

FASTENAL[®]

FASTENAL COMPANY SAFETY PROGRAM



SAFETY OVERVIEW

The Industrial marketplace continues to provide new challenges for your business and workforce. We want you to know that you can count on Fastenal to provide sound product and process consultation. Our goal is to be your trusted source for solutions that protect your workforce, prevent lost time injuries, and positively impact your company's profitability.

We know that you value your employees and realize that a safe environment increases worker satisfaction and, in turn, productivity. We're here to answer your questions regarding regulations and create an annual plan that will help drive down incident rates and insurance costs. To those ends, Fastenal has created a Safety Specialist program that addresses the core safety challenges your company may face – before they become problems or citations.

Included in this program is a focus on relevant OSHA standards for personal protective equipment and facility safety. Please note that, for each of these categories, Fastenal and our manufacturer partners are on call to come to your facility and perform assessments or product trials. We hope that this new resource, in conjunction with Fastenal's infrastructure and inventory management solutions, will create opportunities for us to strengthen our partnership and provide innovative ways to decrease your acquisition costs. Please review the attached line-card which includes a high level overview of the trainings and services we offer.

In 2012 Fastenal will exceed \$300 million in safety sales (annually) ranking us in the top 3 in sales in the industry.

By our best estimation we are the largest organic safety supplier in the market all others have grown through acquisition.

The Assessment Plan

PURPOSE:

The purpose of any safety assessment or safety plan is to prevent harm from occurring while managing cost expectations. Fastenal is here to answer your questions regarding regulations and to address occupational hazards that can lead to lost work days. We can suggest and offer solutions that will help drive down incident rates and reduce insurance costs.

PROCESS:

In order for the assessment to be productive, it is essential that the Fastenal Safety Specialist meet with a program champion. This role has proven to work with Safety Directors, Quality Assurance Managers, Plant Managers and Lean Champions. For many global or national partners we find that corporate backing and support is essential to help drive the overall program goals.

An initial meeting or conference call is utilized to get an overall breakdown of your objectives. This provides an opportunity for candid dialogue and fact finding for both parties. After determining a course of action, a site visit, walk through inspection and assessment are scheduled with a Fastenal Safety Specialist.

FIRST STEPS

- Fastenal Safety Specialists meets with a Program Champion
- Obtain the customer's objective
- Schedule site visit

COMMUNICATE RESULTS

- Within 10 days a written recap and samples are sent directly to the end-user site
- Formalized testing process
- Schedule follow-up meeting

ASSESSMENT

- Identify immediate and obvious occupational safety hazards
- Document the risk factors that can be controlled
- Work with employees on obtaining current PPE feedback

PROVIDE TRAINING

- Provide on-site training modules tailored to the enduser needs
- Schedule on a monthly/quarterly basis

BENCH MARK

- Metrics used to quantify process improvements and saving gained (i.e. improved inventory management and decreased health insurance costs)

DOCUMENT SUCCESS

- Cost savings documentation
- Continuous improvement

The Assessment Plan

FINDINGS:

During the assessment process it is our objective to identify any immediate and obvious occupational safety hazards. We will document the risk factors which can be controlled in order "to provide a safe working environment.

The Fastenal Safety Specialist will provide recommendations as well as offer solutions that are consistent with best in class industry practices. Comprehensive PPE Assessments and training capabilities are included in the listing of safety services on the right half of this page.

In addition to identifying immediate concerns the safety specialist will also spend time working with employees to uncover possible improvements for a specific application that we can apply from another customer interaction or from the customer's team members. This information may be provided in an anonymous format so that workers can feel comfortable sharing ideas or concerns.

Systematic improvements or control recommendations are accompanied by products that would increase protection for workers, introduce new technology into the plant, or decrease the total cost of worker protection.

We realize that changes to the products people wear are never easy and have a formal testing process established to insure that all necessary parties are engaged prior to a decision being made.

Why do other customers buy safety supplies from Fastenal?

