



# Safety Information Package

***Disclaimer:** This document contains brief descriptions of Company operations and philosophies regarding safety. These descriptions do not attempt to explain in detail the specifics of any safety policies or procedures and should not be construed to be anything but a summary of same.*

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## **Safety Culture**

We realize that the success of our company depends upon our employees. Because of this, we cultivate an atmosphere to care for them and their well-being. And when it comes to safety, from top to bottom we emphasize that we don't compromise safety for anyone or anything. This approach creates a safety culture that permeates everything we do, and it shows in our service to our valued customers.

Our goal in creating this culture is not only to protect our employees and be the best in our industry, it is to add to the value and reputation of our customers. We honor their trust when we perform our jobs safely and professionally, and we will continue to do so as long as we are in business.

## **Safety Policy Statement**

This company is firmly committed to the protection of the safety and health of all its employees. It is our policy to provide a safe work environment for each employee. No job is so important, no order so urgent that time cannot be found to perform the work safely.

In order to attain this safe work environment, employees and management shall jointly cooperate in the establishment and growth of a safety culture that focuses on mutual respect and accident prevention. Operating practices that safeguard employees and the general public will be implemented, followed by all employees - including management - and strictly enforced. Company safety rules and other rules of conduct shall be followed. Hazards, conditions, practices and attitudes that are unsafe and may lead to accidents shall be promptly reported and corrected.

Under no circumstance shall any employee place himself in a situation where his welfare or the welfare of those around him is jeopardized, nor shall any employee be threatened with the loss of employment for refusal to perform work that is unsafe.

## **Safety Organization and Responsibilities**

**Safety Organization** Each Company facility is overseen by a “yard” manager. He/she is directly responsible for the overall operation of his/her location. Each yard manager supervises either an operations manager or a dispatcher, who in turn supervises and coordinates delivery personnel, equipment, and inventory to deliver the company’s products to its customers in a timely and efficiently manner.

### **Safety Responsibilities**

#### ***Managers***

Managers at all levels have a primary responsibility for the safety and well-being of all Company employees. Operating practices that safeguard employees and the general public will be implemented, encouraged, followed by management, and strictly enforced.

#### ***Supervisors*** (Operations Manager and Dispatcher)

Supervisors are directly responsible for employee safety training, employee adherence to specific safety procedures, and the prevention of accidents and injuries. The supervisor must always understand and enforce the Company's safety program and shall not allow safety to be sacrificed for any reason.

#### ***Employees***

An employee's primary responsibility is to protect himself from harm. An employee who feels a situation is unsafe shall not be required to perform the work. In such instances, he must first discuss the problem(s) with his supervisor(s) until the safety issues are resolved to the employee's satisfaction. Under no circumstances shall any employee be forced to choose between his employment and performing work that is unsafe, nor shall any employee place himself in a situation where his welfare or the welfare of those around him is jeopardized.

In addition, employees shall:

- Help protect co-workers from hazardous and unsafe work conditions;
- Observe and follow safety rules and procedures to the letter;
- Use personal protective equipment when dictated by policy or situation;
- Report injuries, accidents, hazardous conditions, and unsafe work practices immediately to their supervisors;
- Help develop safe work practices, and make suggestions for improving existing work practices and procedures.

All employees, regardless of their duties, must follow established safety practices directed by the Company. Employees must always report recognized safety hazards, and they are encouraged to offer suggestions to management for improving safety procedures in any area.

***Under no circumstances shall any employee place himself in a situation where his welfare or the welfare of those around him is jeopardized, nor shall any employee be threatened with the loss of their job for refusal to perform unsafe work.***

# Liability Insurance

The Company carries liability insurance on its operations to protect itself and others from economic loss due to accident or injury. A certificate of insurance will be provided to any customer upon request which will verify specific coverage and limits.

