICS INC. safety department will also fill out a monthly summary report to identify drivers that have multiple violations and will use this report in accordance with the disciplinary actions listed in this policy.

When drivers do have violations, the following disciplinary actions can and will be enforced.

1st violation – Driver Counseled on violation

2nd Violation – Driver counseled and issued verbal warning.

3rd violation – Driver counseled and issued formal disciplinary write up and retrained on HOS regulations.

4th Violation – Driver counseled and issued final written warning.

5th violation – Drivers faces suspension and or termination of employment.

Blatant violations are subject to automatic termination of employment.

Example of a Blatant Violation:

1. A driver logs out of the ELD system and continues to drive when they knowingly have no hours available.
2. A driver violates the HOS regulations deliberately by going over the 11-hour limit, the 14-hour limit, the 70-hour limit to advance their position further.
3. A driver logs out of the ELD and continues to drive while being logged out.
4. Unauthorized use or misuse of the below Personal Conveyance rules.

Personal Conveyance:

The company does allow the use of personal conveyance. However, the company policy on personal conveyance is, **1 hour of drive time or 60 miles**, whichever comes first. We feel that you can find a safe location to park within this time frame and these miles driven.

Anyone who violates the Personal Conveyance rules will be subject to disciplinary actions up to and including termination of employment.

3.7 SAFE DRIVING POLICY

All FANTON LOGISTICS INC. drivers are required to drive safely, obey all traffic laws and FMCSA regulations. If a driver is issued a ticket, CSA violation and or involved in an accident, the driver will be subject to disciplinary actions, retraining on safe driving and or termination of employment.

3.8 DISTRACTED DRIVING POLICY

FANTON LOGISTICS INC. recognizes that distracted driving can impair safe driving and contribute to crashes. This policy will apply to all commercial drivers operating company equipment and independent contractors operating their own equipment under a lease or owner-operator agreement.

This policy is intended only to define certain prohibited activities and prescribe practices and recommendations to help employees and contractors safely operate company equipment or perform work for FANTON LOGISTICS INC. Any activity which would cause drivers to take both hands off the wheel at the same time, or their mind entirely off the driving responsibilities is prohibited. Driving distractions include devices inside the vehicle as well as conversations with passengers or co-drivers. Distractions may also be caused by objects or occurrences outside the cab, such as electronic signs, billboards, “rubber-necking,” etc.

Commercial motor vehicle (CMV) drivers are prohibited from texting and restricted from holding a mobile device to make a call and/or dialing by pressing more than a single button while driving. Per FMCSA regulations, if a CMV driver is caught breaking this law, this is a \$2750.00 fine to the driver and can be an \$11,000 fine to the company. In addition, CMV drivers can have their CDL license revoked for multiple offenses of this law. Distracted driving can come in many forms and include but are not limited to the following:

- Texting with a cell phone, tablet, or any similar device
- Taking pictures or videos with a handheld device such as a cell phone, tablet, or camera.
- Cell phone use, unless coupled to a hands-free device.
- Televisions and CD players
- Use of radio or stereo headphones.
- Electronic games
- GPS manipulation while driving
- Any device in violation of any applicable local ordinance, state, or federal statute

Policy

FANTON LOGISTICS INC. has a ZERO tolerance policy for the use of handheld cell phones, including handheld calls, texting, reading, or sending emails, videotaping, or taking pictures, and any other handheld device usage while driving or operating a commercial vehicle. In the event a driver is caught by management, issued a ticket, a warning ticket, a CSA violation or involved in a CMV accident while using a hand-held cell phone, **the employees' position with the company will be terminated.**

FANTON LOGISTICS INC. does allow the use of Bluetooth Devices in accordance with federal laws and regulations. Bluetooth Devices must be push button to call or to answer – drivers cannot hold their phone at any time while operating any commercial vehicle. **However, FANTON LOGISTICS INC. prefers that if a driver needs to make a phone call that the driver pulls over in a safe location to avoid being distracted.**

FANTON LOGISTICS INC. also prohibits driving while impaired mentally or physically, including driving while in a fatigued state. When fatigued, your ability to operate the vehicle safely is significantly reduced. If you find yourself in any of these conditions, find the closest safe place to legally park and rest. Distracted driving is defined as anything that takes your primary focus of driving away.

