

Sangster's believes that there must be certain policies and procedures in place for the efficient and successful operation of its business, as well as for the protection and fair treatment of all its employees. All disciplinary action shall be given only for the purpose of correcting work-related performance and conduct. Having to terminate an employee because of a violation shall only occur when all means of discipline have been used or if the severity of the offense requires immediate discharge.

It shall be the policy of **Sangster's** to discipline any employee who violates any company rule or regulation or performs his or her work unsatisfactorily. Areas requiring discipline shall include but are not limited to:

1. Attendance

- Improper or unauthorized use of paid leave
- Excessive absenteeism
- Unauthorized absences

2. Conduct

- Willful violation of company policies and procedures
- Insubordination
- Conflict of interest
- Stealing
- Conviction of a crime
- Soliciting
- Discourteous treatment of customers or other fellow employees
- Violation of safety rules
- Sexual and other forms of harassment
- Any conduct of a discriminatory nature

3. Performance

- Incompetence
- Failure to reach goals
- Negligence
- Working under the influence of drugs or alcohol
- Improperly using company equipment
- Inability to improve and follow the dress code

Depending on the nature and circumstances of an event, discipline will normally be progressive and reflect the seriousness of the violation.

PROCEDURES:

1. Verbal Warning

- a. The responsibility for verbally informing employees that they are not performing their job satisfactorily rests with their immediate Manager/Franchisee. It is the desire of **Sangster's** that discussing the problem will aid in correcting or improving the undesirable performance or conduct.
- b. As a reminder that a verbal warning did occur, it is recommended that a notation be developed and retained as a "working document" for future reference. This document will not be a permanent part of the employee's personnel file.
- c. If the employee's performance or conduct improves and remains improved, the notation will not be required for future action.

2. Written Reprimand

- a. If the employee's performance or conduct does not improve, a formal Disciplinary Form should be completed by the Manager and approved by the Franchisee. Following approval by the Franchisee, the problem can be discussed with the employee.
- b. The nature of the performance or conduct, reference to the former verbal discussion, the time and date of these discussions and their content should be raised with the employee.
- c. The employee should be encouraged to discuss a solution to the problem.
- d. Describe expected and desirable performance or conduct.
- e. Establish actions to be taken in order to improve the situation and be sure to establish a date by which the improved performance or conduct is expected.
- f. Discuss the consequences resulting from non-improvement or non-achievement of goals, e.g., suspension and termination.
- g. Be certain to have the employee sign the form.

- h. Place the original form in the employee's personnel file.
- i. Encourage the employee to provide a written reply on the form if he or she wishes.

3. Suspension Without Pay

- a. Employees who are observed not to have corrected their performance or behavior or whose conduct continues to be unacceptable may be suspended without pay from their jobs as a form of discipline.
- b. Normally, suspension shall follow a documented warning stating that a suspension will occur if performance or conduct is not improved.
- c. Unpaid suspensions shall not exceed seven (7) working days.
- d. All pay cheques due during a suspension shall be available at the normal location during regular paydays and times.
- e. Employees returning from a suspension are expected to improve all performance and conduct. When improvement does not occur, the normal next step will be termination.
- f. Unpaid suspensions shall be regarded as unpaid time off.

4. Termination

- a. Termination will result when all other means of discipline have been used or when the offense justifies such action.
- b. Employees whose conduct is severe enough to warrant immediate termination will be asked to leave the premises immediately.
- c. All worked hours and benefit hours due upon termination date will be calculated and will be available to the discharged employee on the next scheduled pay period following termination, at the designated pay location.

5. Documentation Standards

- a. Identify only specific and observable job-related behaviors.

- b. Document only the actual behavior of employees that can be seen, described or measured.
- c. Do not document conclusions without factual justification. List only objective, verifiable facts.
- d. Describe the actual results of the performance or conduct.
- e. Use clear, precise language. Do not say “*frequently*,” instead record exactly *how many times*, e.g., “was late 5 times during the last 20 working days.”
- f. Good documentation is information other people can read. Write it neatly.

Section 3: Employment Policies Disciplinary Policy

Policy No. 3.03

Page 5 of 6

SANGSTER'S CORRECTIVE ACTION DOCUMENTATION

On this date: _____ in the presence of _____,
I met with _____, position _____ in store
location _____ to discuss the following performance problem(s):

1.	This is the first (), second (), third () meeting with this employee concerning this or related matters.
2.	History of the problem:
3.	Employee's performance/conduct is not acceptable for the following specific reasons:
4.	Company policy on this issue:
5.	Employee must achieve the following goals in order to reach acceptable standards:
6.	Employee should reach these goals by (date):
7.	Consequences of failure to improve or achieve goals:

Policy No. 3.03

8. You, as an employee, are obligated to sign all disciplinary action forms. Your signature is not an admission of the offense but verification that the notice was received. If you wish, you may respond below or later in writing:

I have read the above. I understand that it constitutes a warning and I understand the amount of time I have to attain the stated performance or conduct goals. I also understand the consequences of my failure to improve or attain the above goals.

Date

Date _____