

UNITED STATES OF AMERICA

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

SECRETARY OF LABOR,	*	
United States Department of Labor,	*	
	*	
Complainant,	*	DOCKET NOS. 15-0336
	*	15-1399
v.	*	16-0902
	*	15-1895
ASHLEY FURNITURE INDUSTRIES, INC.	*	15-2139
	*	15-2140
Respondent.	*	15-2141
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SETTLEMENT AGREEMENT

I.

Scope and Intent of Settlement Agreement

Complainant, Secretary of Labor, United States Department of Labor (“Complainant”), by and through his attorneys, and Respondent, Ashley Furniture Industries, Inc. (“Respondent”, “Company”, or “Ashley”), hereby stipulate and agree that:

(A) In the above docket numbers, Respondent received citations and notifications of proposed penalties alleging violations of the Occupational Safety and Health Act of 1970, 29 USC §§ 651 et seq. (“the Act”).

(B) Respondent, an employer within the meaning of Section 3(5) of the Act, duly filed with a representative of Complainant notices of intent to contest the citations and proposed penalties. These notices were duly transmitted to the Occupational Safety and Health Review

Commission ("Commission") and it is agreed that jurisdiction of these proceeding is conferred upon said Commission by Section 10(c) of the Act.

(C) Complainant has filed Complaints in each case herein stating with particularity the violations alleged, the penalties proposed and the issues in contest before the Commission.

(D) Complainant and Respondent ("the Parties") have agreed in this Settlement Agreement ("SA" or "Agreement") to resolve in full and as described below all matters in the cases identified by the above-referenced docket numbers.

(E) The Parties have also agreed to Engineering and Administrative Controls, Third-Party Monitoring, Internal Corporate Monitoring, a Machine Safety and Health Management System and other terms described below, and that all such measures shall be applied on a corporate-wide basis to Respondent's furniture manufacturing facilities in which non-cord-and-plug machinery is used on a large scale to fashion wood and other materials into furniture, covered under the jurisdiction of Federal OSHA and identified in attached Appendix A. The terms of this SA shall also apply, after 6 months from the closing date of the acquisition, to any manufacturing facilities in which non-cord-and-plug machinery is used on a large scale to fashion wood and other materials into furniture, acquired by Respondent during the term (defined below) of this SA that are in the jurisdiction of Federal OSHA. During the term of this Agreement, Respondent shall notify the Occupational Safety and Health Administration, Director of Enforcement Programs or his designee ("OSHA") of any such newly acquired facilities to which this Agreement would otherwise apply or any covered facilities that have been sold or shut down.

(F) The Parties to this Agreement recognize that some of Respondent's facilities are located in states that have assumed authority for the enforcement of Occupational Safety and

Health standards pursuant to Section 18 of the Act (“State Plan States”). OSHA will notify and encourage these State Plan States to honor or agree to the terms of this SA.

II.

Resolution and Amendment of Citation Items

(A) Complainant hereby amends the Citations and in the above-referenced docket numbers as follows:

Docket No. 15-0336

Item Number	Amendment
Item 1-1	Vacated. Respondent will abate originally cited condition.
Item 1-2	Vacated. Respondent will abate originally cited condition.
Item 1-3	Grouped with Items 1-4 and 1-5.
Item 1-4	Grouped with Items 1-3 and 1-5.
Item 1-5	Grouped with Items 1-3 and 1-4.
Item 1-6	Re-characterize as Other-than-Serious.
Item 1-7	Grouped with Items 1-8, 1-9 and 1-11.
Item 1-8	Grouped with Items 1-7, 1-9 and 1-11.
Item 1-9	Grouped with Items 1-7, 1-8 and 1-11.
Item 1-10	Vacated. Respondent will abate originally cited condition.
Item 1-11	Grouped with Items 1-7, 1-8 and 1-9.
Item 1-12	Re-characterized as Other-than-Serious.
Item 1-13	Vacated. Respondent will abate originally cited condition.
Item 1-14	Re-characterized as Other-than-Serious
Item 2-1(a)	Classification Maintained.
Item 2-1(b)	Vacated. Respondent will abate originally cited condition.
Item 2-2(a)	Classification Maintained.
Item 2-2(b)	Vacated. Respondent will abate originally cited condition.
Item 2-3(a)	Classification Maintained.
Item 2-3(b)	Vacated. Respondent will abate originally cited condition.
Item 2-4(a)	Re-characterized as Repeat.
Item 2-4(b)	Vacated. Respondent will abate originally cited condition.
Item 2-5(a)	Re-characterized as Repeat.
Item 2-5(b)	Vacated. Respondent will abate originally cited condition.
Item 2-6(a)	Re-characterized as Repeat.
Item 2-6(b)	Vacated. Respondent will abate originally cited condition.
Item 2-7	Classification Maintained.
Item 2-8	Re-characterized as Repeat.
Item 2-9	Re-characterized as Repeat.
Item 2-10	Classification Maintained.

Item Number	Amendment
Item 2-11	Re-characterized as Repeat.
Item 2-12	Re-characterized as Repeat, AVD corrected to apply to drill bits, not router heads.
Item 3-1	Classification Maintained.
Item 3-2	Classification Maintained.
Item 3-3	Classification Maintained.
Item 3-4	Classification Maintained.
Item 3-5	Vacated. Respondent will abate originally cited condition.
Item 3-6	Classification Maintained.
Item 3-7	Vacated. Respondent will abate originally cited condition.
Item 3-8	Classification Maintained.
Item 3-9	Classification Maintained.
Item 3-10	Classification Maintained.
Item 3-11	Classification Maintained.
Item 3-12	Classification Maintained.

Docket No. 15-1399

Item Number	Amendment
Item 1-1(a)	Classification Maintained.
Item 1-1(b)	Vacated. Respondent will abate originally cited condition.
Item 1-2	Re-characterized as Repeat.
Item 2-1	Classification Maintained.
Item 2-2	Classification Maintained.

Docket No. 15-1895

Item Number	Amendment
Item 1-1	Vacated. Respondent will abate originally cited condition.
Item 1-2	Vacated. Respondent will abate originally cited condition.
Item 2-1(a)	Classification Maintained.
Item 2-1 (b)	Vacated. Respondent will abate originally cited condition.
Item 3-1	Classification Maintained.
Item 3-2	Classification Maintained.
Item 3-3	Classification Maintained.
Item 3-4	Classification Maintained.
Item 3-5	Classification Maintained.

Docket No. 16-0902

Item 1-1	Classification Maintained.
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Item 1-2	Classification Maintained.
Item 1-3	Classification Maintained.
Item 2-1	Classification Maintained.

Docket No. 15-2139

Item Number	Amendment
Item 1-1	Re-characterized as Other-than-Serious.
Item 1-2	Re-characterized as Other-than-Serious. Grouped with Item 1-3.
Item 1-3	Re-characterized as Other-than-Serious. Grouped with Item 1-2.
Item 1-4	Classification Maintained.
Item 1-5(a)	Re-characterized as Other-than-Serious. Grouped with Items 1-6 and 1-7.
Item 1-5(b)	Re-characterized as Other-than-Serious. Grouped with Items 1-6 and 1-7.
Item 1-6	Re-characterized as Other-than-Serious. Grouped with Items 1-5(a) and (b) and 1-7.
Item 1-7	Re-characterized as Other-than-Serious. Grouped with Items 1-5(a) and (b) and 1-6.

Docket No. 15-2141

Item Number	Amendment
Item 1-1	Classification Maintained.

Docket No. 15-2140

Item Number	Amendment
Item 1-1	Classification Maintained.