3.9 SAFE DRIVING POLICY - SPEEDING AND SEAT BELT SAFETY POLICY

All employee's or other drivers on our highway's safety is of utmost concern at FANTON LOGISTICS INC. We expect all Employee/Contractor and contractors to follow all laws and rules of the road. It is our policy that all drivers are to follow the law by wearing their seat belt and abiding by the posted legal speed limit.

Any driver given a ticket or issued a CSA violation (including a warning) due to not wearing a seat belt will be subject to disciplinary actions of a **three-day suspension on their first offence and termination of employment or contract on the second offence.**

FANTON LOGISTICS INC. **policy on speeding of 6 mph or above the posted speed limit is an automatic three-day suspension on the CMV drivers first offense.** A second offence of speeding at 6 mph or higher over the posted speed limit is automatic termination of employment. **In addition, any speeding violation of 15 mph or above the posted speed limit is considered reckless operation of a CMV and will be an automatic termination of employment or contract.**

Drivers will be responsible for **immediately reporting, paying** all speeding and **Seat Belt** violations and tickets personally; along with any other tickets or violations they are issued that is a result of their judgement.

Failure to report any violations/tickets (including warnings) to the safety department, while in a CMV vehicle will be grounds for disciplinary actions up to and including termination of

employment or contract. All violations/tickets/warnings need to be reported within 24 hours of receiving the violation.

3.10 FAILURE TO OBEY TRAFFIC CONTROL DEVICE

The US Dept. of Transportation defines a traffic control device as a sign, signal, marking, or other device placed on or adjacent to a street or highway (by authority of a public body or official having jurisdiction), to regulate, warn, or guide traffic. Failure to obey a traffic control device is one of the most common unsafe driving violations cited during roadside inspections. Disobeying these devices not only could result in a violation or citation but could also result in serious injury or death to other motorists, pedestrians, or yourself.

Failure to comply with all traffic control devices is a safety violation and may result in disciplinary action up to and including termination of employment or contract.

3.11 ACCIDENT PROCEDURES

As stated throughout this manual, FANTON LOGISTICS INC. takes safety very seriously. When it comes to accidents, there is nothing that puts our employees, the public and this organization at a higher risk than an accident. Therefore, we have created this accident policy to ensure all employees and contractors understand the importance of reporting, documenting, and tracking accidents.

FANTON LOGISTICS INC. will fully comply with the current federal requirement for maintenance and retention of an accident register (Sec. 390.15(b)). Federal requirements specify retention of the accident register for a period of three years. In addition to the federal accident register requirement, FANTON LOGISTICS INC. has other company-level accident tracking, recordkeeping, and corrective action requirements.

Responsibility

All CMV Drivers are expected to drive in a safe manner, and any preventable accidents will be attributed to a driver for potential corrective actions. Because of this, drivers are expected to review and understand the Accident file/tracking procedures. If a driver has any questions about applicability, corrective actions, or any other area, he/she should speak with an immediate supervisor.

The safety department is responsible to help a CMV driver through the accident, fill out reports to properly document each accident, file insurance claims, and collect police reports. The safety department will also determine whether the CMV Driver involved in the accident will be required to submit to FMCSA requirements on post accident testing and the scheduling of such tests accordingly. In addition, per company policy, all accidents are subject to post accident drug and alcohol testing.

The Safety department will also investigate every accident to determine preventability. In events where drivers are involved in a preventable accident, the company has the right to issue

appropriate disciplinary actions for such accidents. Because each accident differs, the company has the right to determine what type of disciplinary action should be implemented. The disciplinary actions associated with preventable accidents will be determined after our internal investigation of the accident and ALL preventable accidents may be grounds for termination of employment or contract.

Definitions

To understand our accident policy, we have defined what is considered an accident by both FANTON LOGISTICS INC. and the Federal Motor Carrier Safety Association.

FANTON LOGISTICS INC. defines an accident as any event that causes damage to property or injury to a human being. For example, if a CMV driver is backing into a parking spot at a truck stop and hits a fence causing damage, we consider this an accident because there is damage to property.

The FMCSA defines an accident as a DOT recordable event if any of the following is true:

1. Any Fatality
2. Any accident where bodily injury occurs that requires immediate medical treatment away from the scene of the accident.
3. One or more vehicles that incurred disabling damage because of the accident and that vehicle is transported from the scene by a tow truck.

What to do at the scene

If an Employee/Contractor is involved in an accident while driving a company vehicle, the Employee/Contractor must notify the **Safety Department immediately**. All employees should follow the S N D procedures.