ACORD		CERTIFICATE OF LIABILITY INSURANCE		DATE(MM/DD/YYYY) 05/24/2012			
THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.							
IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).							
<b>PRODUCER</b> Aon Risk Services Central, Inc. Kansas City MO Office 4801 Main Street Suite 350 Kansas City MO 64112 USA			<b>CONTACT NAME:</b> PHONE (A.C. No. Ext): (866) 283-7122 FAX (A.C. No.): (847) 953-5390 E-MAIL ADDRESS:				
<b>INSURED</b> Chaparral Materials, Inc. #807 4220 Stanley Drive NE Rio Rancho NM 87144 USA			<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>		
			INSURER A: ACE American Insurance Company 22667 INSURER B: Indemnity Insurance Co of North America 43575 INSURER C: Lexington Insurance Company 19437 INSURER D: INSURER E: INSURER F:				
<b>COVERAGES</b>		<b>CERTIFICATE NUMBER: 570046343417</b>		<b>REVISION NUMBER:</b>			
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. <b>Limits shown are as requested</b>							
INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC			HD0G2700894A	04/30/2012	04/30/2013	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) Excluded PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMPIOP AGG \$2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			ISA H08708691 (AOS)	04/30/2012	04/30/2013	COMBINED SINGLE LIMIT (Ea accident) \$2,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB DED <input checked="" type="checkbox"/> RETENTION \$100,000			2214191 SIR applies per policy terms & conditions	04/30/2012	04/30/2013	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000
B A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	WLCR46786191 SCFC46786270 Wisconsin Only	04/30/2012 04/30/2012	04/30/2013 04/30/2013	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE-EA EMPLOYEE \$1,000,000 E.L. DISEASE-POLICY LIMIT \$1,000,000
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required) For Information Only.							
<b>CERTIFICATE HOLDER</b>				<b>CANCELLATION</b>			
Chaparral Materials, Inc. 4220 Stanley Drive NE Rio Rancho NM 87144 USA				SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Aon Risk Services Central, Inc.</i>			

Holder Identifier :  
Certificate No : 570046343417

## **Compliance with Government Regulations**

The Company exercises all reasonable efforts to comply with the various rules and regulations of the federal, state and local governments under which it is subject, and trains its employees accordingly. Among the laws which receive significant employee instruction are those of the federal Occupational Safety and Health Administration (OSHA) and Department of Transportation (DOT).

### **OSHA**

OSHA's general industry and construction regulations, 29 CFR 1910 and 29 CFR 1926, respectively, play an important part in the Company's safety program. Employees are regularly and periodically trained in the various aspects of OSHA safety topics including:

- Walking-Working Surfaces;
- Hazard Communication;
- Housekeeping;
- Personal Protective Equipment, including the use of gloves, hard hats, protective footwear, eye and face protection, and personal arrest devices when conditions dictate;
- Material Handling; and
- Powered Industrial Trucks. All operators are certified before being allowed to operate a forklift, piggyback forklift, or powered pallet jack.

Boom crane operators are trained under the Company's policy that utilizes American National Standards Institute (ANSI) standards and manufacturer recommendations. (Truck-mounted articulating boom cranes are not regulated by OSHA.)

### **DOT**

The Company's delivery trucks and operators meet or exceed U.S. Department of Transportation safety standards, including

- Controlled Substances and Alcohol Use and Testing,
- Safety Fitness Procedures,
- Qualifications of Drivers,
- Driving of Commercial Motor Vehicles,
- Parts and Accessories Necessary for Safe Operation,
- Hours of Service of Drivers
- Inspection, Repair, and Maintenance, and
- Transportation of Hazardous Materials.

In addition, the Company verifies that each of its drivers operates safely by providing Smith System<sup>®</sup> driver improvement training, procuring state motor vehicle records every six months and by making frequent unannounced road observations.

## **Program Essentials**

**Accident Reporting and Investigation** Employees are required to report all workers' compensation injuries, automobile accidents, and jobsite incidents as soon as they occur. When appropriate, investigations are performed by Company officials to determine root causes, correct the problem(s) which led to the incident, and discipline employees if necessary, up to and including discharge.

**Management Controls** Due to the nature of the delivery business, many of our work crews are unsupervised. While we hold them accountable for their job performance, we encourage employees to report hazardous conditions and will not discipline them for refusing to work when the work is truly unsafe. We ensure they follow Company and jobsite safety rules by making and documenting occasional, random, unannounced jobsite observations. Employees violating Company or work site safety rules are disciplined accordingly.

## **Employee Selection and Training**

**Employee Selection** The Company is an equal opportunity employer and does not discriminate on the basis of race, color, national origin, religion, sex, age or disability. Applicants' backgrounds are investigated in compliance with applicable laws, and all applicants are drug screened for controlled substances. Delivery applicants must pass a rigorous physical capabilities test to ensure they can handle the physical demands of handling drywall and the other heavy building materials we supply. The test has been proven to significantly reduce the number and severity of injuries common in our industry.