(B) The total amended, combined penalty for all dockets totals \$1,750,000.

(C) Respondent certifies that the specific violative conditions alleged in the above-referenced cases and covered by this Agreement have been abated or will be abated by the abatement date described in the citations or within 90 days of the execution of the Agreement, whichever is later. For each of those items in each of those cases, abatement verification and certification, as required by 29 CFR § 1903.19(c), shall be submitted to the issuing Area Director

of the local Occupational Safety and Health Administration Area Office within 30 days of final abatement. Such abatement verification and certification shall be signed by Respondent's Designated Person referenced in Section XIV of the Agreement. Respondent also agrees to submit at the same time abatement documentation required by 29 CFR § 1903.19(d).

(D) The Citations and Notifications of Penalties are deemed amended to include the full terms of this Agreement, including all abatement measures, all agreements as to actions to be taken by Respondent, and all implementation dates, that are described in this Agreement.

III.

Interim and Final Abatement Measures -Engineering and Administrative Controls

(A) Scope and Terminology

(1) This section applies to portions of Ashley facilities in Federal OSHA jurisdictions in which non-cord-and-plug machinery is used on a large scale to fashion wood and other materials into furniture.

(2) An operator-employee (or "operator") under this Agreement is an employee other than a maintenance employee who is assigned by an Ashley supervisor or manager to use non-cord-and-plug machinery to fashion wood and other materials into furniture.

(3) Training required by this section shall be certified in the same form used to comply with the certification requirements of § 1910.147(c)(7)(iv).

(B) Interim Abatement Measures—Lockout/Tagout

(1) Upon execution of the Agreement, Respondent shall:

Implement a work rule requiring any operator who is not an authorized employee to contact an authorized employee to perform shutdown and full lockout when and as required by 29 CFR 1910.147.

(2) No later than 60 days from the date that this SA is fully executed, Respondent shall:

(i) Train or have trained all operators in an overview of 29 CFR 1910.147, including recognition of situations in which lockout is required by 29 CFR 1910.147 and that, if such lockout is required, it must be performed by persons trained as “authorized employees,” which may include maintenance employees. The training will include an explanation of the term “authorized employee” and a statement that one may perform lockout only if one has been trained as an authorized employee.

(ii) Train or have trained affected employees whose job duties require working in any operational area of Respondent’s facilities under § 1910.147(c)(7)(i)(B) or (C) as appropriate.

(C) Final Abatement Measures—Lockout/Tagout

No later than 180 days from the date that this SA is fully executed:

(1) The provisions of *Ashley Furniture Industries Lockout/Tagout Program*, (“Program”, attached as Appendix B to this Agreement), are extended to apply to any operator in Respondent’s facilities in Federal OSHA jurisdiction. Where required by 29 C.F.R. §1910.147, operators will lockout by implementing the *Ashley Furniture Industries Lockout/Tagout Program*.

(2) Respondent will have completed training for all operators as authorized employees compliant with 29 CFR 1910.147(c)(7)(i). No operator shall personally perform lockout/tagout until this training has been completed. In addition, Respondent will have trained all operators who are required or permitted to lockout in the *Ashley Furniture Industries Lockout/Tagout Program*. Nothing in this Agreement restricts Respondent from amending its Program.

(3) Respondent will have completed training for all other employees who are affected employees as defined by 29 CFR 1910.147(b) as compliant with 29 CFR 1910.147(c)(7)(i)(B).

(4) In the event an operator has not completed the training noted in Paragraphs (C)(1) and (2) above, they shall not be permitted to perform lockout/tagout and shall instead adhere to the work rule described in Section III, Paragraph (B)(1) above.

(D) Use of Minor Servicing Exception to 29 CFR 1910.147.

(1) *Definitions:*

(a) The term “alternative measure” means an “alternative measure[s] which provide[s] effective protection (See Subpart O of this Part)” within the meaning of the minor servicing exception.

(b) The term “ANSI-compliant” refers to control circuit safeguarding devices that meet the provisions of ANSI B11.19-2010, “Performance Criteria for Safeguarding.”

(c) The term “minor servicing exception” or “exception” means the minor servicing exception to 29 CFR 1910.147(a)(2)(ii).

2) The Company will refrain from using the minor servicing exception until a third-party consultant, selected in accordance with Article VII of this Agreement, evaluates its possible use on a particular type of machine and its operation consistent with the requirements of 29 CFR 1910.147. Until the consultant completes his evaluation as to a type of machinery, the company shall lock out the machinery in full compliance with 29 CFR 1910.147, to the extent required by the Act.

3) The Consultant shall evaluate whether the work can be performed using alternative measures. The results of this evaluation shall document the analysis used to select an effective form of employee protection.

4) If the Consultant determines that use of the minor servicing exception as to a work activity would meet the exception, the Company may use it. If the Consultant does not so determine, the Company may not use it and employees must comply with 29 CFR 1910.147.

5) If the Consultant recommends use of control circuitry (whether ANSI-compliant or not) as an alternative measure, the circuitry shall be used in a manner consistent with the manufacturer's established practices for its installation, maintenance and use.

6) For the purposes of the minor servicing exception only, if a machine is manufactured with control circuit safeguarding devices that are ANSI-compliant, such devices shall only be used to meet the requirement of the minor servicing exception.

7) If Respondent selects ANSI-compliant control circuitry as an alternative measure, the Consultant will:

(a) Establish conditions of use for the protective measures, including specifying limitations or conditions, if any, that would preclude their use on a particular machine or work activity.

(b) Establish a timetable for preventative maintenance, including specifying the maintenance tasks that must be performed to ensure equipment continues to function safely and properly;

(c) Establish a timetable for inspections, including the procedures required to ensure that the inspection covers any deficiency that would affect the safe and effective function of the safeguarding devices;

(d) Establish a timetable and procedure for records retention and review so that problem trends are identified and corrected before presenting a hazard;

(e) Identify the knowledge and competencies required for effective installation, maintenance or inspection of safeguarding devices, if specialized knowledge, skills or experience is required to perform those tasks.

(f) Make these findings available to OSHA upon request.

8) If the control circuitry is not ANSI-compliant, the Consultant, in determining alternative measures, shall state the maintenance measures that the circuitry shall be subject to. In doing so, the Consultant shall prescribe the steps set forth in paragraph 7 above.

9) If an employee injury covered by 29 CFR 1904.7(a) or 29 CFR 1904.39(a)(2) is caused by the performance of a minor servicing activity under the minor servicing exception, Respondent shall immediately discontinue application of the minor servicing exception to the particular machine involved in the incident and implement a full lockout/tagout procedure compliant with 29 CFR 1910.147 until the use of the exception, as developed by the Consultant, is reviewed by the Consultant to determine whether it should be modified to prevent a recurrence of the accident. The Company will provide to OSHA, upon request, a statement of the steps it has taken to prevent recurrence of the injury.

10) *Notification to OSHA.* If the Consultant's evaluation includes a determination that the only alternative measure used to comply with the exception will be a Subpart O-compliant guard or ANSI-compliant control circuitry, the Consultant's evaluation will be made available to OSHA upon request. In all other cases (including cases in which a machine is not manufactured with and does not use ANSI-compliant control circuitry, or in which Subpart O-compliant guarding is not used), the Company shall notify OSHA of the determination before implementing it. The dispute resolution provisions of Article X of this Agreement apply if OSHA notifies Ashley within 30 days that it rejects the consultant's determination.

11) For the purposes of this Agreement, and, unless there is a change to the Lockout Standard or precedent under it, thereafter, merely shutting off a machine (for example, to change a tool bit or blade) does not make the minor servicing exception inapplicable.

