It is the practice of Canadian Plains Energy Services (CPES) to ensure that everything reasonable and practicable is done to protect workers from incidents, injuries and/or occupational disease while on the job. Safety is a cooperative undertaking requiring an ever-present safety consciousness on the part of every employee. CPES has established a set of General Safety Rules which all workers are expected to abide by while working for CPES as an employee or 3rd party service provider. Failure to comply with the stated rules will result in disciplinary action as defined in this section. CPES will ensure that a set of SJP's are developed that complement applicable SWP's, are most applicable/critical to our business, are in place and available for supervisors and workers to review at the worksite. We will ensure that these SJP's meet or exceed all applicable legislation and/or industry standards. A Safe Job Procedures that is defined as required by legislation, will be called a "Code of Practice."

Guidelines

- Senior management is responsible for establishing the company general safety rules and ensuring that they are clearly communicated to all workers.
- Line management is responsible to know, understand, communicate, and enforce the rules to all workers.
- Line management is responsible to take the necessary disciplinary action as defined in this section when workers violate the rules.
- CPES shall retain records of all workers disciplinary actions and maintain in the worker/3rd party service provider file.
- Workers have the responsibility to know, understand and abide by the rules.

References

- Progressive Discipline Policy - HSEMS (5.1)
- Disciplinary Action Schedule - HSEMS (5.2)

Applicable Forms

- CF-S-21 Disciplinary Non-Compliance
- S-03 General Rules

APPROVED:
Aaron Karpan, President

At Canadian Plains Energy Services we take the management of our HSEMS very seriously. We are dedicated to making our worksites safe, and firmly believe that employee behaviors and attitudes can affect others and our safety culture, both positively and negatively. Canadian Plains Energy Services recognizes that some situations may require disciplinary action to correct safety non-compliance and/or to prevent reoccurrences. Canadian Plains Energy Services has implemented the progressive discipline policy to deal with such situations that may occur from time to time.

Scope

The management team shall use this procedure as a guideline to address problematic employee situations and the use of progressive discipline as a constructive, positive force.

Responsibility

President & CEO

The President & CEO is responsible for establishing the policy statement & general content as well as ensuring compliance to its contents.

Action and Methods

Key Factors

In analyzing discipline problems, no two situations are quite the same. This creates some stress and uncertainty in how to proceed in a case where discipline may be necessary. Supervisors must carefully investigate and thoroughly consider all contributing key factors before deciding the course of action in a disciplinary case.

- **Seriousness of the Problem:** Is it a major violation requiring immediate action, or suspension, while the investigation is conducted?
- **Time Span:** Has this or another violation been caused lately by the same employee?
- **Frequency of the Same Problem:** Is the violation one of a recurring pattern or behavior? Is it minor in nature, or a major infraction?
- **Employee's Work History:** Is the employee a cooperative worker? How long has he/she been with the company? What has been the quality of performance? How is their physical and emotional health?
- **Extenuating Circumstances:** Are there unusual factors which have contributed to the situation?
- **Clearly Defined Rules:** Are rules governing conduct clearly defined and communicated to employees, and can all employees be reasonably expected to know them?

Guidelines for Rules and Enforcement

Canadian Plains Energy Services Group Rules must be Reasonable:

- The rules reflect the needs of Canadian Plains Energy Services to efficiently market our services, and to serve the customer.
- The rules will be discussed with employees to ensure that each employee understands them and the reasons for them.
- The rules pertain to the workplace. They do not restrict the lives of employees, except for matters which might be serious enough to adversely affect the business or its reputation in the community.
- The rules apply to social media, where employees should not post derogatory, defamatory comments, photos, or posts which reflect negatively on the company.
- Rules must be consistently enforced. Infractions should be dealt with fairly and if disciplinary action is required, it is administered fairly and in a uniform way.