VALUE

Services and system that reduce consumption, increase efficiencies and reduce your labor

INNOVATION

Systems like the FAST 5000SM are saving companies thousands of dollars labor

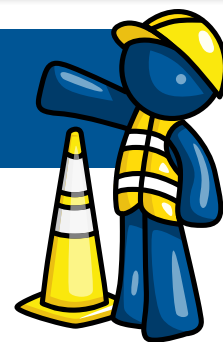
SUPPORT

We are committed to providing technical resources and product support from industry experts



Safety Services Provided

Comprehensive Personal Protective Equipment assessments and training capabilities



EYE PROTECTION

- Product Selection/Rationalization
- Fit Testing



HEARING CONSERVATION

- Fit Testing



FACE AND HEAD PROTECTION



RESPIRATORY PROTECTION

- Qualitative Fit Testing



SKIN CARE NEEDS ANALYSIS

- Prevention/Reduction of Occupational Dermatitis
- Reduction in sick days



HAND PROTECTION

- Job Specific Assessments
- Product Testing



FALL PROTECTION

- Application Assessment
- Harness/Lanyard Inspection
- Competent Person Training*



LADDER INSPECTION AND CERTIFICATION



HOIST AND SLING INSPECTION AND CERTIFICATION*



HEAT STRESS EVALUATION

- Program Development



SPILL CONTAINMENT AND FLAMMABLE STORAGE



LOCK OUT/TAG OUT PROGRAM*



CPR, AED, BBP, FIRST AID TRAINING



ARC FLASH ASSESSMENTS*

The Assessment Plan

COMMUNICATION OF RESULTS:

The Fastenal Safety Specialist will submit a summary report along with the assessment results to the customers "Safety Champion" within 7 days of the walk through.

We ask that a follow up meeting be scheduled with the appropriate parties so that constructive feedback and a plan for implementing the agreed upon aspects of the program, such as training, product testing, or additional needs analysis can be outlined.

Many parts of a comprehensive safety program require maintenance. We look forward to working on an annualized safety plan that fits your needs.

CREDENTIALS:

Safety Specialist credentials vary by individual and include:

- CPR/AED/BBP Trainers
- Competent Person
- Fall Protection
- Sling Inspection
- Ladder Inspection
- Respirator Fit Testing
- QSSP Certified(Qualified Safety Sales Person)
- OSHA 10 and 30 Hour Training Certification
- MSHA Part 46 and Part 48
- Masters/Bachelors in Occupational Health and Safety

25 individuals that focus specifically on supporting our key customer safety needs:

Reduce Injuries

Increase OSHA Compliance

Eliminate Waste and Reduce Cost Wherever Possible



Success Stories

Customer exclusively procures safety supplies from Fastenal.

Each customer site location has both local store and regional safety specialist support.

WORKING THE PLAN SHOWS:

Year over year: 18% reduction in recordable incidents. Focus sites have reduced their contribution to 2010 recordables by 58%.

- 31 recordables in 2010 vs. 73 in 2009
- Six of the focus sites have not had a single injury in 2010

THE FINANCIALS:

While driving down RIR for the customer, and driving uniformity of product, we reduced customer's total cost by 7% saving them hundreds of thousands of dollars by:

- Product substitutions/consolidation
- Globally sourcing key items on the customers behalf

SUCCESS STORY 2:

This factory has over 700 workers with a 2010 spend of \$173,000 on PPE alone. The customer has reduced their RIR from a historic value of 7.8 down to 3.5. Worker retention has increased significantly.

In 2011 we continued to work with the customer to implement a formal Job Specific PPE program and they are on target to reduce their RIR to fewer than 3.

Global sourcing of key products will reduce hard product costs by \$11,400 (6.5%). We achieved a lower RIR by targeting eyewear fit testing and selection to reduce particulates in eye and to reduce welder flash burn.

How Automated Supply Technology Supports Your Safety Program

OSHA 1910.132

Provisions were added to 29 CFR 1910.132 to require employers to select appropriate PPE based on the hazards present or likely to be present in the workplace; **to prohibit the use of defective or damaged PPE; and to require that employees be trained so that each affected employee can properly use the assigned PPE.** On November 15, 2007, OSHA issued a final rule for "Employer Payment for Personal Protective Equipment" that applies identical PPE payment requirements to workplaces in all industries, including those covered by the general industry standards. (29 CFR 1910).