(E) Interim Abatement Measures – Machine Guarding

1) If, at any time, Respondent determines that a production machine is not guarded as required by 29 C.F.R. Part 1910, Subpart O, Respondent shall restrict use of the machine, through provisions such as an out-of-service lock, red tag, or other comparable measure, so to prevent employee exposure to the non-compliant condition, or shall immediately remove such machine or machine section from production operation until the machine is guarded in compliance with OSHA standards or can otherwise be used in compliance with the Act.

(F) Final Abatement - Machine Guarding

No later than 180 days from the date that this Settlement Agreement is fully executed:

1) A third party consultant, to be selected in accordance with the procedures in Article VII below, will complete or will have completed a corporate-wide audit of all non-cord-and-plug machinery used on a large scale to fashion wood and other materials into furniture within Respondent's facilities listed in Appendix A for the purpose of verifying that guarding compliant with 29 C.F.R. Part 1910, Subpart O is in place and operational. Each audit will include the following provisions:

- a) specific machine identification,
- b) all machine energy sources,
- c) the typical tasks performed on the machine,
- d) potential exposures to hazards of machine movement during normal operation covered by 29 C.F.R. Part 1910, Subpart O,

- e) status of guards or safeguards to protect against those exposures, and
- f) any additional guarding required to protect employees from potential exposure to hazards associated with machine movement covered by 29 C.F.R. Part 1910, Subpart O during normal production operations.

(2) At the conclusion of the audit, the third-party consultant will develop a written plan, along with a schedule, to abate any hazards found as a result of guarding not compliant with 29 C.F.R. Part 1910, Subpart O. Any recommended abatement as to machine guarding or lockout will meet OSHA standards, except to the extent the Act or standards otherwise permits or provides, in which case Respondent shall notify OSHA of the consultant's determination, as well as document the determination and alternative measures the Consultant recommends be used to protect employees. The dispute resolution provisions of this Agreement set forth in Section X, Dispute Resolution, shall apply if OSHA notifies Respondent within 30 days that it rejects the consultant's determination. The plan and schedule shall be submitted to OSHA at the end of the 180 day period. Within 15 days of the receipt of this report, OSHA will provide written comments to the Respondent either accepting or rejecting the recommended abatement. Any disagreement will be resolved in accordance with Section X, Dispute Resolution. All hazards identified through this audit shall be fully corrected within nine months from the execution of this Agreement. Any production machinery or section of production machinery found by the consultant to have inadequate guarding shall be immediately removed from service or its use restricted so to prevent employee exposure to the non-compliant condition, until the machine is guarded in compliance with OSHA standards or can otherwise be used in compliance with the Act.

IV.

Machine Safety and Health Program

(A) *Implementation Date.* Within 210 days from the date this Agreement is fully executed, Respondent will develop a machine safety and health program ("Machine Safety and Health Program" or "MSHP") which shall include the requirements identified in Paragraph (C), (which are conceptually based on concepts included in OSHA's Safety and Health Program Management Guidelines; Issuance of Voluntary Guidelines [54 Fed. Reg. 3904 (Jan. 26, 1989)] ("the Guidelines")). The MSHP shall be implemented at all of Respondent's facilities in Federal OSHA jurisdiction within one year from the date this Agreement is fully executed.

(B) *Scope of MSHP.* The MSHP shall provide for the systematic identification, evaluation, and prevention or control of workplace health and safety hazards in the areas covered by the Agreement and shall be consistent with the Guidelines.

(C) *Machine Safety and Health Program ("MSHP").* Respondent agrees to implement the following elements of the MSHP:

(1) Identification of Machine Hazards

(a) For all machines (other than hand-held machines), the MSHP in evaluating machine energy and movement hazards present during normal production, servicing and maintenance shall address machine hazards through; (i) guarding that complies with Subpart O; (ii) a lock out/tag out program that complies with Subpart S; (iii) 29 CFR 1910.147; or (iv) permitted under this Agreement.

(b) With respect to newly acquired machines (other than hand-held machines), the MSHP shall include a procedure to evaluate each machine before its first use utilizing the criteria set forth in subparagraph (a) of this section.

(c) The MSHP shall implement a procedure requiring: (i) periodic visual checks of guards (*i.e.* guards or devices used to comply with Subpart O); (ii) investigation of any removal, disabling, malfunction, or ineffectiveness of guards found during such checks; (iii) investigation of any reported machine hazards, including those introduced by new equipment or changes in processes, and (iv) removing machines from active operation when hazards are discovered, and notifying affected employees of the machine's condition until required guards are put in place.

(2) Training Program

(a) Respondent will expand its training program to: (i) more broadly encompass machine safety in its lock out/tag out program; (ii) cover employee responsibilities under, and the elements of, the MSHP; (iii) present such training in a language in which the employees are proficient, and (iv) provide for retraining employees as needed, such as when new hazards are introduced. The following elements shall be incorporated:

- (1) The prohibition against removal or disabling machine guarding;
- (2) The requirement to notify a Supervisor or Maintenance Department:
 - (a) If the machine guard is missing, misadjusted, or is not working properly;
 - (b) If a machine with an interlocked guard that, although timed to not be openable until moving parts have stopped, can be opened before that time and expose employees to moving parts;
 - (c) If an employee is involved in a "near miss" incident,
 - (d) Incidents in which machines remained or became energized even though locked out; and
- (3) Informing authorized and affected employees covered by this Agreement, including management employees, of the procedures to report, and their right to report

all of the above conditions, any violation of company policy of this MSHP, any injuries, illness, safety hazards or other job safety concern without fear of retaliation or discrimination.

(3) Evaluation of MSHP

Respondent will evaluate the MSHP, its implementation, effectiveness and need for change annually. As part of the annual review, Respondent will: (i) develop a procedure to solicit the opinions from all employees as to the MSHP at appropriate intervals before the audit is completed; and (ii) review centralized injury logs, medical reports, results of workplace inspections, and incident investigation reports to identify any machinery injury or hazard trends.

(4) Employee Involvement

In addition to any above requirements for employee involvement, Respondent will:

(a) Involve one or more employees in the periodic review of the incident investigation report relating to a machine related incident, such as lacerations, severe abrasions, or amputations caused by moving parts, and involve a machine's operator in the inspections of machines and guarding called for under section 1(c).

(b) Provide employees an opportunity to (i) ask questions to clarify during any training on any subject needing clarification; and (ii) provide feedback after training on the effectiveness of any training.

(5) Management Responsibility

Respondent shall designate a person in senior management whose responsibility it will be to implement the MSHP provisions and oversee its operation. This individual may assign responsibility, accountability and roles to lower level officials at the facilities who shall report to the senior management official pursuant to Respondent's protocol. The senior management

official shall also conduct the evaluation of the MSHP required by paragraph IV.C.3 (“Evaluation of MSHP”) above. In addition, Respondent shall maintain a system for receiving, resolving and reviewing reports of injuries or hazards in a timely fashion and establish and use metrics to evaluate injuries.

(D) Dispute Resolution and Enforcement

The provisions of Article IV, for the purpose of assessing performance, shall be determined utilizing the “reasonable prudent employer” standard. The dispute resolutions provisions of Article X, Dispute Resolution, of this Agreement shall apply and be exhausted before the commencement of any enforcement action.

V.

Third-Party Consultant Selection and Monitoring

(A) Respondent agrees to engage at its own cost qualified third-party safety consultant(s) to:

(1) assist in the implementation of interim and final abatement measures described above; and

(2) to monitor Respondent’s implementation of the Interim and Final abatement measures described above.

(3) Respondent may engage the same consultant to conduct both activities or, alternatively, may retain separate third-party consultants for each task.

