



Progressive Discipline Policy

PURPOSE

Savanna Energy Services Corp. maintains the practice of Progressive Discipline. The aim of progressive discipline is for managers and/or supervisors to work with their employees to constructively bring about a favorable change in employee behaviour or performance wherein such change is necessary. This policy details Savanna's Progressive Discipline steps.

SCOPE

This policy applies to all Personnel of Savanna Energy Services Corp. ("Savanna" or the "Corporation") and its Subsidiaries.

DEFINITIONS

Progressive Discipline means a formal process that includes a series of discipline steps which gradually increase in severity as an employee continues committing the same or additional violations.

POLICY

1.1. Overview of progressive discipline

In the event that an employee exhibits problematic behavior or poor work performance, a system of progressive discipline shall be utilized wherever possible.

In progressive discipline, managers/supervisors take the opportunity to clarify expectations to an employee when unwanted behavior or performance occurs, giving the employee opportunity to correct the unwanted behaviour or performance, and ultimately reducing liability to the corporation.

Degrees of discipline shall be determined based on the severity of the problem at hand and the past performance of the employee involved but, typically, progressive discipline follows a series of three steps:

- Step One: A documented verbal warning
- Step Two: A documented written warning
- Step Three: Termination

2.1. Details of the progressive discipline steps

With the first minor infraction or apparent problem, the employee will be provided with a verbal warning to alert them to the problem. The employee will then be provided with a clarification regarding behavior or performance expectations. Additionally, employees will be



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advised of the consequences associated with further infractions and provided with suggestions towards a method of improvement.

If no further infractions occur after the initial verbal warning, no further disciplinary action shall follow. If the same or an additional problem happens again, the employee shall be provided with a written warning. The employee will then be provided, again, with a reiteration of the expected behavior or performance. Employees will be advised of the consequences associated with further infractions and provided with suggestions towards a method of improvement.

If no further infractions occur after the written warning, no further disciplinary action shall follow. If the same or an additional problem happens, an employee may be terminated after careful consideration between the employee's manager/supervisor and Human Resources.

Please note: Wherein a special circumstance warrants, an additional step, "Suspension without pay", can be administered before a termination. See section 5.1. "Employee Suspension" for more information on employee suspensions.

3.1. Serious violations

Whenever possible, Savanna practices the three (3) steps of progressive discipline; however, in the event that an employee commits a serious violation of company policy or Savanna's Code of Conduct or Vision and Values, Savanna may skip progressive discipline and move straight to termination. The decision to move to termination shall be determined only after careful investigation by the employee's manager/supervisor and Human Resources.

4.1. Investigation and documentation

All violations, or alleged violations, of company policy or Savanna's Code of Conduct or Vision and Values shall be properly investigated and documented by the employee's manager/supervisor and / or Human Resources.

All measures taken in the progressive disciplinary process shall be considered in consultation with Human Resources before the discipline is administered. The progressive steps shall then be documented. Savanna shall retain the documentation in the employees personnel file for reference and Human Resources purposes.

5.1. Employee suspension

An employee may be placed on suspension as a result of allegations implicating the employee of having committed a serious violation. This type of suspension may be necessary to complete an investigation into the violation. In the event that the employee is cleared of any wrong-doing, he/she will be reinstated and remunerated for lost pay resulting from the investigative suspension.



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6.1. Probation

Employees may be placed on performance based probation, with a performance plan set in place, following a verbal or written warning. This process shall be considered and documented in consultation with Human Resources.

7.1. Appeals

In the event that an employee feels that they have been wrongfully accused or disciplined, they may file a written appeal, containing all necessary documentation, with Human Resources. Human Resources shall review and respond to all written appeals.