



## POLICY GOVERNING SUBSTANCE ABUSE IN THE WORKPLACE

This policy applies to all employees, customers, visiting inspectors, subcontractors, or contractors, hereafter referred to as "all personnel" upon the premises of Modern Heavy Industries (Taicang) Co., Ltd., (MDHI) or Modern Modular Engineering & Construction Co., Ltd., (MMEC) hereafter referred to as "Modern Group."

It is the policy and requirement that all personnel abide by the anti-drug policy, which prohibits the use of illegal drugs, misuse of medication, or consumption of alcohol on the premises of Modern Group workshops, offices, or yards located in Taicang and Zhangjiagang (Suzhou), or any facility carrying out works for Modern Group, such as subcontractor or vendor facilities.

In addition to undermining safe, healthy, and efficient working conditions for all personnel, substance abuse affects employee character, judgment, and overall performance. Drugs and alcohol impair individuals' workability, thereby damaging Modern Group's integrity. As such, Modern Group is committed to a "zero tolerance" policy for substance abuse in the workplace.

Modern Group management will take administrative action against any personnel found to use, possess, buy, sell, transfer, or be under the influence of illegal drugs at any time at sites owned or controlled by Modern Group.

Any personnel with information on substance abuse should notify Modern Group management of any cases of abuse. This policy does not prohibit the lawful use of prescription medicine, nor is it intended to prohibit moderate consumption of alcohol during social functions sponsored by Modern Group, such as dinners, company parties, or annual celebrations.

The consumption of alcohol by employees who are not on duty is not prohibited. However, to the degree that off-duty consumption affects the employee's work, work relationships, or the image or reputation of Modern Group or is evident during working hours, Modern Group management will take remedial action to preserve the integrity of the company.

- A drug is any substance (including alcohol) that can affect or impair a user's judgment, reflexes, or mental acuity.
- An illegal drug is any "controlled substance," excluding drugs used under a valid prescription or used as otherwise authorized by law.
- Substance abuse is alcohol or other drugs used on or off Modern Group facilities where usage affects or impairs an employee's ability to do their job.
- Abuse includes intoxication or impairment of a person's ability to do any aspect of their job, including operation of Modern Group equipment, machines, and vehicles, or complete work assignments, or interacting properly with other individuals in the workplace because of the use of a controlled substance, legal or illegal, on or off the job.

Any personnel observed to have slurred speech, an inability to walk straight, incoherent speech, dilated pupils, or other demonstrated, observable behaviors clearly outside of acceptable workplace behavior norms. In that case, they may be intoxicated or under the influence of drugs or alcohol and must leave the company pending an investigation.



**Modern Group**  
**Heavy Industry Steel Fabrication & Modular Construction**

**Modern Heavy Industries (Taicang) Co., Ltd.**  
**Modern Modular Engineering & Construction (Suzhou) Co., Ltd.**

Employees or visitors determined to have violated this instruction will be subject to administrative action, which may result in corrective action, including temporary banning, dismissal, firing, or permanent removal of the parties involved. Modern Group's Human Resources manager, General Manager, or Chief Executive Officer will determine what actions the offending individuals are subject to.

Any employee dismissed for failure to comply with any aspect of the substance abuse policy will not be considered eligible for re-employment.

All supervisors are accountable for ensuring a drug and alcohol-free workplace and providing an environment conducive to optimum operating efficiency and productivity. It is an inherent part of every employee's responsibility, particularly managers, to be observant of behavior that may jeopardize the safety and security of Modern Group company and personnel.

Each supervising member of management is responsible for executing the tenets of this policy with the employees for whom they are directly accountable. The HSE manager and HR administrator will oversee the implementation of this policy and ensure that all candidates for employment and current employees understand its contents.

Modern Group is committed to being a leader in the steel fabrication industry by providing outstanding value to its customers and a safe and stimulating work environment for its employees. Recognizing the potential negative effects of alcohol and drugs on the organization, and the hazards that those individuals who abuse alcohol or drugs pose to themselves, their co-workers, and the public, Modern Group has implemented this drug and alcohol policy.