(B) In selecting third party consultant(s), Respondent agrees to provide the credentials of the third-party consultant(s), who shall have appropriate training and experience in workplace safety, for review by OSHA within 30 calendar days prior to a formal retention of services by the Respondent. OSHA shall have 15 calendar days thereafter to object to Respondent's selections. If OSHA objects, the agency shall indicate to Respondent the grounds for the objection, and

Respondent will then continue to search until it locates no more than two additional persons. If OSHA objects to them, then OSHA shall within 20 days nominate three persons acceptable to it, for consideration by Respondent. If none are acceptable to Respondent, the parties shall confer. Respondent shall certify retention of any agreed consultant(s) to OSHA within ten business days of the execution of its retention agreement with the consultant. Respondent may replace an agreed consultant at any time, with notice to OSHA, with another consultant acceptable to OSHA pursuant to the provisions of this section. If, at any point, OSHA or Respondent determines that the selected consultant(s) is not effectively executing its responsibilities with respect to the terms of this SA, OSHA or Respondent will notify the other Party and the Parties shall engage in reasonable efforts to address the consultant's lack of effectiveness. If the Parties cannot resolve the situation in a reasonable time, either Party may notify the other Party that a new consultant must complete the tasks required by the SA. Within 60 days of such notice, Respondent shall terminate the current consultant. Retention of a new consultant will not extend the termination date of the Agreement.

(C) Beginning 180 days following the execution of the SA, and in accordance with the schedule set forth in Section V. Paragraph D, Respondent's third party consultant designated to perform monitoring shall evaluate Respondent's compliance with the terms of the SA and memorialize its findings.

(D) Respondent's third party consultant(s) shall complete a monitoring visit at each of Respondent's facilities listed in Appendix A of the SA at the following intervals from the date of execution of the SA:

- 1) 6 months
- 2) 9 months

3) 15 months

4) 21 months

(E) Respondent shall permit, and the consultant(s) shall conduct, confidential interviews of non-managerial employees in the manner the consultant(s) deems necessary to assess Respondent's compliance with the Act and the terms of the SA, and to assure Respondent's ongoing and future compliance. The consultant(s) shall not disclose the names, statements or any notes of the confidential interviews of employees to Respondent, its officers, agents, servants, employees, or any persons acting or claiming to act on their behalf or interest.

(F) Following completion of any audits required by the SA or any monitoring visits to Respondent's facilities, the consultant(s) shall meet with Respondent's management to convey its findings and recommendations and so that management will have the opportunity to address any findings.

(G) Respondent shall, in response to any hazards and deficiencies identified by the consultant(s) responsible for monitoring the implementation of the Interim and Final abatement measures, and no later than 21 days after receipt (unless as noted in the final sentence of this paragraph), address all alleged hazards and deficiencies identified by the consultant(s), and shall memorialize its actions taken to do so. Such documentation shall be prepared by Respondent no later than 7 business days after ensuring that the hazards and deficiencies have been corrected. In addition, such documentation shall be made available to OSHA upon request and no later than 10 business days after such a request. If Respondent cannot or will not correct any hazard or deficiency identified by the consultant(s) within 21 business days of receipt from the consultant(s), within 30 business days it shall make available to OSHA upon request an explanation as to why such hazards and deficiencies were not corrected. Any dispute arising

with regard to corrections of hazards and deficiencies shall be subject to the dispute resolution provisions in Section X, Dispute Resolution, of the Agreement.

VI.

Internal Corporate Monitoring

(A) Within 30 days from the date this Settlement Agreement is fully executed, Respondent shall designate and provide to OSHA the name and contact information of a corporate officer or senior manager (the "Designated Official") who will have the responsibilities set forth below. Within the sole discretion of the Board of Directors, the Designated Official may be changed on fifteen days advance notice to OSHA.

(B) The Designated Official, subject to the oversight and management direction established by the Board of Directors of Respondent, shall be vested with the authority to: (i) issue directions implementing this Agreement; (ii) order abatement measures to be implemented that, when followed, will bring Respondent into compliance with both the Act and the terms of the Settlement Agreement; and (iii) implement and monitor Respondent's internal monitoring activities.

(C) Within 90 days from the date this SA is fully executed, the Designated Official shall establish and implement procedures to monitor, identify, and address deficiencies in the implementation of the interim and final abatement measures described in Section III above. These procedures shall be consistent with the provisions of Article IV, Machine Safety and Health Program, which require Respondent to develop an ongoing management system to continually identify and address any machine hazards. The Designated Official, or a qualified designee, shall perform internal monitoring throughout the term of the Agreement.

(D) Respondent has hired and shall retain for at least the term of this Agreement, a person in the position of Vice-President of Health and Safety whose duties will include

developing, implementing, managing and overseeing safety policies, programs and processes at all Respondent's facilities for compliance with the Act.

VII.

Effective Date and Term of the Agreement

(A) This Agreement shall become effective on the date it is fully executed (the "Effective Date").

(B) The terms of this Agreement shall terminate on the date that is 2 years from the date of execution of the Agreement (the "Termination Date"), unless extended in accordance with this section.

(C) Before the Termination Date of this Agreement, either Party may provide written notice to the other that it wishes to extend the Agreement for a single additional term not to exceed, without the consent of the other party, 90 days. Such notice shall be provided no later than the date that is 45 days prior to the Termination Date. Upon providing such notice, the term of the the Agreement shall automatically extend until the date that is 45 days after the Termination Date, to allow the Parties an opportunity to discuss continuation of the Agreement for a single additional term to be determined by the Parties. In such an event, the Parties agree to engage in such discussions in good faith in an effort to reach a mutually acceptable agreement to continue the term of this Agreement.

VIII.

OSHA Monitoring, Reporting, and Meeting

(A) Until this Agreement's Termination Date, Respondent shall permit OSHA to enter into and conduct monitoring inspections at the facilities covered by this Agreement to verify compliance with the Agreement. The scope of the OSHA monitoring inspections shall be

limited to the verification of compliance with this Agreement. Disputes related to compliance with this Agreement shall be addressed pursuant to Section X, Dispute Resolution. Respondent shall not require warrants for such entry by OSHA, and shall not require subpoenas for such access to documents, witnesses, or other information related to compliance with this Agreement.

(B) Within 210 days of the Effective Date of this Agreement (the specific date chosen within that period of time to be known as “the Reporting Date”), and thereafter on the first and second anniversaries of the Reporting Date, Respondent shall submit a written compliance report to OSHA detailing Respondent’s status of compliance with the terms of Section III and Section IV of this Agreement (each, a “Compliance Report”). Each Compliance Report shall include 1) a written certification by Respondent that it is then in compliance with all of the terms of this Agreement or, 2) if Respondent is not then in full compliance, a written statement by Respondent describing all areas of non-compliance, the remedial actions to be taken by Respondent at each facility, and the date by which Respondent states it shall achieve full compliance at each facility. Nothing in this paragraph shall be construed as a substitute or replacement for other reporting requirements set forth in this Agreement. Nor shall the reporting requirements in this paragraph be satisfied by only submitting reports required by any other provisions of this Agreement. Finally, nothing in this paragraph shall be construed as a waiver or limitation of OSHA’s ability to monitor and/or enforce Respondent’s compliance with the terms of this Agreement, as noted above in Paragraph (A) of this section.

