



## **Drug and Alcohol Policy**

Effective Date: 10/10/2014

Page 1 of 7

The intention of SandRidge Energy, Inc. or any of its subsidiaries (collectively “SandRidge” or the “Company”) is to provide a safe work environment for employees and contractors, protect the public and safeguard Company property. Prohibited substances have been determined by management to threaten these goals. Therefore, the Drug and Alcohol Policy (collectively “Policy”) has been established to outline the parameters, administration, enforcement and confidentiality considerations which apply to employees and/or contractors of the Company.

### **POLICY STATEMENT**

The use, possession, transfer, manufacture or storage of prohibited drugs, unauthorized alcohol or drug paraphernalia by an employee of SandRidge while on Company property, while performing Company work or while in Company vehicles, is strictly prohibited. Employees are required to abstain from using alcoholic beverages, mood-altering drugs and drugs that adversely impact performance prior to the start of their workday, during the work period, during lunch and other work breaks. A positive test, in itself, shall constitute a violation of this Policy and result in rejection of an applicant or termination of an employee. Compliance with this Policy, including consent to searches and drug and alcohol tests, is a condition of employment with SandRidge.

This Policy shall be uniformly applied to all employees, employment applicants and contractors/subcontractors of the Company at all locations.

NOTE: Employees, who in the course of their job responsibilities entertain or represent the Company at business-related social events where alcohol is available, may choose to consume alcohol provided that consumption is in moderation, occurs in the manner consistent with remaining fit for duty and does not interfere with the employee’s ability to safely operate a Company vehicle if necessary.

The consumption or possession of alcohol in unsealed or opened containers on Company property is prohibited, except in limited circumstances where specifically authorized by Senior Executive Management or the senior People and Culture officer. Other provisions regarding use of alcohol will still apply. The following exceptions have been approved: a) Company aircraft, b) during business dinners and c) during Company sponsored events. Any other exceptions must be approved in advance.

### **DEFINITIONS**

Adulterated Specimen: A specimen that contains a substance that is not expected to be present in human urine or contains a substance expected to be present but is at a concentration or temperature reading not consistent with human urine.

Alcohol Test: A quantitative analysis for alcohol in the body conducted while the employee is at work or operating a Company vehicle. Screening tests may be by saliva test or by breath test. A confirmatory test will be performed by either an evidentiary breath testing (EBT) device or by analysis of a blood sample using gas chromatography.

Applicant: A person applying for full time employment or part time employment at the Company.

Company: SandRidge Energy, Inc. and/or all subsidiaries.

Company Vehicle: Company owned or leased vehicle or rental vehicle used for Company business.

Contractor: An individual or group of individuals who have been contracted to perform work on behalf of the Company.

Corporate Employees: Employees whose primary work location is the Oklahoma City corporate office location.

Diluted Specimen: A specimen with creatinine and specific gravity values that are lower than expected for human urine.

DOT: The Department of Transportation was established by Congress in 1966 to ensure the United States has safe, fast, efficient, accessible and convenient transportation systems.

Drug: Any substance that produces physical, mental, emotional or behavioral change in the user.

Drug Test: A chemical analysis of a urine or hair specimen for prohibited drugs. All samples will be screened using an immunoassay test and any sample that screen positive will be subjected to confirmatory testing using gas chromatography/mass spectrometry (GC/MS).

Employee: Any person working on a full-time or part-time basis for the Company and as such may be qualified for the benefits of employment with SandRidge.

MRO: The Medical Review Officer is a licensed physician who is responsible for receiving and reviewing laboratory results generated by an employer's drug testing program and evaluating medical explanations for certain drug testing results.

Paraphernalia: Any item typically used for the administering, transferring or storage of a prohibited drug.

Prescription Drug: A Food and Drug Administration (FDA) authorized drug for consumer use that has been prescribed by a United States based physician prescribing under the authority of a Drug Enforcement Administration (DEA) number. Employees may not bring prescribed drugs to the workplace or onto Company property unless the drug is prescribed to the employee. The prescription must not be expired, must be issued in the name of the consumer and for a current and/or ongoing condition. An employee taking an over-the-counter or prescribed drug which may adversely affect his/her performance or behavior while in the workplace must notify his/her supervisor prior to performing any work. The employee is also responsible for taking the drug and limiting activity in accordance with both an authorized physician's instructions and the FDA approved "package insert" or label. Any use of a prescription drug that deviates from these guidelines will be considered a violation of this Policy.

