

Fit for Work - Canada

INTRODUCTION

Veren Inc. and its Canadian subsidiaries (collectively, “Veren”, the “Company” or “we”) is committed to protecting the health and safety and welfare of its employees, contractors, stakeholders and the public and to ensuring a safe, healthy and productive work environment. We recognize that the use of illicit drugs and the inappropriate use of alcohol, marijuana, medications and other substances can adversely affect the safety of employees and others, job performance and our work environment. This use can also place Company property, construction and operations at risk.

This Policy applies to all Workers (as defined below) while they are:

- engaged in Company business;
- working on Company property (owned or leased), including parking lots; or
- operating Company or rented vehicles and equipment.

POLICY

The purpose of this Policy is to ensure all Workers are fit for work and is intended to outline the standards and expectations associated with being fit for work. Being fit for work means being both mentally and physically able to perform one’s job requirements safely and effectively. An individual is not fit for work if they: (i) are not free from the influence of drugs or alcohol; or (ii) cannot perform their work to an acceptable standard and/or they are likely to be a threat to their own safety or the safety of their co-workers, the public, the environment or Company property, as a result of one or more of the following:

- Impairment (as defined below)
- the use of illicit drugs
- inappropriate use of alcohol, marijuana, medications or other substances
- appropriate use of medications that affect fitness for work

The Company reserves the right to determine whether a Worker is fit for work.

Definitions

“Impairment”: fatigue, drowsiness, or a loss or reduction in mental or physical capacity.

“Intoxicants”: Alcohol, Marijuana and or any drugs including, prescribed or over-the-counter Medication, legal and illegal drugs, the use of which has the potential to change or adversely affect the way a person thinks, feels or acts. Drugs of concern are those that inhibit a Worker’s ability to perform his or her job safely and productively, including the following:

- Alcohol means the intoxicating agent in Beverage Alcohol, ethyl alcohol, or other low molecular weight alcohols including methyl and isopropyl.
- Beverage Alcohol refers to beer, wine and distilled spirits.
- Illicit Drug means any drug or substance which is not legally obtained and whose use, sale, possession, purchase or transfer is restricted or prohibited by local or federal law (e.g. street drugs such as cocaine), and includes anabolic steroids.
- Medication refers to a drug obtained legally, either over-the-counter or through a doctor’s prescription.

- Marijuana refers to Cannabis or Cannabinoids derived from the Hemp plant, in any form, whether inhaled, ingested or used topically.
- Medical Marijuana refers to Marijuana that is being consumed as a result of, and in accordance with, a legally obtained prescription.
- Other Substances refers to any other substance that could have a psychoactive purpose or effect. This includes psychoactive substances also known as “legal highs”.

“**Reasonable Cause**” includes, but is not limited to, the following single events or observed patterns of behavior:

- Possession or consumption of Intoxicants by a Worker.
- Presence of Intoxicants or drug paraphernalia on Company premises or in Company property and in a location which can reasonably be associated with a particular Worker.
- Direct observation of, or credible information about, any physical or behavioral signs that a Worker is not fit for work when a Worker is engaged in Company business, working on Company property, operating Company vehicles and equipment or otherwise representing the Company, which signs may include, but are by not limited to:
 - Difficulty in maintaining normal balance and coordination, or performing routine or expected job-related tasks;
 - Slurred speech, other changes in speech patterns or other observable physical attributes of the individual (glazed eyes, etc.);
 - Smell of Intoxicants; or
 - Erratic, disruptive or unusual behavior.

“**Safety-sensitive positions**” means a position in which Workers have a key and direct role in an operation or task where cognitive or physical impairment or inattention in the workplace could result in:

- An incident affecting the health or safety of Workers, customers, the public, the environment, or Company property; or
- An inadequate response or failure to respond to an emergency or operational situation.

Safety-sensitive positions include all Workers who may be required to temporarily, or from time to time, perform safety-sensitive duties. For purposes of this Policy, the following Workers are considered to be in a safety-sensitive position:

- Those who operate or maintain Company equipment (includes their direct supervisors);
- Those who are required to respond to an emergency or operational incident; or
- Those who operate vehicles on behalf of the Company (including rentals).

“**Workers**” means all Canadian employees, contractors, consultants and vendors or agents that provide services to and for the Company and all its subsidiaries and such other positions as the Company may determine from time to time.

