

General Drilling, Inc.

Disciplinary Guidelines

Ver 1.3

Overview:

In effort to protect the safety and welfare of the employees of General Drilling Inc. and KY General Drilling Inc. (GDI), and the persons they come in contact with during a normal workday, a committee of selected GDI management and drillers has established specific safety guidelines. This committee has met to establish both safety policies and disciplinary action if and when safety policies and/or company policies are violated.

The disciplinary action of the safety committee is based upon a point system, similar to that used by the Bureau of Motor Vehicles. Points are assigned to certain violations, and certain point levels result in different disciplinary action taken against the violator. The safety committee has devised this system to administrate equal, unbiased, and consistent disciplinary action for violations of the company's safety policy.

Points:

Each violation is assigned a point value. The greater the point value assigned to a violation the greater the risk of harm or fatality to either the employee or others working around him. Violations with an individual point value of less than 10 points will be removed from the employee's record after a twelve (12) month period. Any violation with an individual point value of equal or greater than 10 points will be removed from the employee's record after a thirty-six (36) month period of continuous employment with GDI. The point values are as follows:

Minor Violations (Less than 10 points)

<u>Violation</u>	<u>Point Value</u>
Failure to comply with noise regulations	3
Failure to wear safety glasses	3
Failure to wear hard hat	3
Failure to use proper dust control	3
Failure to wear seat belts	3
Operating equipment in adverse weather	3
Unsafe and/or Improper driving	3
Failure to check for falling rock	3
Unsafe and/or Improper work actions	3
Failure to follow proper lock out procedures	3
Failure to wear proper clothing	3
Failure to perform proper inspection and upkeep of equipment	3
Failure to have necessary documentation as needed	3

Major Violations (10 points or greater)

<u>Violation</u>	<u>Point Value</u>
Failure to comply with power line regulations	15
Failure to follow safety procedures when drilling outside of normal quarry operation	15
Failure to tie off	15
Reckless driving	15

Disciplinary Action:

The violation must be filed in writing in the office within 14 days. The company's safety committee will review any and all violations within six weeks of the violation being filed. The corresponding disciplinary action will be based on the total cumulative points active at the time of the violation. The first minor violation will be

followed with a written warning and no points being assigned to the violation. This warning will happen only once in a twelve (12) month period. After the written warning is received, any subsequent violation will have the agreed point value assigned. An employee who has received disciplinary action for one level of points will continue to receive the same disciplinary action with each additional penalty until the next level is reached. Any time that an employee receives points for a violation, he will be notified in writing and in person with a copy of the violation and its assigned points being placed in their employee file. Appeals to the violation and corresponding point(s) can be made in writing to the current president of the company within 14 days of being notified of the disciplinary action. The current president's decision is final and will be made within 2 business days.

The following are the point levels with corresponding action taken by the company.

<u>Point Level</u>	<u>Action</u>
0	Written Warning
3	Second Written Warning
6	1 Day off without pay
12	3 Days off without pay
18	5 Days off without pay
30	Termination of Employment

** Note that days off without pay will be enforced consecutively and within 28 days after the president's decision. The exact time of the days off without pay will be at the discretion of management.

***Note that the President of the company reserves the right at any time to decide to terminate employment of an employee for a violation of safety and/or company policies regardless of any decision made by the Sub-Safety Committee.

If you have any questions concerning the content of the above document please call the office or ask a member of the safety committee.