Prohibited Drug: Any drug, of which the possession, transfer or storage is illegal, including, but not limited to, inhalants and prescription drugs used for any reason in a manner other than a legitimate medical purpose as prescribed by an authorized medical care provider. State-authorized medical or recreational marijuana use is not accepted as legitimate drug use under this Policy.

## **ADMINISTRATION**

Implementation of this Policy is the responsibility of all management and supervisory personnel. The Company reserves the right to amend or modify this Policy and its related procedures at any time without the employees' consent. Upon such modification, employees will be given ten (10) days' written or electronic notice of the modifications before they become effective.

1. Posters and Signage. "Prohibited Items and Substances" posters are prominently posted at each location. It is understood that these signs reflect a portion of the overall Company Policy. The Policy is available on the Company Intranet and upon request by employees/contractors.
2. Safety Meetings. Periodically, employee safety meetings will be dedicated to the subject of the Policy. These safety meetings will be used to educate employees on the hazards of drugs and alcohol in the workplace and to communicate this Policy and guidelines to employees.

## **ENFORCEMENT**

Enforcement of the Policy will be accomplished through the following methods:

## 1. Drug and Alcohol Testing

All Company employees and applicants for employment may from time to time be requested to submit to a drug/alcohol screening test which may include urinalysis, breath, hair or blood tests. These tests will be initiated by management as deemed necessary, consistent with applicable law. Without limiting the circumstances under which the Company may initiate a test or tests, testing will be initiated under the following circumstances:

- A. **Pre-Employment Drug Test:** An offer of employment by the Company is subject to the applicant's negative test result. No applicant will be permitted to work unless he/she successfully completes a drug test.
- B. **Return to Work Drug Test:** Any employee on leave for more than 30 consecutive calendar days (with the exception of approved maternity leave) and is normally subject to random testing will be required to submit to a drug test prior to returning to work.
- C. **Reasonable Suspicion or Accident-Related Drug and/or Alcohol Test:** Company employees will be required to submit to a drug and/or alcohol test under certain circumstances, in accordance with applicable law. These include, but are not limited to, the following:
  - i. **Reasonable Suspicion –** An employee will be required to submit to drug and alcohol testing if the Company has reason to believe the employee is impaired, under the influence of, in possession of, or using prohibited drugs or alcohol. Generally, the need for this type of testing is determined from performance problems, behavioral observation or other indications that the employee has been involved with illegal or controlled substances.
  - ii. **Injury –** An employee injured on the job will be required to submit to drug and/or alcohol testing as soon as medically appropriate.
  - iii. **Involvement with Injury –** An employee who caused or is directly involved with the injury of another employee as in "Injury" above, will be required to submit to drug and alcohol testing where there is a reasonable suspicion that the injury directly resulted from the use of prohibited drugs or alcohol.
  - iv. **Accident –** An employee involved in an accident may be required to submit to drug and/or alcohol testing. Contributing factors that could result in drug and/or alcohol testing include, but are not limited to: reasonable suspicion, at fault liability, issuance of a citation by law enforcement personnel and extent of damage.

D. Random Drug and Alcohol Tests: Company employees will be required to submit to drug and/or alcohol testing from time- to-time without advance notice. Employees selected for random drug and alcohol testing under this Policy will be advised on the same day the test is required. Random testing is conducted without cause. The quarterly sampling population/frequency will include the following:

- i. Corporate Employees
- ii. Corporate Drivers
- iii. Field Employees
- iv. Emergency Response team – 25%
- v. DOT Pipeline – 50% drugs
- vi. DOT Drivers – 10% alcohol and 50% drugs

It should be noted that when a site or facility is selected for random testing all Company employees onsite will be subject to testing. Contractors will be tested on a voluntary basis while on Company property or a Company operated facility. In the event a Contractor does not provide a sample the individual will be required to leave the premises.

