



DISCIPLINARY PROGRAM

I. PURPOSE

The disciplinary system does not exist primarily to punish employees. Its purpose should be to control the work environment so that workers are protected and accidents are prevented. A disciplinary system helps ensure workplace safety and health by letting Southern Global Safety Services, Inc.'s (Company/SGSS) employees know what is expected of them. It provides workers with opportunities to correct their behavior before an accident happens.

A disciplinary system is one of the keys to successfully implementing the Company's safety and health program. It ensures that the Company's rules and safe working practices are taken seriously by employees and are actually followed. It lets employees know how the Company expects them to operate in relation to the goals of the Company's safety and health program. And it lays out the actions the Company will take if individuals do not meet the Company's expectations. The employee's immediate supervisor and all members of management are responsible for the enforcement of this disciplinary program.

II. POLICY STATEMENT

Employees need to know the Company's position on safety and health and what the Company expects of them. They need a clear understanding of the rules and the consequences of breaking those rules. This is true in all areas of work, but it is especially important for worker safety and health. As part of the policy statement, and in the employee safety handbook, the Company has a written statement setting forth the Company's disciplinary policy. Company managers and supervisors will always be on the lookout for safety violations and will stringently enforce the Company's commitment to safety.

Like most companies, Southern Global Safety Services, Inc. is an at-will employer. This means you or the company can choose to terminate the employment relationship at anytime, with or without cause, and with or without notice. Only the General Manager of Southern Global Safety Services, Inc. has the authority to change the at-will relationship, and any such change must be in writing, signed by the president of the company.

III. SAFETY, HEALTH AND ENVIRONMENTAL POLICY

Southern Global Safety Services, Inc. is vitally concerned about protecting your safety and health. However, the Company can't be successful in this area without the employee's active participation. As a company, we handle and transport products that are hazardous. It is each employee's responsibility to ensure that these materials are handled in accordance to our Safety Programs, and to comply with all safety and environmental protection policies and statutes.

Here are two critical mandates:

1. If you notice any potential hazards or unsafe conditions, report them immediately to your supervisor. All potential hazards will be reported to the Director of Operations, Mr. Kevin M. Banks for an immediate investigation.
2. If an accident occurs, or you are injured on the job, report it immediately to your supervisor. All accidents and injuries will also be reported to the Director of Operations, Mr. Kevin M. Banks for an immediate investigation.

With each of us conscientiously following this policy, we protect the health and safety of employees, customers, the community and the natural environment, and Southern Global Safety Services, Inc. will continue its reputation as a good Corporate Citizen and Industry Leader.

IV. SAFETY, HEALTH AND ENVIRONMENTAL GUIDELINES

Southern Global Safety Services, Inc. is committed to conducting its operations in a manner that minimizes risk to the safety and health of employees, customers, the public and the environment. Under our policy:

- Employees shall consider safety when performing all assignments, and will continually strive to eliminate unnecessary operating hazards, reduce risk and conduct work activities in compliance with all requirements.
- All employees and customers will have access to, and be encouraged to use, Southern Global Safety Service, Inc.'s website, www.southernglobalsafetyservices.com, to access standards, safety manuals, and safety forms.
- To report an accidents or incidents, contact your direct Supervisor immediately or call the Regional Office: 281-331-3667, ask for Director of Operations, Kevin M. Banks.
- Workplaces will be monitored to ensure that safe operating conditions are maintained.
- Personal protective equipment will be provided and must be used.
- Procedures used by our employees and, where applicable, our customers, will be evaluated with the goal of ensuring safe practices.

- Accidents and incidents will be investigated immediately, with action taken promptly to prevent recurrence.
- Engineering controls, careful operating practices and continual training and education of employees and customers will be employed to minimize any unsafe conditions.

V. EMPLOYEE INFORMATION AND TRAINING

All employees are provided with this Disciplinary Program upon completion of hiring. Follow-up Training will be provided, within a reasonable amount of time, if Program is changed or altered.

It is important that employees understand the system and reference this Program if they have any questions, or ask their immediate Supervisor.

VI. IMMEDIATE TERMINATION

The list for immediate termination and grounds for immediate discharge are:

- Drinking alcohol, and/or drug abuse prior to or during working hours;
- Fighting, provoking or engaging in an act of violence against another person on Company property;
- Theft;
- Willful damage to property;
- Failure to wear basic Personal Protective Equipment (eye protection, hearing protection, safety helmets, etc.);
- Not using safety harnesses and lanyards when there is a potential for falling;
- Removing and/or making inoperative safety guards on tools and equipment;
- Tampering with machine safeguards or removing machine tags or locks;
- Removing barriers and/or guardrails and not replacing them;
- Failure to follow recognized industry practices;
- Failure to follow rules regarding the use of company equipment or materials;
- Major traffic violations while using a company vehicle;
- Engaging in dangerous horseplay;

- Failure to notify the Company of a hazardous situation;
- Other major violations of company rules or policies; and
- Immediate termination can result from any health or safety infractions deemed to be potentially life threatening, or a serious hazard to the company, client, outside contractors, or the environment.

VII. GENERAL OFFENCES REQUIRING A WARNING AND CAN LEAD TO TERMINATION

Any non-life threatening incidents or accident will be evaluated and appropriate actions will be taken by the Director of Operations Mr. Kevin M. Banks. The following is an ordered list of these actions that will be taken by Southern Global Safety Services:

1. A verbal reprimand;
2. A written reprimand with a follow up review to ensure compliance with the standards set forth by Southern Global Safety Services, Inc. in this Program;
3. The third offense can lead to the termination of the employee.