S = Secure the scene, check on injured parties, move equipment if it is in danger of causing another accident, put up warning devices within ten minutes.

N = Notify authorities. Give them the exact location and number of injured. **Notify the Safety department.**

D= Document the scene. Take as many pictures as possible from all angles (not just up close of the damage), get names of other parties or witnesses, license plate or truck numbers, USDOT numbers, time of day, road conditions, and weather conditions. Obtain the police information, state patrol, sheriff, or local police jurisdiction, and the police report number.

FANTON LOGISTICS INC. will complete and internal accident report and will require a driver written statement. In addition, per FMCSA regulations (49 CFR, Part 382, and part 40) All CMV drivers are subject to post accident testing regulations (see drug and alcohol policy for more information).

Investigations

All accident will be investigated. Through this investigation, FANTON LOGISTICS INC. will determine the preventability of the accident. Once the accident is investigated, the company will implement appropriate corrective actions. These corrective actions can and will be in the form of, training or retraining on safe driving techniques or disciplinary actions up to and including termination of employment or contract.

****Note:** The severity and circumstances for each accident will differ, therefore FANTON LOGISTICS INC. has the right to implement disciplinary actions that may go above and beyond any written disciplinary actions throughout this safety manual. All disciplinary actions are at managements discretion.

4 SAFETY REWARDS & BONUS PROGRAM

FANTON LOGISTICS INC. has a clean inspection rewards program. Any driver that is issued a clean FMCSA roadside inspection will receive a monetary reward for their efforts. These inspection forms must be turned into the company as proof and for our records.

Level 1 Clean Inspection =\$100.00 reward

Level 2 Clean inspection = \$100.00 reward

Level 3 clean Inspection = \$50.00 reward

If you fail a DOT Inspection you are subject to fines of \$75.00 for the violation and \$250.00 for being placed out of service.

5 DRUG AND ALCOHOL POLICY

FANTON LOGISTICS INC. has a zero-tolerance policy for the use of illegal drugs and alcohol. It is the policy of the company to prohibit the possession or consumption of alcohol, or any form of illegal drugs, or misuse of prescription drugs in any form on company time, under dispatch or on company premises. Company time includes all work time, travel time, time spent entertaining business associates beyond the normal workday, travel time, and time attending association meetings (even when meetings themselves are not in session). Company premises include all owned or leased property, owned or leased vehicles, company parking lots, and similar locations.

Drivers conduct that is prohibited is found in 49 CFR Part 382 Subpart B.

- (1) No driver shall report for duty requiring the performance of a safety sensitive function with an alcohol concentration of 0.04 or greater.
- (2) No driver shall use alcohol while performing a safety sensitive function.

- (3) No driver shall perform a safety sensitive function within 4 hours after using alcohol.
- (4) No driver required to take a post accident alcohol test under 49 CFR Section 382.209 shall use alcohol for 8 hours following the accident.
- (5) No driver shall refuse to submit to any required alcohol or controlled substances test.
- (6)) No driver shall report for duty requiring the performance of a safety sensitive function when the driver uses controlled substances, except when the use is pursuant to the instructions of a licensed medical practitioner, as defined in 49 CFR Section 382.107. This must not interfere with the driver's ability to perform a safety sensitive function.
- (7)) No driver shall report for duty or remain on duty requiring the performance of a safety sensitive function if the driver tests positive for controlled substances.

All CMV drivers are subject to the FMCSA regulations for drug and alcohol use under code CFR part 40. Any CMV driver that refuses to test, alters a test, or fails a test, are considered a positive test (FMCSA CFR part 40), and will have their employment or contract terminated immediately.

Failure to comply with this policy will result in termination of employment or contract.

5.1 DRUG TESTING

FANTON LOGISTICS INC. is committed to achieving and maintaining a safe and productive work environment for all employees. This includes providing a drug-free, healthful, safe, and secure work environment. The company will not tolerate the use of alcohol or illegal drugs on premises, nor will the company allow employees and or contractors to work while they have illegal drugs or alcohol in their system.

Employees and contractors are expected and required to report to work in an appropriate healthful working environment, under FMCSA 49 CFR part 382, an Employee/Contractor may be asked to provide samples such as urine or breathe alcohol tests to identify the illicit or illegal use of drugs and alcohol.

