Farmers Cooperative Company recognizes that the abuse of alcohol and use of illegal drugs by any employee threatens the health and safety of that employee, the employee’s co-workers, and the general public. The Company also recognizes that employees should be able to work in an alcohol and drug-free environment, and to work with other employees who are alcohol and drug-free. The Company has, therefore, adopted this drug and alcohol testing policy for all employees and prospective employees.

Nothing in this drug and alcohol testing policy is intended, nor should it be construed by the employee, to alter the employment relationship between the Company and its employees. Either the Company or the employee may terminate the employment relationship with or without cause, and with or without notice, at any time. The Company also reserves the right to modify or terminate the provisions of this testing policy at any time, with or without prior notice.

I. DEFINITIONS.

The following terms, when used in the Drug & Alcohol Section of this policy, are defined as follows:


B. “Employee” – A person employed by the Company whose job does not require a commercial driver’s license and who is not subject to drug and alcohol testing under federal DOT regulations.

C. “Prospective employee” – A person who applies, whether orally or in writing, for employment with the Company for a job that does not require a commercial driver’s license and would not subject the prospective employee to drug and alcohol testing under federal DOT regulations.

D. “Reasonable suspicion drug testing” – Drug testing based upon evidence that an employee is using or has used drugs in violation of this policy drawn from specific objective and articulable facts and reasonable inferences drawn from those facts in light of experience. For purposes of this policy, facts and inferences may be based upon, but are not limited to, any of the following:

1. observable phenomena while at work such as direct observation of drug use or abuse or of the physical symptoms or manifestations of being impaired due to drug use;
2. abnormal conduct or erratic behavior while at work or a significant deterioration in work performance;

3. a report of drug use provided by a reliable and credible source;

4. evidence that an individual has tampered with any drug test during the individual’s employment with the current employer;

5. evidence that an employee has caused an accident while at work which resulted in an injury to a person that, if suffered by an employee, a record or report could be required by Chapter 88 of the Iowa Code, or resulted in damage to property, including to equipment, in an amount reasonably estimated at the time of the accident to exceed one thousand ($1,000) dollars;

6. evidence that an employee has manufactured, sold, distributed, solicited, possessed, used, or transferred drugs while working or while on the employer’s premises or while operating any of the employer’s vehicles, machinery, or equipment.

E. “Sample” – A sample from the human body capable of revealing the presence of drugs or their metabolites. “Sample” does not include blood, except in circumstances where a blood test was administered by or at the direction of a person providing treatment to an employee involved in a workplace accident. A blood sample cannot be administered at the request or suggestion of the employer.

F. “Legal drug” – A prescription medication prescribed for the employee consuming the medication, and being taken in the amount prescribed by the employee’s treating physician, and in accordance with the prescribed directions, or over-the-counter medication being taken and used for its intended purpose and in accordance with any applicable directions.

G. “Under the influence of alcohol” – Being under the influence of alcohol shall mean having an alcohol concentration level of .04 grams of alcohol, or greater, per two hundred ten liters of breath, or its equivalent.

II. PROHIBITED CONDUCT.

All Employees

The Company strictly prohibits the use, possession, consumption, sale, solicitation, transfer (or any attempt to sell, solicit, or transfer) of alcohol or any illegal or unauthorized drug including any “look alike” substance, or being under the influence of alcohol or any illegal or unauthorized drug, during work time, while conducting any type of business on the Company’s behalf, or while on the Company’s premises or property. Any employee engaging in such activity shall be
subject to discipline up to and including the immediate termination of their employment with the Company pursuant to the terms of applicable state law or contract.

An employee may use, possess, and be under the influence of a legal drug while on the Company’s premises or property or during working time provided the prescription or over-the-counter drug will not impair the employee’s work performance or present a safety risk to the employee, others or property. The Company reserves the right to take appropriate action (including relieving the employee from his/her work duties) if an employee’s use of legal drugs either impairs or is likely to impair the employee’s ability to perform his or her work assignments.

Failure to submit to any drug or alcohol testing under this policy including, but not necessarily limited to, an employee’s failure to report in a timely manner to a collection site, sign any required consent form or otherwise fully cooperate in the collection of any authorized sample, is strictly prohibited, and will result in termination.

Any action taken against an employee or prospective employee pursuant to this policy based on a drug or alcohol test will be based only on the results of that test.

III. WHEN DRUG OR ALCOHOL TESTING MAY BE CONDUCTED

The Company reserves the right to conduct any form of drug or alcohol testing permitted under Iowa law. The testing methods the Company uses to test employees for drug or alcohol use include, but are not necessarily limited to, the following methods:

1. Pre-employment Testing.

   Prospective employees, who are determined to be minimally qualified and who have passed at least the first round of applicant screening, or to whom a conditional offer of employment has been made, may be required to submit to pre-employment drug testing. If drug testing is required as part of the hiring process, prospective employees must obtain a negative test result to be considered qualified for employment with the Company.