OSHA HAS INSTRUCTED ITS OFFICER OF THE FOLLOWING:

Application – 29 CFR 1910.132(a) The **CSHO shall cite 29 CFR 1910.132(a) when the employer fails to provide, ensure use, and maintain protective clothing, in a sanitary and reliable condition whenever it is necessary** by reason of hazards capable of causing injury in any part of the body.

FOR FIRST AID, VENDING PROVIDES:

- A good indicator of possible safety concerns that could become recordable incidents if not addressed.
- Reporting that allows safety leaders to identify and address workers and environments of concern before they become recordable incidents.

FOR 1910.132 VENDING PROVIDES:

- Documentation that PPE is readily available to all workers at all times and that a specific array of PPE is provided to each worker based on job function.
- Administering controls limiting who can access safety supplies.

FAST SolutionsSM
Fastenal Automated Supply Technology

WHICH SOLUTION IS RIGHT FOR YOU?

**Reduce Consumption. Eliminate Inventory.
Increase Productivity.**



SAFETY SPECIALISTS

Fastenal Safety Specialists are required to attend more than 120 hours of hazard specific training and obtain certification from accredited institutions prior to engaging our customers. Their certifications include THE SEDA/ISEA designation of Qualified Safety Sales Professional, OSHA 10 and 30 hour training, and MSHA Part 46 and Part 48 training. Fastenal Safety Specialists are also factory trained and can provide documentation of inspection and training for CPR/AED/Blood Borne Pathogen Trainer, Competent Person Training in Fall Protection, Sling and Ladder Inspection, and Respiratory Fit Testing.

Below are brief bios for each specialist responsible for direct facility interaction. At our best, we fully integrate into a customer's safety community and engage as a third party to aid in program development and solution identification.

Andy Scanlan – Strategic Account Safety

- 18 years experience in safety sales
- QSSP certification
- Field Service/Maritime Safety Specialization
- Awards: Best in Class Customer Focused Selling (2000), Top 10 District Manager Scorecard (2000), Top 10 District Manager Scorecard (2005 Scorecard), Product Prodigy Champion (2008), Top 5 Store Manager Scorecard (2003, 2004, and 2008)

Cary Winters – Pacific Northwest, Rocky Mountains

- 11 years industrial sales experience
- Prior Roles with the company include Outside Sales (1 year), General Manager (3 years) and District Manager (3 years) overseeing 14 store locations between Washington and Alaska

Charles Belcher, QSSP – Kentucky, Tennessee

- 25 + year career in safety
- Member ASSE (American Society of Safety Engineers); served as VP of Membership and VP of Programs
- Medic in the Air Force with two years in Japan assisting Vietnam casualties. On the Job Trainer for Med Evac Operations at Lackland AFB (San Antonio, TX)

Charles Davis – North and South Carolina, Virginia

- 11 years experience in industrial distribution
- Prior roles within Fastenal include General Manager, Outside Sales
- Focus on Hand/Arm Protection Assessments

Corey Bohnert, QSSP – Missouri, Illinois, Kansas, Colorado

- 6 years industrial sales experience
- OSHA 10 HR/30 HR
- QSSP Certification
- Consultative services regarding OSHA compliance – PPE & Facility Safety

Craig Shaffer – Pennsylvania

- 5 years experience industrial distribution
- 7 years service in Navy Medical
- OSHA 10 HR/30 HR
- QSSP Certification

Devin Andersen – Missouri, Kansas, and Nebraska

- B.S. in Safety Management/Fire Science minor – University of Central Missouri Safety Program
- Experienced in environmental, health, and safety consulting
- Licensed Missouri D.N.R. Asbestos Air Technician
- Facilitated loss prevention audits
- Previously government contracted to perform industrial hygiene assessments throughout Midwest

Evan Hardin – Indiana, Illinois, Michigan, Southwest Ohio, Northeast Kentucky

- Bachelors Degree in Risk Management and Insurance – Ball State University, Muncie, IN
- 7 years industrial sales experience
- Prior roles with company include General Manager, Outside Sales

Jim Ratto III – South Texas, South Louisiana

- 9 years industrial/construction sales experience
- Prior roles with company include General Manager in Dallas, TX market, Regional Construction Sales, Key Account Manager for Bechtel, Fluor and Zachry

Jason Gahring – North Texas, New Mexico

- Pursuing Masters Degree in Occupational Health and Safety
- 2 years safety sales experience