The company clearly has the right to make and enforce reasonable rules to govern employee performance and conduct. It is entitled to a respectful workplace and workforce. This means that

employees must be expected to comply with the rules established for worker conduct. All workers will be monitored by Canadian Plains Energy Services supervision and will be removed immediately from the worksite if required.

Cause for Discipline

The basic principle underlying most disciplinary procedures is that supervision must have "Cause" for imposing discipline.

The definition of "Cause" varies from case to case. Arbitrators generally have listed the following test for determining whether an employer had "Cause" for disciplining the employee:

- Was the employee adequately warned for the consequences of his/her conduct?
- Did management (supervision) investigate thoroughly before administering the discipline?
- The investigation must be completed before the decision to discipline is made. Such an investigation, where appropriate, should include taking written statements from the employee(s) involved and from all others who may have witnessed the incident or who may have information to offer concerning the incident.
- When immediate action is required, the best course is to SUSPEND the employee(s) immediately, pending investigation, with a clear understanding that he/she/they will be restored without loss of pay if found to be not at fault. In such cases, statements should be taken before the suspension(s) take place (NOTE: if more than one employee is involved in an incident, you must ensure that ALL parties are suspended pending the outcome of the investigation).
- Was the investigation fair and objective?
- Did the investigation produce substantial evidence of proof of guilt? It is not required that the evidence be conclusive or "beyond reasonable doubt", except where alleged misconduct is criminal or serious in nature where it will damage the employee and seriously impair his chances for future employment.
- Were the rules, orders, and penalties applied evenhandedly and without discrimination?
- Was the penalty reasonably related to the seriousness of the offense and the employees' past record? If the record of employee "A" is significantly better than "B" for the same offense, then the difference in their records must be very clear and well documented.

- **Equal Treatment:** All employees must be judged by the same standards and the rules must apply equally to all.
- **Rules of Reason:** Employees are protected against unjust discipline A challenge to any company procedure is permitted if it threatens to deprive employees of their rights.
- **Internal Consistency:** The pattern of enforcement must be consistent whether a company disciplines on a case-by-case basis or utilizes established criteria.

All employees are informed of Progressive Disciplinary Program as part of their new worker orientation. Employees are provided a copy of the Canadian Plains Energy Services Group General Rules poster as part of their new hire package.

Employee Rules & Regulations, On-The-Job Conduct

Expectations

Our expectations are basic and simple to understand. We expect employees to be conscientious, reliable, and honest; to observe the rules of a respectful workplace policy and not engage in bullying, harassment or discrimination of others, to become proficient in their work in a reasonable period of time, and to act professionally toward others, whether they are coworkers, supervisors, or clients.

- **Attendance:** Includes both absenteeism and tardiness. We expect you to report to work on time each day, and to remain on duty, as scheduled by your supervisor. There is no written table of disciplinary penalties designed to cover every instance of absenteeism and tardiness. It should be

clearly understood that acceptable attendance is a condition of continued employment with the company.

- **Work Performance:** We expect you to do your best in whatever work is assigned to you and adhere to Canadian Plains Energy Services policies, procedures, processes, and lifesaving rules. In addition, we expect you to be able to do your fair share of the work assigned to you and your coworkers.
- **Honesty**: We expect you to be completely honest and truthful in all your dealings with your coworkers, your supervisors, the company, and its clients.
- **Fitness for Duty**: It is a condition of employment that all employees report for duty. This includes remaining in compliance with HSEMS Section 13 Alcohol and Drugs. Fit for duty also requires employees to not report for duty, drive motor vehicles, or operate heavy equipment if they are excessively fatigued.
- **Refusal of Unsafe Work**: All employees are required to refuse to perform any work they legitimately feel to be unsafe. Employees must report the unsafe work to their supervisor immediately. All work associated with the work refusal must stop until the refusal can be investigated and the concern addressed. No employee will be reprimanded for exercising their right to refuse unsafe work. All work refusals must be investigated and recorded on CF-S-60.
- **Tools and Equipment**: Workers are expected to use only tools for which they have authorized to use and feel confident they can operate in a safe manner. Tools must be used and operated in a manner consistent with the manufacturer's specifications. Maintenance records must be kept as per the manufacturer's specifications and Canadian Plains Energy Services Procedure Manual Section 6. Records will be available for review by the operator and any other individual involved with the inspection and maintenance of the tool.