   If drug testing is required, the testing shall screen for the presence of the following substances or similar substances:

   Cocaine
   Amphetamines
   Marijuana
   Opiates
   Phencyclidine (PCP)

   Prospective employees will be given an opportunity to provide any information which may be considered relevant to the test, including identifying prescription or non-prescription drugs currently or recently used, or other relevant medical information.
A prospective employee who receives a confirmed positive drug test result will not be considered qualified for employment at the Company and will not be allowed to re-apply or be considered for a position with the Company or any of its affiliates for a period of two years. A prospective employee's refusal to submit to drug testing shall be viewed as a confirmed positive drug test. A prospective employee's negative dilute test will be deemed as a negative drug test. A past employee rehired within two years will not need to complete another pre-employment drug test.

2. Post-accident Testing

The Company may conduct drug or alcohol testing when investigating any accident in the workplace, provided the accident results in an injury to any employee (including the employee causing the accident), or causes damage to property or equipment in an amount reasonably estimated at the time of the accident to exceed one thousand dollars ($1,000). For purposes of this policy, the term "injury" shall mean any harm or damage to a person that constitutes a reportable injury under Iowa's Occupational Safety and Health Act, Iowa Code Chapter 88.

The Company shall follow the same procedures and methods it uses with respect to reasonable suspicion drug or alcohol testing when conducting post-accident drug or alcohol testing, and shall test for the same substances. Those methods and procedures are contained in Section IV (A & B) of this policy.

3. Reasonable Suspicion Testing

Any employee for whom a reasonable suspicion exists that the employee is under the influence of alcohol or an illegal or unauthorized substance will be subject to alcohol or drug testing. A test result indicating an alcohol concentration level of greater than .04 grams of alcohol per two hundred ten liters of breath, or its equivalent, shall be considered a positive test result within the meaning of this policy. Any employee who refuses to submit to testing under this provision will be deemed to have received a confirmed positive drug test. Reasonable suspicion testing is defined in Section I(D) of this policy.

If drug testing is required, the testing shall screen for the presence of the following substances or similar substances:

- Cocaine
- Amphetamines
- Marijuana
- Opiates
- Phencyclidine (PCP)

Employees will be given an opportunity to provide any information which may be considered relevant to the test, including identifying prescription or non-prescription drugs currently or recently used, or other relevant medical information.
If the employee being tested holds a position involving duties which could subject the employee, others, or property to injury or damage, the employee will be removed from his or her normal work duties and will be placed in a job that will not subject the employee, others, or property to injury or damage until the results of the reasonable suspicion drug test are received. If the employee’s reasonable suspicion drug test is confirmed positive in violation of this policy, the employee will be discharged immediately.

4. Alcohol Testing.

Alcohol breath tests shall be conducted pursuant to the requirements governing evidential breath testing devices, alcohol screening devices and the qualifications for personnel administering the initial confirmatory test consistent with regulations adopted as of January 1, 1999 by the United States Department of Transportation governing alcohol testing required to be conducted pursuant to the Federal Omnibus Transportation Employee Testing Act of 1993. If the Company elects to use a breath test for purposes of determining the presence of alcohol, it will not provide for a split specimen at the time the sample is collected and it will not be reviewed by the Medical Review Officer.

5. Rehabilitation Testing

Pursuant only to Section VII of this Policy, the Company may conduct drug or alcohol testing of employees during, and after completion of, drug or alcohol rehabilitation.

IV. DISCIPLINARY ACTION.

A. Positive Drug Test

When drug testing is required, the testing shall screen for the presence of the following substances or similar substances:

- Cocaine
- Marijuana
- Phencyclidine (PCP)
- Amphetamines
- Opiates

Employees will be given an opportunity to provide any information which may be considered relevant to the test, including identifying prescription or non-prescription drugs currently or recently used, or other relevant medical information.

If the employee being tested for reasonable suspicion holds a position involving duties which could subject the employee, others, or property to injury or damage, the employee will be removed from his or her normal work duties and will be placed in a job that will not subject the employee, others, or property to injury or damage until the results of the reasonable suspicion drug test are received. If the employee’s reasonable suspicion drug test is confirmed positive in violation of this policy, the employee will be terminated.
B. Positive Alcohol Test

1. If a test of any employee results in an alcohol concentration of 0.04 or greater, the employee will be suspended for the remainder of his/her shift, and referred to an appropriate substance abuse professional for assessment and enrollment in a treatment and rehabilitation program and may be terminated.