John Gray – Ohio

- 13 years experience in safety and industrial sales/project management
- Background in purchasing and supply chain management

Josh Carnley – Mid South; Tulsa, Oklahoma

- B.S in Environmental Management, B.S. in Safety Management
- Practical business experience in the oil and gas industry
- Has written safety programs for companies and assisted in industrial hygiene testing

Natalie Meysembourg, QSSP – Minnesota, North Dakota, South Dakota (Midwest)

- 11 years industrial sales experience
- Prior roles with the company include National Accounts Sales & Implementation, store experience

SAFETY SPECIALISTS

Nicholas Warren – New England States

- 8 years industrial sales experience
- Proven customer relations and sales skills

Sabrina Santos – California, Northwest Nevada

- 5 years industrial sales experience
- Proficient in Lean processes, Six Sigma, and green programs
- Assisted with developing, implementing and conducting numerous safety training programs

Steve Mueller – Iowa, Wisconsin, U.P. of Michigan

- 9 years of industrial sales experience
- Prior roles with company include Regional Marketing, Industry Specialist – Education, and Industry Specialist – Fleet/Transportation

Tad Kulanko, QSSP – Atlanta, AHUB Region

- 6 years of industrial sales experience
- Proven customer relation and sales skills
- 8 years experience in industrial distribution

Vic Lovell – Florida

- Began emergency management career as a first responder for the Ohio Emergency Management Agency – 1994 to 2001
- Volunteered with FEMA as an investigation and intelligence team member
- Proficient with ICS as it relates to command, operations, planning, logistics and finance administration with government procurement procedures
- Completion of FEMA and Homeland Security courses:
 - o IS 00100.a Certified
 - o IS 00200.a Certified
 - o IS 00700.a Certified
 - o IS 00800.b Certified
 - o IS 00775 Certified
 - o IS 00802 Certified
- All Hazards Type III COML: Certified
- All Hazards Type III COMT: Certified
- CODE 3 First Response and Defensive Driving (w/siren): Certified
- Hazmat Initial First Response: Certified (El Paso County, CO S.O)

Brent Roeder – Safety Sales Manager

- 12 years experience in safety and industrial sales/project management
- 3 years of corporate training and development
- 5 years in product development
- Member Safety Equipment Distributors Association
- Member Voluntary Protection Programs Participants' Association, Inc

Jeff Smith

- 13 years of industrial sales experience.
- Previous roles with the company:
 - o 3 years as manger
 - o 10 years as district manager covering Wyoming, Western Nebraska, Eastern Kansas and most recently Southern Colorado.

Jeff Murdock

- 5 years industrial sales and management experience
- Prior experience in customer relation development and customer service

Justin Anderson

- 5 years industrial sales experience
- Prior roles within Fastenal include General Manager, Outside Sales
- Experienced in Safety Sales Solutions

Craig Cleeland

- Bachelors degree in Business Administration, major in Marketing from UNC-Charlotte
- 6 years industrial sales experience
- Background experience in fire and safety with a concentration in hand protection, respiratory protection and fire extinguisher inspection and service
- Prior roles within Fastenal include OSP & General Manager

TESTIMONIAL

February 9, 2012

Vic Lovell
Industrial Safety Specialist
Fastenal

Mr. Lovell

Last December, we asked you and Fastenal to support our first annual Safety Fair at Piper Aircraft. I am writing to express my thanks for your acceptance of this invitation and your efforts in setting up an incredible program for us. Your "Taking Safety Home" message was just what we needed. Further, the products you brought in were quite a hit with our folks.

This event, important as it was, is only a portion of the benefits Fastenal provides. As Piper's Senior Manager for Environment, Health and Safety, I have found your overall support for our safety program to be a key component of our overall program. By encouraging Fastenal's use as a single source of supply for MRO and applicable production chemicals, my job of tracking materials and controlling approvals has gone from almost impossible to a virtual "snap".

You have always been there to provide support and equipment advice for fall protection, ergonomics and other complex issues that we have in our production process with high quality goods and solid technical support to help drive success.

Rest assured that I appreciate everything Fastenal does for Piper. We look forward to our partnership in years to come.

My best personal regards,

Ted Dyer, MS, CHMM
Sr. Manager, EH&S
Piper Aircraft

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