(C) The Parties shall hold a meeting approximately one year after the Effective Date of the Agreement to discuss the status of abatement and Respondent’s progress in implementation of the measures outlined in Section III and Section IV of this Agreement, as well as any other terms of the Agreement that either Party wishes to discuss. This meeting will

provide the Parties an opportunity to identify any concerns, issues and/or challenges and, if Respondent deems it necessary, to discuss the need for additional time to comply with the terms of this Agreement. Respondent shall initiate contact with OSHA no later than 10 months after the Effective Date of the Agreement to set up this meeting, which the Parties agree shall be held at the U.S. Department of Labor, Occupational Safety and Health Administration, 200 Constitution Avenue N.W., Washington, D.C. 20210, at a mutually agreed upon date and time as close as possible to the one year anniversary of the Effective Date of the Agreement. Points of contact for this meeting and discussions between the parties are Respondent's Designated Official (as referenced in Section XIV), and OSHA. However, nothing in this paragraph precludes meeting(s) at the local level.

IX.

Penalties

Respondent certifies that the total penalty of \$1,750,000, as described in Section II (A) above, is being paid by Respondent within 30 days of the execution of this signed Agreement to Complainant. The check shall be made payable to "U.S. Department of Labor, OSHA" and shall be forwarded to:

Mark Hysell, Area Director
OSHA Eau Claire Area Office
1310 W. Clairemont Avenue
Eau Claire, Wisconsin 54701

X.

Dispute Resolution

If, during the term of this Agreement plus 12 months, OSHA determines that Respondent is not or may not be in compliance with any portion of this Agreement, including from the review of any third party consultants' report received from Respondent, review of any

documents, receipt of a complaint, or by any other means, it shall promptly contact Respondent in writing to the person designated by Respondent and allow Respondent 15 working days from receipt of notification to provide a written response. Within 10 working days of receiving the written response, OSHA shall engage in good faith discussions, if necessary, and provide Respondent a reasonable amount of time to abate. If, by the expiration of that time period, Respondent reports and provides documentary evidence to support that it has fully abated the hazard, will have abated the condition within a reasonable time, or provides an otherwise satisfactory response, no inspection shall occur and no citation shall issue. If the parties are unable to resolve the issue, OSHA, after review by the Directorate of Enforcement Programs, will determine the appropriate course of action. OSHA retains its right to use the enforcement methods provided by the Act and Respondent retains all rights afforded it by the Act.

XI.

Failure to Abate and Section 11(b) of the Act

(A) The Parties understand and agree that their inability to reach an agreement regarding the alleged non-compliance, as well as Respondent's failure to perform in good faith any of the terms or abatement measures required in the Agreement, including the payment of penalties as set forth herein, may be cited by Complainant as a failure to abate under Section 10(b) of the Act, 29 U.S.C. §659(b), and may be subject to an enforcement action brought by Complainant pursuant to Section 11(b) of the Act, 29 U.S.C. §660(b), to the same extent as if these terms, abatement measures and Additional Abatement Measures had been set forth from the outset in the Citations and Notification of Penalties issued in these matters.

XII.

Service and Posting of the Agreement and Settlement Summary

(A) Respondent certifies that there are no authorized employee representatives at its facilities covered by the Agreement. Respondent further certifies that it served this Agreement on the employees at by posting it in a place where the Citations are required to be posted, in accordance with Rules 7 and 100 of the Commission's Rules of Procedure, for the duration of the Agreement.

(B) Respondent further agrees that, no later than 10 days after this Agreement is fully executed, it shall post at all of its facilities and for the duration of this Agreement, a notice of this Agreement with a brief summary of its contents, including the actions it has agreed to take with respect to all of its facilities.

XIII.

Modification of Abatement Schedule

The Parties stipulate and agree that Respondent reserves its right to petition OSHA for modification of the abatement dates, pursuant to 29 C.F.R. §1903.14a, if Respondent is unable to meet any abatement deadlines set forth above because of factors beyond its reasonable control and despite its good faith effort to comply with the required abatement measures. OSHA agrees that any such Petition for Modification of Abatement Date ("PMA") submitted by Respondent to OSHA, and any extension of time approved by OSHA or the Occupational Safety and Health Review Commission in response to such a PMA, need not be made specific to a single worksite, but may be made to apply to any or all of the facilities covered by the Agreement. The Parties further stipulate and agree that any extension of time approved by OSHA or the Occupational Safety and Health Review Commission in response to a PMA submitted by Respondent during

the term of this Agreement shall be automatically incorporated into this Agreement and binding upon the Parties.

XIV.

Notice and Communications

Any notice provided by a Party pursuant to this Agreement shall be in writing and delivered by certified mail or electronic mail to the addresses below:

(A) If to Complainant:

Director, Enforcement Programs
U.S. Department of Labor
Occupational Safety and Health Administration
200 Constitution Avenue N.W., Room N3119
Washington D.C. 20001
galassi.thomas@dol.gov

(B) If to Respondent:

Executive Vice President of Safety and Strategic Planning
Ashley Furniture Industries, Inc.
One Ashley Way
Arcadia, WI 54612
GKammer@Ashleyfurniture.com

Any such notice shall be deemed provided on the date that the notice is deposited in the United States mail or sent as reported by the sender's electronic mail program. Each party shall immediately notify the other party of any change in the name, physical address, or electronic mail address to whom any notice is to be sent pursuant to this paragraph.

XV.

Non-Admission

Neither this Agreement nor Respondent's consent to entry of a final order by the Commission pursuant to this Agreement constitutes any admission by Respondent of a violation

of the Occupational Safety and Health Act or regulations or standards promulgated thereunder. Neither this Agreement nor any order of the Commission entered pursuant to this Agreement shall be offered, used or admitted in evidence in any proceeding or litigation, whether civil or criminal, except for proceedings and matters brought pursuant to the Occupational Safety and Health Act. Respondent is entering into this Agreement without any prejudice to its rights to raise any defense or argument in any future or pending cases before this Commission. Respondent retains the right to assert in any subsequent action or proceeding that any future or existing conditions identical or similar to those alleged in the original citations, the citations as amended or the complaints do not violate the Occupational Safety and Health Act or any standard promulgated there under. By entering into this Agreement, Respondent does not admit the truth of any alleged facts, any of the characterizations of Respondent's alleged conduct or any of the conclusions set forth in the citations or amended citations issued in these matters.

XVI.

Costs

Each Party hereby agrees to bear its own fees and other expenses incurred by such Party in connection with any stage of these proceedings.

XVII.

No Alteration of Employee Rights

Nothing in this Agreement alters in any manner the rights afforded employees under the Act.


Respectfully submitted this 3rd day of June, 2016,

FOR THE SECRETARY OF LABOR:

M. Patricia Smith
Solicitor of Labor



Ann Rosenthal
Associate Solicitor
for Occupational Safety and Health

Orlando Pannocchia
Counsel for Regional Litigation
& Legal Advice

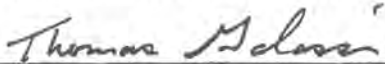

Peter J. Vassalo
Senior Attorney

U.S. Department of Labor
Office of the Solicitor
Division of Occupational Safety and Health
200 Constitution Avenue, NW
Washington, DC 20210
Telephone: (202) 693-5481
e-mail: vassalo.peter@dol.gov

FOR ASHLEY FURNITURE
INDUSTRIES, INC.:


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FOR THE OCCUPATIONAL SAFETY
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Thomas Galassi
Director, Enforcement Programs

Christine Z. Heri
Regional Solicitor

Allen Bean
Counsel for OSHA


Elizabeth Kruse Arumilli
Trial Attorney

U.S. Department of Labor
Office of the Solicitor
230 S. Dearborn St., Room 844
Chicago, IL 60604
Telephone: (312) 353-1144
Facsimile: (312) 353-5698