## 2. Test Procedures

All drug and alcohol test results will be kept confidential and accessed only on a need-to-know basis. All test samples will be collected by individuals deemed qualified by the State Board of Health who have been properly trained and equipped to ensure valid testing procedures. These testing procedures will be administered in a method that ensures the privacy of the individuals being tested and maintains the integrity of the samples collected. Threshold levels for a positive test will be in accordance with applicable law. Any applicant or employee testing above the threshold level will be considered to have submitted a positive test result. Any attempt by an applicant or employee to alter, tamper with, or in any other way change his/her specimen will result in rejection of an applicant or termination of an employee.

The Medical Review Officer (MRO) or his/her designee shall:

- A. Review each confirmed positive drug test with the employee/applicant to determine if the positive test result indicates legitimate medical drug;
- B. Review each alcohol confirmation test to determine if the results indicate a positive alcohol test while at work or while operating a Company vehicle.

Any positive drug or alcohol test with the exception of legitimate prescription drug use will be reported to the SandRidge Drug & Alcohol program administrator(s) and the senior People and Culture officer.

The Company shall pay for the cost of all testing for drugs or alcohol, including confirmation tests and the cost of transportation if the testing is provided at a place other than the work location. However, an individual who requests a retest of a sample in order to challenge results of a drug and/or alcohol test shall pay all costs of the retest, unless the retest reverses the findings of the challenged test. In such case, the Company shall reimburse the individual for the costs of the retest. A retest can be requested for any positive test. All retests will be hair samples.

### 3. Consequences of Test Results

A confirmed and reviewed positive drug test of an applicant shall result in withdrawal of the offer of employment. A confirmed and reviewed positive drug or alcohol test of an employee will result in termination of employment. If a quick-result testing device (i.e. – quick cup) is utilized and renders an initial non-negative result, the employee will be suspended pending confirmation by the laboratory and consultation with the Medical Review Officer (MRO). If the laboratory and MRO clears the sample resulting in a negative test result, the employee will be reinstated with back pay for any missed time resulting from the suspension. Acknowledgement of drug or alcohol use in violation of this policy by the employee at the time of the quick-result will result in termination of employment and will not be subject to laboratory and MRO review. Refusal by a Company employee to submit to a drug or alcohol test as outlined in this Policy shall result in termination of employment. Refusal by a third party to submit to a drug or alcohol test shall result in immediate dismissal from Company property/premises.

### 4. Appeal Rights

Any applicant or employee who disagrees with a personnel action taken as a result of his or her refusal to undergo drug or alcohol testing, or because of a positive test result, will, upon request, be given an opportunity to discuss the situation with a Corporate People and Culture representative. Such discussion shall constitute the appeal to any personnel action taken.

### 5. Searches

- A. General: A designated Company representative shall have the authority to order a search of Company premises and employee personal property including personal vehicles located on Company premises. Company vehicles may be searched on or off Company premises. Specially-trained canine search teams may be utilized.
- B. Searches of Employees: A search of an employee may be conducted at the location manager's (or designated representative's) discretion upon approval by Corporate Security. Such a search will be conducted in the presence of two management representatives. The personal privacy of the employee will be considered to the extent practical. All personal searches shall be conducted and

witnessed only by members of the same gender as the employee being searched.

- C. Consequences of Search: Should the employee refuse to submit to a required search, he/she shall be suspended pending completion of an investigation. If, upon a search, the employee is found to be in possession of or to have stored unauthorized alcohol, prohibited drugs or drug paraphernalia, management will determine disciplinary action up to and including termination of employment.

## **CONFIDENTIALITY**

Positive drug and/or alcohol test results and related information will be limited to the MRO and only those persons inside and outside the Company who administer the Policy. Generally this would be designated member(s) of the People and Culture Department, the MRO, the employee's direct supervisory chain and the employee. The Company may use this drug and/or alcohol test information in connection with any legal proceedings including arbitration, administrative or judicial proceedings.

An individual employee or applicant will have the right to explain, in confidence, his/her test results and to obtain a copy of all information and records related to his/her testing.

## **CONTRACTORS/SUB-CONTRACTORS**

The Policy shall apply to all contractors and sub-contractors, and their employees, in accordance with appropriate agreements (e.g. Master Service Agreement, Field Service Agreement, etc.), when on Company property as a condition of entry onto Company property.

## **EFFECTIVE DATE**

This Policy shall become effective October 20, 2014 and supersedes all previous non-DOT Company drug and alcohol policies and practices, both oral and written. All terms of this Policy found to be contrary to federal or state law will be construed to conform to the applicable agency.