Actions and Methods

Rules and Discipline

Rules govern almost every aspect of human life and conduct. Whatever the situation, rules are necessary to assure fairness and harmony. Rules guide our conduct, express mutual expectations, and help guarantee freedom from the arbitrary and irresponsible acts of others. Rules are expressed in both positive and negative terms; that is, in terms of what you can do as well as what you cannot do.

- We realize that responsible people will have reasonable disagreements from time to time over what is consistent with our statement of basic expectation.
- The disciplinary action schedule summarizes the rules of the company and sets out the related penalties and will be executed in most cases for that violation.
- It is difficult to cover everything, and the rules are not inclusive. There may be other infractions not necessarily covered in the specific rules that may call for a warning or other disciplinary action.
- Most of our rules, in the event of violation, provide for progressive discipline. The schedule attached helps assure uniform communication and administration throughout the company's operations, even though individual cases may require individual consideration by supervision and/or senior management.

Disciplinary Guideline

Discipline Process Steps:

- Verbal Warning
- Written Warning
- Final Written Warning and Suspension
- Termination of Employment

Serious Misconduct

In instances such as fighting, using alcohol or illicit drugs on the job, falsification of company records, Canadian Plains Energy Services may bypass the normal progressive discipline process and suspend the

employee(s) immediately, pending further investigation and review. In such cases, the employee will be told that should the investigation clear them of any violation, they will be reinstated with full back pay.

Documentation Process of Non-Compliance Notices

All non-compliance sheets completed by Foreman, Supervisor, or Manager, will be reviewed by management with support provided by the Human Resources department. Depending on the circumstances, the Supervisor may issue a verbal warning, written warning, a suspension, or termination of employment to the employee under review. All documents are to be maintained in the employee's personnel file.

Life Saving Rules

Canadian Plains Energy Services has adopted Energy Safety Canada's ten lifesaving rules and reserves the right to enforce disciplinary action up to and including dismissal upon willful violation of any of the following:

References

- Disciplinary Action Schedule

Applicable Forms

- CF-S-21 Disciplinary Non-Compliance

APPROVED: _____
Aaron Karpan, President

The disciplinary action schedule below is a guideline for supervisory staff and managers to follow when assessing the actions to be taken to correct undesired employee behavior. All supervisors are required to review the progressive discipline procedure and familiarize themselves with the procedures scope and purpose thereby ensuring a more consistent approach to the application of discipline.

Temporary suspensions are recommended while incident investigations are conducted. These types of suspensions are not considered disciplinary action until such time that the investigation reveals that disciplinary action is required. Management must review second, third, and fourth violations.

KEY:
- **V:** Verbal Warning
- **W:** Written Warning
- **S:** Final Written Warning and Suspension
- **T**: Termination of Employment

BEHAVIOUR	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE	FOURTH OFFENSE
Inaccurate, careless recurrent errors, failure to follow instructions.	V	W	S	T
Improper use, possession or selling of alcohol or controlled substance on company property; reporting for or being at work under the influence of either.	S/D	D		
Failure to arrive at work site on time and/or failure to notify supervisor of inability to work.	V	W	S	T
Littering, poor housekeeping.	V	W	S	T
Sleeping on the job.	S	T		
Horseplay, running, scuffling, throwing things, or interfering with work of fellow employees.	S	T		
Smoking in an unauthorized area.	W	S	T	
Fighting/Harassment.	S/T	T		
Failure to use safety devices/machine guards.	V	W	S	T
Violation of dress code/PPE.	VW	WW	S	D
Intimidating, threatening, or interfering with a supervisor or other employees.	S/T	T		
Possession of firearms or other weapons while on company/customer property.	S/T	T		
Failure to follow Posted Driving Regulations/Rules. • Cell phone use while driving.	As per rules and/or as warranted by Site Management			
Malicious or negligent destruction, waste or abuse of company property.	S/T	T		