All CMV drivers are subject to the FMCSA regulations for drug and alcohol use under code CFR part 40. Any CMV driver that refuses to test, alters a test, or fails a test, are considered a positive test (FMCSA CFR part 40), and will have their employment or contract terminated immediately.

The company reserves its right to conduct test or queries within the clearinghouse in the following situations:

- **Pre-employment**: FMCSA regulations 49 CFR part 382 require all new applicants that will be considered for employment/contract to pass a pre-employment drug screen. This includes conducting the required full query through the FMCSA Drug and Alcohol Clearinghouse program.
- **Randomly**: FMCSA regulations 49 CFR part 382 require all drivers to be placed in the company random testing pool.
- **Reasonable Suspicion**: when probable cause exists that an Employee/Contractors under the influence or affected by drugs or alcohol. This includes but is not limited to tests following any on-the-job accidents or injuries which may have been caused by human error, abnormal or unusual behavior, excessive absenteeism, or the like.
- **Post accident**: FMCSA regulations 49 CFR part 382 require all drivers involved in a DOT recordable crash to submit to post accident testing.
- **Follow up**: When needed, follow up testing is required per the 49 CFR part 382 and we will conduct in accordance with these regulations.
- **Clearinghouse regulations**: If a driver does not consent to a limited or full query, we will be forced to place that driver out of service within 24 hours. In addition, per the FMCSA regulations, this is the same as a refusal to submit and will be reported as a positive test within the clearinghouse.
- **Non-Regulated Post Accident**– If an Employee/Contractors involved in any type of accident or injury while on the job or while driving company vehicles, the company policy is to send the Employee/Contractor for a drug test. Unless otherwise required in the federal regulations, this test will be a non-DOT regulated test.

Refusal to submit to an alcohol or controlled substances test is defined in 49 CFR 382.107.

Refusal to submit to an alcohol or controlled substances test means that a driver:

- (1) Failed to appear for any test (except a Pre-employment test) within a reasonable time, as determined by the employer, consistent with applicable DOT agency regulations, after being directed to do so by the employer. This includes the failure of an Employee/Contractor (including an owner operator) to appear for a test when called by a C/TPA.
- (2) Failed to remain at the testing site until the testing proceeds is complete. Provided, that an Employee/Contractor who leaves the testing site before the testing process commences on a pre- employment test is not deemed to have refused to test.
- (3) Failed to provide a urine specimen for any drug test required by this part or DOT agency regulations. Provided, that an Employee/Contractor who does not provide a urine specimen, because he or she has left the testing site

before the testing process commences on a pre- employment test is not deemed to have refused to test.

- (4) In the case of a directly observed or monitored collection in a drug test, fails to permit the observation or monitoring of the driver's provision of a specimen.
- (5) Failed to provide an enough urine specimen when directed and it has been determined that there was no adequate medical explanation for the failure.
- (6) Failed or declined to take a second test the employer or the collector has directed the driver to take.

- (7) Failed to undergo a medical examination or evaluation, as directed by the MRO as part of the verification process, or as directed by the DER under 49 CFR 40.193(d). In the case of a pre-employment drug test, the Employee/Contractor is deemed to have refused to test on this basis only if the pre-employment test is conducted following a contingent offer of employment.
- (8) Failed to cooperate with any part of the testing process (e.g., refuse to empty pockets when so directed by the collector, behave in a confrontational way that disrupts the collection process).
- (9) Is reported by the MRO as having a verified adulterated or substituted test result.

Note: In reference to item 1 for the FMCSA; reasonable time means the employer shall ensure the driver ceases to perform the safety sensitive function and proceeds to the testing site as soon as possible. All drug and alcohol test are required to be logged as ON DUTY time per federal regulations.

****Refusal to submit to drug or alcohol testing is considered a positive test and will result in disciplinary action, up to and including termination of employment or contract.

****Any Employee/Contractor with drug or alcohol problem is encouraged to come forward to seek help at any time. Please note that violations of this policy will still be disciplined even if the Employee/Contractor has sought help. Questions concerning this policy, or its administration should be directed to the Human Resources department.

Additional Information

Any positive test, refusal to submit or altered test will be considered a positive test and will be cause for immediate termination of employment or contract. Any Employee/Contractor who believes that his or her consumption of an alcoholic beverage may have impaired his or her

ability to operate a motor vehicle must take alternative transportation. Impairment of ability to drive a motor vehicle is not solely dependent on being under the legal alcohol limit for a given state, but also on an individual's ability to drive safely.