VIII. OUTSIDE EMPLOYMENT

Employees should not have a second job that:

- Interferes with the time or attention that should be devoted to their Southern Safety Global Services, Inc. work duties;
- Negatively affects the quality of work performed;
- Competes with Southern Global Services, Inc. activities;
- Implies sponsorship or support by Southern Global Safety Services, Inc. of the outside employment or organization;
- Adversely affects the reputation of Southern Global Safety Services, Inc.;
- If you perform work outside of that issued by SGSS, or have another job, do not use the Company time, facilities, resources, or supplies for such work.

IX. INTERESTS IN OTHER BUSINESSES

Unless approved in advance by your supervisor, neither you nor anyone in your immediate household may directly or indirectly have a financial interest in a competitor, customer, or supplier if you or your

subordinates deal directly or indirectly with that customer or supplier in the course of your job with Southern Global Safety Services, Inc., Investments of less than 1% of the outstanding stock of public companies are exempted from this prohibition.

X. ACCESS TO COMPANY AND PERSONAL PROPERTY

Southern Global Safety Services, Inc. reserves the right to conduct searches it considers appropriate on company premises, including searches of personal items brought onto company property. "Company premises" includes the entire office, lockers, desks, filing cabinets, plant site, warehouse and other company buildings, as well as company parking lots, vehicles and outdoor property.

The company may also conduct surveillance of all company areas as it deems appropriate, including, but not limited to, personal observation or use of photographic or video equipment.

The Code of Conduct is general and does not provide specific guidance for every situation that may arise. When in doubt, or if you have questions, consult with your supervisor, director of operations, or the general manager.

XI. COMPLIANCE WITH LAWS

It is Southern Global Safety Services, Inc. policy to comply with all applicable laws, including, but not limited to, those pertaining to general employment, anti-discrimination, health, safety, antitrust, securities, anti-fraud, corruption, bribery and environmental protection.

XII. BUSINESS ETHICS AND FAIR COMPETITION

Southern Global Safety Services, Inc. is committed to maintaining the highest standards of business ethics, fair competition, and compliance with all applicable laws. Each employee is required to fully cooperate with any investigation by the company or any governmental agency.

XIII. EMPLOYMENT POLICIES

All employees shall comply with Southern Global Safety Services, Inc. policies and procedures which:

- Foster a work environment in which all individuals are treated with respect;
- Ensure equal employment opportunity without discrimination or harassment on the basis of race, color, national origin, religion, sex, age, disability, veteran status, or any other status protected by law;
- Provide a safe workplace for all employees; and
- Provides no employee may interfere with or retaliate against another person who seeks to invoke his or her rights under any laws or policies.

XIV. CONFLICTS OF INTEREST

A conflict of interest is when outside business interests are, to some extent, incompatible with the interests of Southern Global Safety Services, Inc. These can include such things as freelance work and interests in other businesses.

Employees shall not knowingly place themselves in positions that conflict (or appear to conflict) with the interests of Southern Global Safety Services, Inc. Employees are required to fully disclose any matter that may constitute a conflict of interest.

The Southern Global Safety Services, Inc. Code of Conduct Administrator and the Legal Department are authorized to grant waivers of some conflict of interest, but a waiver must be obtained in advance.

XV. USE OF COMPANY PROPERTY AND INFORMATION

All employees are responsible for the proper use of Southern Global Safety Services, Inc. resources and property, as well as the company's proprietary and other confidential information.

XVI. INTELLECTUAL PROPERTY

It is Southern Global Safety Services, Inc. policy to full comply with license agreements that govern the use of software created and copyrighted by other companies. Southern Global Safety Services, Inc. also recognizes the right of trademark, service mark and copyright owners. Unauthorized copying and use may violate agreements and be illegal.

XVII. POLITICAL INVOLVEMENT

Employees are free to engage in political activities on their own time and at their own expense. Any political activity or contribution that might appear to constitute an endorsement or contribution by Southern Global Safety Services, Inc. must be approved in advance by the Director of Operations, General Manager, or the President.

XVIII. GIFTS

Gifts such as merchandise or products, as well as personal services or favors, ma not be accepted unless the gifts are of a type and amount that are reasonable and customary under the circumstances, and are not designed to, or have the effect of, influencing the recipient's business judgment.

XIX. ENTERTAINMENT

Normal business entertainment such as lunch, dinner, theatre, a sporting event and the like, is appropriate if of a reasonable nature and in the course of bona fid business discussions or to foster better business relations.

If there are any questions or concerns regarding any policies or procedures set forth by Southern Global Safety Services, Inc., please refer to your immediate supervisor. If this option is either unavailable, or a conflict of interest with the situation. The employee will contact the director of operations or the general manager. Following is the chain of command for reporting any accident, injuries, or any situation deemed to be a potential threat to health, safety, or the environment.

Contact your project manager - A list of numbers can be located on the company directory, or from the office staff.

Contact your Director of Operations - The Director of Operations is Mr. Kevin M. Banks, and can be reached at 281-610-4895, or 281-331-3667.

Contact your General Manager – The General Manager is Mr. Randy Hall, and can be reached at 281-455-1918 or 281-331-3667.

Contact the President of the Company – The President of the Company is Mrs. Teresa Hall, and can be reached at 281-455-0568 or 281-331-3667.

Employees either witnessing or involved in a life threatening situation will contact 911 for immediate assistance before following the chain of command.