OTHER ACTS

BEHAVIOR	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE	FOURTH OFFENSE
Theft, embezzlement from company, client, or employees.	T			
Misconduct which discredits CPES' reputation or image while on duty or in company vehicles.	W/S	S/T	T	
Failure to co-operate with Supervisors, Foremen and/or other employees.	W/S	S/T	T	
Failure to follow Safety Rules & Practices.	V	As warranted by Site Management		

APPROVED: _____
Aaron Karpan, President

CANADIAN PLAINS
ENERGY SERVICES

GENERAL RULES

Applies to all Canadian Plains employees, subcontractors, worksites and/or property

1. Refuse to do unsafe work.
2. Report all incidents, injuries, spills and significant near misses immediately.
3. Advise your supervisor before you seek medical attention for any work-related matter.
4. Follow all applicable safe work practices and procedures and ensure that you are appropriately trained for your task.
5. The possession or use of alcohol, cannabis products, or illegal drugs is strictly prohibited.
6. The sale or inappropriate use of over the counter or prescription drugs is strictly prohibited.
7. The possession or use of firearms is strictly forbidden (unless management approval has been granted on a temporary basis for protection against dangerous wildlife).
8. A worker must not engage in any improper activity or behavior at the workplace which might create a hazard to them or any other person. Horseplay, fighting, practical jokes, bullying or harassment of any kind is strictly prohibited.
9. Running on the job site is not permitted, except in the case of emergency.
10. Workers shall wear Canadian Plains minimum personal protective equipment while working (CSA approved hard hat, safety glasses, safety boots, long sleeves, long pants and task appropriate gloves).
11. Double eye and face protection is required for welding, grinding, chipping, buffing, etc.
12. Where use of respiratory equipment is or may be required, you must be clean shaven.
13. Fall protection must be used when working at heights.
14. CSA approved helmets must be worn when operating off road vehicles.
15. Long, loose, or dangling jewelry, hair (beyond collar length), or clothing must be restrained.
16. Workers must not use cell phones while operating vehicles or equipment as per SWP - 07.
17. Workers shall not carry or use cell phones, except in designated areas and during scheduled breaks. Supervision may be exempt.
18. Lift objects only if they are within your personal lifting capacity. Always ask for help if needed and use mechanical means where appropriate.
19. Tools must not be used or modified for any purpose other than intended.
20. All damaged/worn/broken/malfunctioning tools must be removed from service and reported to your supervisor. Tag out of service as required.
21. Only authorized personnel may operate company vehicles or equipment.
22. Where equipped, use of seat belts is mandatory.
23. Drive responsibly, courteously and to weather/road conditions. Obey all traffic laws.
24. Maintain good housekeeping in your work area at all times. This includes equipment and vehicles.
25. A spotter must be used when backing up vehicles or when moving or operating equipment in tight areas. When a spotter is not available, a walk around must be conducted by the operator.
26. Riding on/in any vehicle or equipment in any way other than intended, is not permitted, e.g. riding on the back of pickup/deck trucks, hook/hoist/bucket, the outside of powered mobile equipment, or double on any ATV that is not intended to accommodate more than one person.
27. Smoking is not permitted in company vehicles or workplaces, except in designated areas.
28. Compressed gas cylinders must be secured against falling, with valve protection in place when not in use.
29. Pets are not allowed on worksites.
30. Follow client specific requirements as applicable.

Failure to comply with Canadian Plains rules may be grounds for disciplinary action, up to and including dismissal.