No driver who has engaged in conduct prohibited in the CFR, part 382, shall perform safety-sensitive functions, including driving a commercial motor vehicle, unless the driver has met the requirements set forth by the FMCSA CFR subpart 40.

No driver tested under the provisions of CFR part 382, who is found to have an alcohol concentration of 0.02 or greater but less than 0.04 shall perform or continue to perform safety-sensitive functions for an employer, including driving a commercial motor vehicle, nor shall an employer permit the driver to perform or continue to perform safety-sensitive functions, until the start of the driver's next regularly scheduled duty period, but not less than 24 hours following administration of the test.

5.2 MEDICAL MARIJUANA

The FMCSA along with FANTON LOGISTICS INC. do not accommodate the use of medical marijuana by DOT safety-sensitive employees. Marijuana is a banned substance under FMCSA regulations.

5.3 DRUG AND ALCOHOL CLEARINGHOUSE

Beginning January 6th, 2020, the FMCSA implemented the drug and alcohol clearinghouse program. Within this clearinghouse program, FANTON LOGISTICS INC. is required to conduct a FULL (pre-employment) query on all new hires prior to an official hire date and prior to allowing the new hire to drive a CMV.

In addition, under these regulations, FANTON LOGISTICS INC. is required to conduct a LIMITED (annual review) query of drug and alcohol history for all current drivers employed by the company.

All drivers should register within this program so you have access to your records and can dispute any information that may not be accurate. Per federal regulations, MRO (medical review officers) and the company is required to submit information to the clearinghouse on any positive drug or alcohol test results, or refusals to submit to a drug or alcohol test, or refusal to authorize a clearinghouse query request by a CMV Driver.

Per the federal regulations, any driver that refuses to submit to a test, refuses to authorize a query request or tests positive, is required to be removed from safety sensitive functions immediately and follow the FMCSA regulations for the return to duty process. Until the return to duty process is completed, the CMV driver is NOT ALLOWED to drive a CMV.

Per CFR part 382.601 the following regulations apply to the clearinghouse:

The requirement that the following personal information collected and maintained under this part shall be reported to the Clearinghouse:

- (I) A verified positive, adulterated, or substituted drug test result.
- (ii) An alcohol confirmation test with a concentration of 0.04 or higher.
- (iii) A refusal to submit to any test required by subpart C of this part.
- (iv) An employer's report of actual knowledge, as defined at §382.107:
 - (A) On duty alcohol use pursuant to §382.205.
 - (B) Pre-duty alcohol use pursuant to §382.207.
 - (C) Alcohol use following an accident pursuant to §382.209; and
 - (D) Controlled substance uses pursuant to §382.213.
- (v) A substance abuse professional (SAP as defined in §40.3 of this title) report of the successful completion of the return-to-duty process.
- (vi) A negative return-to-duty test; and
- (vii) An employer's report of completion of follow-up testing.

6 MAINTENANCE PROCEDURES

FANTON LOGISTICS INC. will follow the guidelines set forth in Part 396 of the federal regulations for our Planned Maintenance Program as well as:

1. We will follow the guidelines of the equipment manufactures' schedule of maintenance for said vehicles but no less than every **15,000 miles**.
2. Our company inspects all equipment every **45 days**. These inspections are above and beyond the annual inspections required by DOT. These inspections are to identify and repair common wear and tear of tires, brakes, alignment etc.
3. All owner operators/contracts are required to turn in maintenance records by the 15th of each month for the prior month. For example, by the 15th of March you are required to turn in all of April's repair records.

PART 396

Inspection, Repair, and Maintenance

Every Driver is required to systematically inspect, repair, and maintain all commercial motor vehicles under his/her control. It is the policy of FANTON LOGISTICS INC. for each driver to conduct proper inspections of equipment at the start and end of each day. If found in violation of this policy, disciplinary actions, retraining and or termination of employment will occur. The guidelines for this process are listed below:

- Operators will fill out the electronic DVIR (DRIVER VEHICLE INSPECTION REPORT) Inspection report within the current ELD program, both Pre- and Post Trip inspection, on all equipment 10,001 lbs. GVW and larger, including the trailer being pulled, if applicable.
- At the beginning and end of each day, all drivers are required to perform a thorough inspection of the vehicle and complete all fields on inspection form.
- Any DVIR that has a defect(s), the driver recording the information must contact their immediate supervisor upon completion of the inspection so that corrective action can be taken on the items noted.
 - Only those problems associated with the safe operations of the vehicle should be recorded on the DVIR. All other problems identified should be reported to the maintenance department.