### ***Employee Training***

**Articulating Boom Loaders** Operators of Company truck-mounted loaders receive classroom and on-the-job training by experienced Company personnel before being authorized to perform lifting activities. Instruction and training conforms to 29 CFR 1926 Subpart CC, *Cranes and Derricks in Construction*, and ASME B30.22, *Articulating Boom Cranes*. It also includes loader inspection, maintenance, and limitations; and proper setup, stabilizer cribbing, load capacities, and operating around electric power lines.

**Fall Protection** Employees are trained to recognize fall hazards, and to use guard rails, fall restraint, fall arrest, and administrative controls to eliminate or control those hazards in compliance with 29 CFR 1926 Subpart M. Fall protection is required whenever a walking/working surface (horizontal and vertical surface) with an unprotected side or edge is 6 feet or more above a lower level.

**Hazard Communication** Even though the majority, if not all, of the products supplied by the Company are not "hazardous materials" in the traditional sense, each employee receives training in compliance with OSHA's Hazard Communication standard. Material Safety Data Sheets (MSDS) for each product are available to employees for inspection at any time and are also supplied to customers upon request.

**Material Handling** Handling techniques peculiar to our business are taught from “day one” of an employee’s employment with the Company. Whether it involves cranes, carts, elevators, forklifts, high-rise buildings, or stairs, new employees receive pre-placement instruction and then are paired with veterans to learn the best ways to lift, carry and lower gypsum wallboard without damaging it or getting hurt. Regular safety meetings further reinforce the importance of safe material handling techniques. Employees are prohibited from carrying drywall without a helper for convenience or production purposes. Employees are encouraged to use drywall carts and other material handling devices the Company provides and to minimize carrying wallboard as much as possible.

**Weekly Safety Training Meetings** Delivery employees participate in mandatory weekly safety training meetings that address general safety issues and safety issues common to drywall suppliers. These meetings often include OSHA topics and worksite specific information to help employees perform their work safely and efficiently.

**Drug and Alcohol Testing** The Company has adopted a Drug and Alcohol Policy for the purpose of maintaining a safe work environment, protecting company and employee property, and fostering productivity and efficiency. It is a violation of Company policy to be under the influence of, use, possess, sell, transport, promote or conceal prohibited drugs, drug paraphernalia or alcohol on company time or property.

We perform pre-employment, reasonable suspicion, post-accident, random, return-to-duty, and follow-up testing on all employees in safety-sensitive positions, including drivers of trucks (all types) and company cars, forklift operators, delivery personnel, boom crane operators, operators and assistants who work with and/or around heavy equipment machinery, and maintenance and repair personnel. Employees refusing to test are terminated.

**Personal Protective Equipment** The nature of a majority of our deliveries - one delivery per work site - breeds unfamiliarity with the specific hazards at each work site. The personal protective equipment (PPE) required at one job site is often not needed at the next. Because of this, employees are issued a variety of PPE.

Wearing high-visibility work apparel and safety-toe footwear are conditions of employment for all delivery personnel. Protective eyewear, personal arrest (fall protection) equipment, hard hats, and gloves are also provided by the Company. Employees are required to use appropriate PPE whenever certain exposures are present: gloves when handling metal products; hard hats when work is being performed overhead; and full-body harnesses, lanyards and lifelines in situations where other fall protection is not available or used.



## **Jobsite Procedures**

**Trucks** Drivers are required to use spotters behind their trucks to back them at all times. This helps reduce the potential for serious injury or property damage. Crews use traffic safety cones around their vehicles to create a work zone buffer. Red “danger” tape is also deployed to demarcate boom crane work zones and keep others safely out of harm’s way.

**Elevators** With supervisor approval, delivery personnel are permitted to ride and operate elevators used to move materials loaded inside elevator cars. When materials are loaded on top of elevators or in materials-only elevators, employees are prohibited from riding or operating those cars. Employees are also forbidden from operating construction elevators (“cages” or “buck hoists”).

**Overhead and Third-Party Cranes** Delivery personnel trained and experienced in working with cranes and rigging will be used on all work sites on which overhead cranes or other third party cranes are used to move Company products into buildings. At least one of the workers will be a supervisor, responsible for the safe conduct of Company operations on site.