APPENDIX A

ASHLEY FURNITURE INDUSTRIES, INC COVERED FACILITIES

ADDRESS	BUILDING NAME
1 Ashley Way Arcadia, WI 54612	Arcadia Plant 1-4
447 Highway 346 W Ecru, MS 38841	Ecru Plant 1
45 Ashley Way Leesport, PA 19533	Leesport Plant 1
15900 Highway 15N Ripley, MS 38663	Ripley Plant 1 North
108 Lipford Ave. Verona, MS 38879	Verona Plant 1 Bedding
750 County Rd 549 Ripley, MS 38663	Ripley Plant 3 East
19226 Ashley Way Whitehall, WI 54772	Whitehall Plant 1

APPENDIX B

ASHLEY FURNITURE INDUSTRIES, INC LOCKOUT/TAGOUT PROGRAM

ASHLEY FURNITURE



LOCKOUT/TAGOUT PROGRAM

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PURPOSE

This procedure establishes the minimum requirements for Lockout / Tagout for isolating devices. It shall be used to ensure that the machine or equipment is isolated from all hazardous energy and locked/tagged out before employees perform any servicing or maintenance activities where the unexpected energization, start-up or release of stored energy could cause injury. Hazards being guarded against include being caught in, being crushed by, being struck by, being thrown from, or contacting live electrical circuits/parts.

The purpose of this protocol; is to ensure the safety of all employees utilizing the Ashley Lockout and tag protocol.

SCOPE

This program applies to any setup, maintenance, repair or servicing of machines and equipment where unexpected energization, startup, movement, or release of stored energy could cause injury. Lockout/tagout is not limited to maintenance personnel. It applies to anyone doing this type of work.

Activities that are not covered by the program include:

1. Construction
2. Normal production operations, except when servicing or maintenance require:
 - an employee to bypass or remove a guard or other safety device, or
 - an employee to place any part of his or her body into an area of a machine or piece of equipment where work is actually performed on the material being processed or where an associated danger zone exists during a machine operating cycle.
3. Work on cord and plug connected electrical equipment where:
 - the hazards of unexpected startup or energy release can be eliminated totally by unplugging the equipment, and
 - the cord and plug are in immediate control of the person performing the work on the equipment.
4. Minor Servicing Exception
 - Routine
 - Repetitive
 - Integral to the making of the part

DEFINITIONS

Affected/Other Employee - Any employee whose job requires that he or she either operate a machine or equipment that is being serviced under lockout/tagout, or work in an area where such servicing is being performed, or enter into an area where such servicing is being performed.

Authorized Employee - A person who locks or tags a machine or equipment out to perform servicing or maintenance. An authorized employee and an affected employee may be the same person.

Capable Of Being Locked Out - An energy isolating device with a built-in locking mechanism or a hasp or other attachment to which, or through which, a lock can be affixed. Other such devices are included within this definition if they can be locked out without having to be dismantled, rebuilt, replaced or altered with regard to their energy control capability.

Energized - Connected to an energy source or containing stored energy.

Energy Isolating Device (EID) - A mechanical device that physically prevents the release or transmission of energy. Examples include a manually operated electrical circuit breaker, a disconnect switch, a slide gate, a slip blind, a line valve, a block, etc. This does not include push buttons, selector switches and other control circuit type devices.

Lockout - Placement of a lockout device on an EID, in accordance with an established procedure, ensuring that neither the EID nor the equipment being controlled can be operated until the lockout device is removed.

Lockout Device - A device that uses a positive means to hold an EID in the safe position and prevent the energizing of a machine or equipment. For this program it shall mean a lock hasp and a padlock (see lockout/tagout hardware section, below).

Service, Maintenance And Repair - Activities such as constructing, installing, setting up, adjusting, inspecting, modifying and maintaining and/or servicing machines or equipment. These include lubricating, cleaning, unjamming, adjusting and making tool changes to equipment or machines where the employee may be exposed to unexpected startup of the equipment or to the hazardous release of energy.

Tagout - The placement of a tagout device on an EID, in accordance with an established procedure, to indicate that the EID and the equipment being controlled may not be operated until the tagout device is removed.

Tagout device - A prominent warning device, such as a readily visible tag and means of attachment, that can be fastened securely to an EID to indicate that the EID and the equipment being controlled may not be operated.

GENERAL CONSIDERATIONS

The key components of the lockout/tagout program are this written program, written procedures, lockout/tagout hardware, and employee training. The requirements for these are described in detail in the sections that follow.

Tags and tagout procedures **shall not** be used in lieu of locks and lockout procedures whenever energy-isolating devices (EID) are capable of being locked out. If an EID is not capable of being locked out, then a tagout system shall be used. In both cases, the machine or equipment shall be isolated and rendered inoperative before any employee begins any servicing or maintenance where unexpected energizing, startup or hazardous release of stored energy could occur.

Whenever major replacement, repair, renovation or modification of machines or equipment is performed, and whenever new machines or equipment are installed, all associated EIDs must be designed to accept a lockout device.

WRITTEN PROCEDURES

Development

Specific, written lockout/tagout procedures must be prepared for all work that falls within the scope of this program.

Procedures are to follow the format shown in **APPENDIX 1**. Copies of the completed procedures are to be kept electronically as well as placed where applicable.

Procedures must be developed and implemented before any work that falls within the scope of this program may be performed. Revisions to procedures must be timely with respect to changes or modifications to machines and equipment that affect the way lockout/tagout is done.

Content

The written procedures must clearly and specifically outline the scope, purpose, authorization, rules and techniques for controlling hazardous energy, including the means to ensure compliance. They must cover the following concerns.

1. A statement of their intended use.
2. Specific steps to be followed when shutting down, isolating, blocking and securing machines or equipment.
3. Specific steps for testing a machine or equipment to verify the effectiveness of the lockout or tagout devices before work is started.

In addition to the above, the procedures must identify the specific energy isolating devices for each machine and must indicate where those devices are located so the employee can find them and be sure the correct devices are being locked out.

Exception to Written Procedures

A specific, written procedure is not required if **all** of the following conditions are met.

1. The machine or equipment has no potential for stored or residual energy or for reaccumulating stored energy after shutdown.
2. The machine or equipment has only one energy source that can be readily identified and isolated.
3. Isolating and locking out the energy source will completely de-energize and deactivate the machine or equipment.
4. The machine or equipment is isolated and locked out while being worked on.
5. A single lockout device will achieve a locked out condition.
6. The authorized employee performing the work has exclusive control over the lockout device.
7. The work being performed does not create hazards for other employees.
8. There have been no prior accidents involving unexpected activation or re-energization of this machine or equipment when being worked on.

APPLICATION OF PROCEDURES

Initiating Lockout/Tagout

While the lockout/tagout procedures will include more detail, their implementation must satisfy at least the following requirements.

1. Only authorized employees are allowed to perform lockout/tagout work.
2. All affected employees must be notified in advance of any lockout/tagout work to be done in their area.
3. The authorized employees must understand the types, magnitudes and hazards of the energies involved, as well as the means to control them, before turning off machines or equipment.
4. Machines or equipment must be shut down in an orderly fashion using the specific written procedures for lockout/tagout that apply to them.