7 Disciplinary Policy

It is the policy of the Company to take appropriate disciplinary action when employees are found to have violated company policies, procedures, work rules, safety rules or otherwise conduct themselves in an unprofessional or inappropriate manner.

Appropriate disciplinary action may involve progressive disciplinary measures; or may result in immediate termination of employment or contract (**at management's discretion**). Nothing in this policy changes the at-will nature of the employment relationship.

The Company's policies, procedures, and work rules outlined in this Safety Manual are not all-inclusive and may be changed periodically at the company's sole discretion.

Procedures

Certain company policies and disciplinary actions are found throughout this safety manual, while changes in policies are communicated through Company memos and other forms of communication. All employees are required to periodically sign copies of company policies, procedures, and or work rules, including environmental, safety, and fire prevention rules.

In general, disciplinary procedures are as follows:

- Verbal Warning
- Written Reprimand

- Final Written Reprimand
- Suspension of 3-5 days off without pay.
- Termination of employment or contract

*******Note depending on the circumstances and seriousness of the misconduct, that the Company may, at its discretion, skip one or more steps altogether. All disciplinary actions are at Managements discretion.**

8 SEPARATION FROM EMPLOYMENT

In all cases of voluntary resignation (one initiated by the employee); employees are asked to provide a **written** notice to their manager at least 10 working days in advance of the last day of work. The written notice must include the reason for resignation and the last day the Employee/Contractor plans to work.

Return of Company Property Upon Separation Policy

FANTON LOGISTICS INC. employees and or contractors may be issued company property (tablets/ELOGs, clothing, fuel cards, logs, truck keys, BOL's etc.). Each Employee/Contractor is expected to take proper care of any company-provided equipment, tools, uniforms, or other property. Any such property must be returned in good repair.

If loss or damage was due to fault or negligence, the Employee/Contractor will be required to reimburse the company for the cost of repair or replacement, either through payroll deductions or other means, per applicable state laws. Where state law does not allow recovery through these means, the company may initiate legal action for the loss or damage.

2021 FANTON LOGISTICS INC.

Safety manual and Safety manual Acknowledgement Receipt

Name (print): _____

Department/Position: _____

I have received a copy of the FANTON LOGISTICS INC. Safety manual. I understand that it is up to me to read and familiarize myself with the contents of this Manual and that it provides information for the guidance and reference of all employees.

I also understand that the terms of this Manual do not offer or guarantee continued employment, and that my employment or contractual agreement is at-will: that is, either the company or I may terminate the employment contract at any time for any reason within the standards written within our signed agreement.

I understand that the contents of this manual may be changed at the company’s discretion at any time for any reason. I also understand that this manual is confidential company information and that copying in any manner is prohibited. In addition, I understand that this manual is company property and must be surrendered upon termination of employment.

I also understand that I am required to comply with and immediately report any violations of our Company policies to my immediate supervisor.

I understand that myself and each Employee/Contractor is expected to abide by company policies and to cooperate fully in any investigation that the Company may undertake.

Print Name: _____ Date: _____

Signature: _____

Zero-Tolerance Drug and Alcohol Policy (to be signed by drivers only)

I, (print name) _____ fully understand that FANTON LOGISTICS INC. has a zero-tolerance policy when it comes to the use and possession of drugs and alcohol. I also understand that as a commercial motor vehicle driver I am subject to random testing, post-accident testing, reasonable suspicion testing and all laws in accordance with the Federal Motor Carriers Safety Association regulations 49 CFR 382.601.

Driver signature

Date

Safe Driving Pledge

Our organization considers the safety of our employees and the public to be as important as our commitment to superior services. We expect all employees to hold safety to the same level of importance when operating vehicles on company business.

Our **driver safety policies** contain rules and regulations to keep you and the public safe on the road, as well as what to do in the event of an accident or violation.

Once you have read the policy, complete, and return the form below.

I pledge that the following is true:

- I have read and understand all rules and policies included in the company's safe driving policy.
- I am responsible for following these rules.
- I recognize that reaching a destination **safely** is more important than reaching it **quickly**.
- I will take action to prevent accidents or dangerous conditions whenever possible.
- I will always obey all local, state, and federal traffic laws.
- I will always utilize defensive driving techniques and avoid distractions.

Driver signature

Date