

CELL PHONE POLICY DISCIPLINARY ACTION PLAN

The purpose of this Disciplinary Action Plan is to enforce the terms of the Cell Phone Policy previously agreed to by every employee of Riverside Contracting, Inc. When warranted under the circumstances, Riverside will seek to use progressive discipline to correct, improve upon, and prevent future violations of its Cell Phone Policy. At Riverside's discretion, and depending on the severity of the violation, progressive discipline **may** proceed as follows:

- **First Offense:** A meeting will be held with the employee, in-person or by phone, to explain that the behavior demonstrated by the employee is prohibited by the Cell Phone Policy. A written warning will be issued and recorded in the employee's permanent file. The employee will be required to report to their supervisor and successfully complete a one-hour, Level 1 training course before returning to duty.
- **Second Offense:** A meeting will be held with the employee in-person to explain that the behavior demonstrated by the employee is prohibited by the Cell Phone Policy. A written warning will be issued and recorded in the employee's permanent file. The employee will be required to report to the Missoula or Billings office to successfully complete a two-hour, Level 2 training course before returning to duty.

An employee that qualifies for the Seniority Incentive Program will forfeit 50% of the bonus they would otherwise receive. An employee that does not yet qualify for the Seniority Incentive Program may be subject to additional discipline as determined by their supervisor and the Safety Compliance Officer including, but not limited to, a two-day suspension without pay.

- **Third Offense:** A meeting will be held with the employee in-person to explain that the behavior demonstrated by the employee is prohibited by the Cell Phone Policy. A written warning will be issued and recorded in the employee's permanent file. The employee will be required to report to the Missoula or Billings office to successfully complete a two-hour, Level 3 training course before returning to duty.

An employee that qualifies for the Seniority Incentive Program will forfeit the remaining 50% of the bonus they would otherwise receive. An employee that does not yet qualify for the Seniority Incentive Program may be subject to additional discipline as determined by their supervisor and the Safety Compliance Officer including, but not limited to, a three-day suspension without pay.

Riverside reserves the right to combine, skip, or reorder any steps in the process depending upon the nature of the offenses and the circumstances. Note—this means that Riverside has the right to immediately terminate an employee without warning or the use of progressive discipline should the circumstances call for such action.

When determining the appropriate discipline for a given instance, Riverside may consider, at its discretion, any of the following factors without limitation: the employee's prior history of poor conduct with Riverside or prior employers, the employee's work record and level of commitment to Riverside goals, the number of repeated instances of the particular offense, the amount of training received in order to prevent such offenses, the impact the offense has on Company's performance or perception in the marketplace, and the level of egregiousness and purposeful intention to violate Riverside policy.

Supervisors and others who fail to report violations or who withhold relevant information concerning a policy violation will be disciplined as is warranted under the circumstances.