5. All EIDs must be located and operated to completely isolate the machine or equipment from its energy sources.
6. Authorized employees must affix their own lockout/tagout devices to each EID.
7. When used, lockout devices must hold the EID in the "safe" or "off" position. As defined above, a lockout device consists of a lock hasp (usually multiple hole) and a padlock, even if only one padlock is to be applied to the EID.
8. When used, tagout devices must be affixed to clearly indicate that EIDs must not be operated or moved. If a tag cannot be affixed directly to an EID, it must be placed as close as safely possible and so that it will be obvious to anyone who might try to operate the EID.
9. After lockout/tagout devices have been installed on the EIDs, all remaining (stored) hazardous energy must be relieved, bled off, dissipated, disconnected, restrained, blocked, or otherwise rendered safe (zero energy state).
10. Before any work starts on the machine or equipment, the authorized employee must verify that the lockout/tagout is effective by attempting to operate the machine. After effectiveness has been verified, the operating controls must be returned to the "off" position.
11. If energy could reaccumulate to a hazardous level, isolation must be verified periodically until the work is completed or until the possibility no longer exists.

Release From Lockout/Tagout

1. Before returning machinery or equipment to normal service, the work area must be inspected to ensure that nonessential items have been removed, all guards have been replaced, and the machinery or equipment is operationally intact.
2. Affected employees must be notified in advance that lockout/tagout devices are going to be removed. The work area must be inspected to ensure that all employees have been removed or are safely positioned.
3. Employees shall remove only their own lockout/tagout devices.

Exception: If an authorized employee is not present at the facility to remove a lockout/tagout device when it is time to do so, that device may be removed only under the direction of the site Safety Manager or their designee:

- steps and training for such removal were incorporated in the specific written procedure being used,
- it is verified that the authorized employee who applied the device is not at the facility,

- all reasonable efforts have been made to contact the authorized employee,
- the authorized employee is informed of this action before returning to work.

SPECIAL CONSIDERATIONS

Testing and Positioning

In some situations it will be necessary to remove a lockout/tagout device temporarily from an EID test or position the machine or equipment. When this is the case, it must be recognized that there are no shortcuts permitted. The machine must be cleared, employees must be removed from the area and lockout/tagout devices must be removed as described above. At that point the machine may be energized and the testing or positioning may proceed. Similarly, all of the steps described above for implementing lockout/tagout must be followed again when de-energizing the machine or equipment to continue set-up or maintenance.

Contractors and Other Outside Personnel

Whenever outside personnel are engaged in activities within the scope and application of this program, Ashley Furniture employees and the outside personnel must inform each other of their respective lockout/tagout procedures. Each must respect and comply with the other's energy control procedures when in effect. If possible, efforts should be made to rely upon only one set of procedures (see Group Lockout/Tagout, below).

Group Lockout/Tagout

When work is performed on a machine or equipment by a group of people, a group lockout/tagout approach may be used. However, the procedures must afford the same degree of protection as a personal lockout/tagout device. Group lockout/tagout devices must be used in accordance with the procedures described above and must satisfy the following additional requirements.

1. Primary responsibility must be vested in an authorized individual for a set number of employees working under the protection of the group lockout/tagout.
2. The authorized employee must be able to track the exposure status of the other employees working under the protection of the group lockout/tagout.
3. The authorized employee must coordinate the work forces and ensure continuity of protection overall when more than one crew, craft, department, or group is involved in the lockout/tagout work.
4. Each authorized employee must affix their personal lockout/tagout device to the group lockout device, group lockbox or similar mechanism before beginning work on the machine or equipment. The respective employees must remove the personal devices when those employees are done working.

Shift or Personnel Changes

Specific procedures shall be utilized during shift or personnel changes to ensure the continuity of lockout or tagout protection, including provision for the orderly transfer of lockout or tagout device protection between off-going and oncoming employees, to minimize exposure to hazards from the unexpected energization or start-up of the machine or equipment, or the release of stored energy. This would typically happen during large maintenance projects on equipment requiring long tear downs and re-builds.

LOCKOUT/TAGOUT HARDWARE

The construction and quality of devices used for lockout/tagout must be sufficient to accomplish the intended purpose and to withstand the conditions to which they will be subjected.

General Requirements

All lockout/tagout devices provided by the company:

1. Must be singularly identified (see below for methods of identification),
2. Must be the only devices used for controlling energy,
3. Must not be used for any other purposes,
4. Must be capable of withstanding the environment in which they are used for the duration of use, and
5. Must be standardized for either color, size or shape as well as print and format,
6. Must be substantial enough to prevent removal without the use of excessive force or unusual means.

Tagout Device Requirements

In addition to the above, tagout devices:

1. Must not be used in place of locks or lockout devices,
2. Must not deteriorate when used in corrosive environments,
3. Must not deteriorate or become illegible upon exposure to weather conditions or use in damp locations,
4. Must warn against hazardous conditions if the machine or equipment is energized, including a warning such as "**Do Not Operate**", and

5. Must be substantial enough to prevent inadvertent or accidental removal. The means of attachment must be non-reusable, self-locking, attachable by hand and capable of withstanding 50 pounds of pull (e.g., one-piece nylon cable tie).

Methods for Identifying Hardware

1. Tags are to be identified by showing clearly on them the names of the individuals who apply them.
2. Locks may be identified in either of the following ways:
 - Permanently mark the individual's name on the lock
 - Using a nylon tie, affix a tag with the employee's name on it to the shackle of the lock. (This enables locks to be pooled and reused. They can be issued for temporary use on an "as needed" basis.)
 - On machine specific LOTO where the operator/and or helping personnel are required to Lock out, their badge will be utilized to identify who is doing the work.

TRAINING AND COMMUNICATION

General

Training on lockout/tagout is essential to ensure the success of the program and employee safety. The level of one's involvement with lockout/tagout work determines the level of training required. Those who actually do lockout/tagout work must be fully trained at the "Authorized" level. Those who don't perform lockout/tagout but who work in or pass through areas where it is done must be trained at the "Affected/Other" level.

Supervision in each organization is responsible for identifying those job positions and individuals within the organization who require training at each level and for ensuring that those employees receive the training. Supervision also is responsible for recognizing and acting upon personnel changes that trigger additional training.

Authorized Employees

Authorized level training covers recognition of hazardous energy sources in the work area, including type and magnitude. Means and methods for energy isolation and control are addressed too. The program and examples of written procedures are reviewed to ensure that their purpose and function are understood. Authorized employees acquire the knowledge and skills necessary for the safe application, use and removal of energy controls. Additional training on the specific Lockout/Tagout process and procedures for specific machinery must be provided.

Affected/Other Employees

Affected/Other employees must receive general awareness training on the purpose and use of this program and associated procedures. They must understand the purpose of lockout procedures

and the prohibition against tampering with lockout/tagout devices and locked or tagged equipment. The information sheet (Lockout/Tagout Training Guide for Affected and Other Employee) is shown in **APPENDIX 2**.

Tagout Systems

If tagout devices are used, Authorized employee training also must cover the following considerations relating to tags.

1. They are warning devices and do not provide physical restraint.
2. They are not to be removed (except by the authorized employee), bypassed, ignored or otherwise defeated.
3. They must be legible and understandable to all.
4. They must be able to withstand the conditions of the area where they are used.
5. They must be securely attached.

Retraining

Employees must be retrained when there is a change in job assignment affecting their involvement with lockout/tagout, a change in the workplace that introduces a new hazard or a change in the lockout/tagout procedures used in their area. Deviations from or deficiencies in knowledge or use of the energy control procedures also require retraining. This is in addition to the ongoing audits of procedures.

Documentation

Training must be documented to show compliance. That documentation will be specific to the nature of the training, (i.e. "Authorized" or "Affected/Other")

PERIODIC AUDITS

Each area or operation must audit its written procedures on a regular and continuous basis to ensure that they are being used correctly and that the requirements of this program are being met. An authorized employee other than the one(s) using the procedures being audited must perform audits. Audits must correct deviations and deficiencies. If Tagout is in use, the same check shall be done but it must include affected employees as well and must test understanding of the limitations of tagout devices. All audits are to be documented to show compliance. A sample audit documentation form is shown in **APPENDIX 3**. Completed forms must be kept on file until the next audit for the same procedure is completed and documented in the file.