2. Employees referred to the treatment and rehabilitation program as a result of an MRO verified positive drug test or breath test showing an alcohol concentration of 0.04 or greater, must immediately cease any substance abuse, must be subject to testing before returning to duty, must subject themselves to periodic unannounced testing for a period of not to exceed sixty months with at least six periodic unannounced tests in the first 12 months following the return to duty, and must comply with all other conditions of the treatment and counseling program recommended by the substance abuse professional.

3. For those employees covered under the employee benefit plan provided by the Company, the employee will be responsible for any deductible and co-insurance expenses associated with rehabilitation. For employees not covered by the employee benefit plan provided by the Company, and not covered under a spouse’s employee benefit plan or any other coverage the employee may have, the Company will provide for the cost of rehabilitation to the extent that the group health insurance plan would have covered that employee if he/she was eligible.

4. An employee required to take time off in order to participate in a rehabilitation program will be permitted to use accrued sick leave, vacation time, and/or unpaid leave as provided under the Family and Medical Leave Act of 1993.

5. Participation in or seeking substance abuse treatment and rehabilitation will not result in disciplinary action; other than those actions outlined in this policy, however, non-covered duties may be assigned until it is determined that the employee may return to duty. Successful completion of the prescribed treatment and rehabilitation program will be required for the employee to continue employment with the Company.

6. If an employee had a positive test for drugs or alcohol and is undergoing substance abuse treatment and counseling or has returned to duty upon successfully completing such treatment and rehabilitation, and a second test is verified by the MRO as positive, the employee will be terminated from the Company.

7. Any employee who refuses to report for assessment, evaluation, and/or referral for treatment with a substance abuse professional will be terminated from the Company.

8. Any employee who, after assessment by a substance abuse professional, is referred for rehabilitation and the employee refuses to enter or successfully complete such a rehabilitation program will be terminated by the Company.
9. Any employee who refuses to provide an adequate breath for alcohol testing or refuses to provide an adequate urine sample without a valid medical explanation after he/she received notice of the requirement to be tested, or who engages in conduct that clearly obstructs the testing procedure, will be terminated from the Company.

10. Use of alcohol or illegal drugs on company time will result in termination from the Company.

11. Employees who undergo substance abuse treatment and counseling under this policy and who continue to work must meet all established standards of conduct and job performance.

V. **EMPLOYEE ASSISTANCE**

The Company maintains an employee assistance program to assist employees with personal or behavior problems.

VI. **CONFIDENTIALITY**

The Company shall regard as confidential all communications it receives that pertain to the drug or alcohol test results of an employee or prospective employee, or any information the Company otherwise receives through its drug testing program. The Company, however, reserves the right to disclose the results of a drug or alcohol test, or other related information, under the following circumstances:

(a) In an administrative agency or judicial proceeding under workers’ compensation laws, or unemployment compensation laws, or under common or statutory laws where any action taken by the Company based on a positive test result as defined by this policy is either relevant or challenged.

(b) To any federal agency or other unit of the federal government as required under federal law, regulation, or order, or in accordance with compliance requirements of a federal government contract.

(c) To any state agency authorized to license individuals if the employee tested is licensed by that agency and the rules of that agency require such disclosure.

(d) To a substance abuse evaluation or treatment facility or professional for the purpose of evaluation or treatment of the employee.

VII. **ACCESS TO RECORDS**

Employees or prospective employees who are subject to a drug or alcohol test pursuant to this policy, and for whom a positive test result is obtained, shall be given access to any records relating to the employee’s drug or alcohol test, including records of the laboratory where the
testing was conducted, and any records relating to the medical review officer selected by the Company to interpret the test result.

Notwithstanding the above, a prospective employee shall be entitled to records under this section only if the prospective employee requests the records within fifteen calendar days from the date the Company provides the prospective employee with written notice of his or her test result as required by Iowa law. The Company shall not release any records concerning a positive test result obtained by a prospective employee unless the records are requested within that fifteen-day period.

All requests for drug or alcohol testing records shall be made in writing and addressed to the attention of the Company’s Human Resources Dept.
NON-DOT ALCOHOL AND DRUG TESTING POLICY
ACKNOWLEDGMENT

By my signature below, I acknowledge that I have received and understand that I must review the Company’s Alcohol and Drug Testing Policy-2013 and that I voluntarily agree to comply with this policy as a condition of employment or selection for employment. I understand that my compliance with this policy is a continuing condition of my employment.

All employees of the company are employed “at will.” Employees have the right to terminate their employment at any time for any reason and Farmers Cooperative retains a similar right to terminate the employment relationship at any time with or without cause. All statements contained in this handbook shall be interpreted consistent with this termination policy and no officer or employee has any authority to modify this statement in any way.

I recognize that either the Company or I may terminate the employment relationship at any time for any reason.

_____________________________________________
Print Name

_____________________________________________
Employee Signature

_____________________________________________
Date