APPENDIX 1 - WRITTEN PROCEDURE FORMAT
(Insert Ashley Furniture, ? Division)

Document #	Revision:	Effective Date:
Written By:	Approved By:	Responsibility:

SUBJECT: Lockout/Tagout Procedure for **(Insert Process or Machine)**.

PURPOSE: This procedure is established to prevent injury, as a result of accidental start up, movement, or release of energy, to employees who are servicing, repairing, or cleaning the **(Insert Process or Machine)**. It will guide the authorized employee in performing each step required to safely de-energize this unit for servicing and to safely re-energize the machine for use upon completion of servicing.

SCOPE AND APPLICATION:

This lockout/tagout procedure will govern the actions of all **"Authorized"** personnel from Ashley Furniture, when there is potential for injury due to unexpected start-up, movement, or release of energy while servicing and/or maintaining the **(Insert Process or Machine)**.

SAFETY TRAINING REQUIRED:

- Lockout/Tagout for "Authorized" employees

PROCEDURE:

WARNING: Each person entering a lock out condition must have his or her lock and tag attached to the hasp before entering any machinery. Keys must be removed from lock and kept with employee.

A1. SCENARIO#1 LOCKOUT / TAGOUT ON THIS UNIT

B1. NOTIFICATION OF AFFECTED EMPLOYEES

- Notify all affected employees before beginning any lockout/Tagout on this unit

C1. LIST OF ENERGY SOURCES

ENERGY TYPE, SOURCE	LOCKOUT LOCATION	PROCEDURE FOR LOCKING OUT AND/OR RELEASING ENERGIES

(INSERT PICTURES TAKEN WITH DIGITAL CAMERA HERE AND POINT OUT
LO/TO POINTS)

D1. LOCKOUT/TAGOUT STEPS - # OF LOCKS PER EMPLOYEE ARE NEEDED

E1. VERIFICATION OF LOCKOUT STEPS:

F1. PERFORM/DUTIES/SCENARIOS STATED ABOVE.

G1. RESUMING NORMAL OPERATION

APPENDIX 2

LOCKOUT/TAGOUT TRAINING GUIDE FOR AFFECTED AND OTHER EMPLOYEES

PURPOSE OF LOCKOUT/TAGOUT: To prevent injury due to the unexpected start-up, movement, or release of energy during set-up, servicing, and maintenance of machinery and equipment.

BASIC PROGRAM COMPONENTS: Written procedures and training

TWO LEVELS OF TRAINING: “Authorized” and “Affected/Other” Training

PURPOSE OF THIS SAFETY MEETING: To satisfy the training requirements for employees who fit the “Affected Employee” and “Other” employee classifications.

DESCRIPTION OF WHAT THESE CATEGORIES MEAN:

AUTHORIZED – Employees who have had full Lockout/Tagout Training on the Program and Written procedures and who are Authorized to implement Lockout/Tagout conditions. These employees are permitted to perform set-up, servicing, and maintenance work under the protection of Lockout/Tagout conditions.

AFFECTED – Employees whose normal work activities may be affected by the use of Lockout/Tagout procedures in their area, but who themselves do not participate in the servicing or maintenance activity.

OTHER – Employees who are neither “Authorized” nor “Affected”, but who may enter areas where Lockout/Tagout activities take place.

RECOGNIZING LOCKOUT/TAGOUT DEVICES: Standard padlock affixed to multiple hole hasp with “DANGER-DO NOT OPERATE” tag attached. Employee’s name and date should be shown on tag. If not physically possible to lock the energy source in the “OFF” position, just a tag may be present.

PURPOSE OF LOCKOUT/TAGOUT DEVICES: To physically lock and/or mark energy isolating devices (such as valves, disconnect switches, blocking bars, etc.) in the “OFF” position so that the machine is isolated from its energy sources and can’t be energized, started, or moved while being serviced.

BASIC REQUIREMENT FOR "AFFECTED" AND "OTHER" EMPLOYEES: Do not tamper with Lockout/Tagout devices and do not attempt to operate any machines that have these devices on them. To do so may endanger your life and the lives of those who are performing work on the machines. If you have a question or concern involving the machinery being serviced, handle it through the supervisor.

APPENDIX 3 - PERIODIC AUDIT DOCUMENTATION EXAMPLE



ANNUAL INSPECTION CHECKLIST OF LOCKOUT/TAGOUT PROCEDURES

Date: _____ Location: _____
Equipment: _____

Energy Source(s) Involved (Check One or More)

1. Electrical _____ 4. Hydraulic _____
2. Mechanical _____ 5. Stored _____
3. Pneumatic _____ 6. Other _____

		Yes	No
1	Has there been a change in job assignments, machines, equipment or processes that present a new hazard? If so, have employees been retrained in the new LOTO procedure?		
2	Are the locks used for LOTO uniquely identified, uniquely keyed, and only used for the purpose of LOTO?		
3	Does the tag used with the lock identify the worker servicing the machine or equipment?		
4	Has equipment/machine specific LOTO training procedure been documented for authorized employees?		
5	Does the employee know where the written LOTO procedures are located?		
6	Does the employee notify affected employees and all other employees in the area of the LOTO procedure?		
7	Does the employee identify all hazardous energy sources for the equipment to be locked out?		
8	Does the employee demonstrate the proper procedures for shutting down, isolating, blocking, and securing machines or equipment necessary for LOTO procedure?		

9	Does the employee demonstrate the proper steps for the placement removal and transfer of LOTO devices?		
10	Does the employee use the proper methods to verify the equipment or machine was de-energized?		
11	Before releasing the machine or equipment from LOTO, does the employee do the following:		
	A. Inspect the machine or equipment to ensure its components are operationally intact?		
	B. Ensure that all employees are safety positioned?		
	C. Notify affected employees and all others employees in the area that the LOTO devices have been removed?		
12	If you answered "No" to questions 2-11, has the employee been retrained?		

Authorized Employee: _____ Date: _____

Safety: _____ Date: _____

Deficiencies Observed & Corrective Actions:

APPENDIX 4 – LOCKOUT/TAGOUT REMOVAL DOCUMENTATION EXAMPLE

If the lock owner is not on the premises or the owner cannot be identified the following staff need to be called.

**Manager of Health, Safety and Security or Security Officer
on Duty.**

Return completed checklist to the Safety Department.

EMERGENCY LOCK REMOVAL FORM ~ APPENDIX A

This procedure is to be used by an Ashley Manager or a Supervisor any time an employee lock must be removed by someone other than the employee who installed it. You must be sure the lock owner is not on-site and that he/she is notified of the lock removal upon returning to the job. The lock must also not be removed without the presence of a security officer or health and safety representative. Initial all boxes or print "NA" if not applicable.

Part 1. Ensure the lock owner is not on site:

- ☐ Who does the lock belong to?

- ☐ What is the Machine Number the lock is on?

- ☐ Asked other employees if lock owner is at work?

- ☐ Called the lock owner over the public address system.

- ☐ Check punch system.

- ☐ Attempted to locate owner at home.

Part 2. Ensure the lock owner is notified before returning to job:

How has employee been notified of Lock Removal

With my signature below, I attest to the fact that, to the best of my knowledge, the owner of the lock is not on Ashley premises.

Manager or Supervisor Signature

Date and Time

Supervisor Removing Lock

Date and Time Lock Removed

**HSS Representative present at time
of Removal**

Date and Time Lock Removed