Requirements and Expectations

No individual should come to work or be at work with prohibited levels of Intoxicants in their system or be involved in the misuse of Intoxicants while on Company business or on Company premises. In addition, consumption of Intoxicants (other than Medication used in compliance with this Policy) by Workers in safety-sensitive positions is strictly prohibited while conducting Company work. To minimize the risk of unsafe and unsatisfactory performance due to the use of Intoxicants, all Workers must also comply with the following additional requirements:

A. Illicit Drugs and Other Substances

The following are prohibited while on Company business or property:

- The use or possession, without a prescription, or distribution, offering or sale of Illicit Drugs or Illicit Drug paraphernalia, or Other Substances or Other Substances paraphernalia;
- Reporting for work under the influence of Illicit Drugs or Other Substances;
- Use of Illicit Drugs or Other Substances within the first eight hours after an incident or until tested or advised by the Company that a test is not required; and
- Having a positive drug test, as defined in Section F hereof.

B. Alcohol

For Workers not in safety-sensitive positions, such Workers are not allowed to return to work after the consumption of Intoxicants (other than Medication or Medicinal Marijuana used in compliance with this Policy).

Where Workers consume Alcohol in situations where it is expressly permitted (see H. Social Situations), they are expected to act responsibly, and to report and remain fit for work in compliance with this Policy.

Notwithstanding the foregoing, each of the following are prohibited:

- The unauthorized consumption, distribution, offering or sale of Beverage Alcohol when on Company business or on Company property;
- The unauthorized possession of open containers of Beverage Alcohol on Company business or on Company property;
- Possession of open containers of Beverage Alcohol in any vehicle;
- A blood alcohol concentration (BAC) of .02 grams per 210 litres of breath or greater while on duty for any Worker, whether in a safety-sensitive position or not; and
- Consumption of Alcohol within the first eight hours after an incident or until tested or advised by the Company that a test is not required.

C. Marijuana

If Workers chose to consume Marijuana, they are expected to do so responsibly in those situations where it is permitted, and report and remain fit for work in compliance with this Policy. Use of Marijuana 24 hours prior to the start of your shift may impact your ability to be fit for work and could result in disciplinary action, up to and including termination of employment with cause.

Notwithstanding the foregoing, each of the following are prohibited:

- Possession of Marijuana or Marijuana paraphernalia on Company business or on Company property and vehicles;
- The consumption, distribution, offering or sale of Marijuana or Marijuana paraphernalia when on Company business or on designated Company property;
- Use of Marijuana within the first eight hours after an incident or until tested or advised by the Company that a test is not required; and
- Having a positive drug test, as defined in Section F hereof, whether in a safety-sensitive position or not.

D. Medical Marijuana

If a Worker is consuming Medical Marijuana, they are not considered fit for work in any safety-sensitive position. The Worker must explore other medical options or apply for a non-safety-sensitive position where this requirement may be able to be accommodated. For Workers occupying a position that is not safety-sensitive, they must otherwise be fit for work and otherwise comply with this Policy, including but not limited to, Section "C. Marijuana".

E. Medications

It is expected that prescribed and over-the-counter Medications will be used responsibly. Medications of concern are those that may inhibit a Worker's ability to perform their job safely and effectively.

The following are prohibited:

- The misuse of Medications while on Company business or on Company property (e.g. using the Medication not as it has been prescribed, using someone else's prescription Medication, combining Medication and Alcohol use against direction);
- The possession of prescribed Medications without a legally obtained prescription;
- Distribution, offering or sale of prescription Medications (trafficking);
- Use of Medications within the first eight hours after an incident or until tested or advised by the Company that a test is not required; and
- Having a positive drug test, as defined in Section F hereof.

For both Medical Marijuana and Medications, the Company reserves the right, through the Company's medical services provider, to confirm with the treating physician the nature and duration of modified work requirements, as well as discuss other Medication that may be prescribed to enable the employee to remain fit for work.

Workers are responsible to:

- Advise their doctor of their job duties and the environment they work in and investigate (through their doctor) whether a Medication can affect safe operation of a vehicle or equipment or otherwise affect their work performance in relation to such job duties and work environment;
- Explore other Medical alternatives that may be prescribed that would not affect their fit for work status;
- Take appropriate action to minimize safety risks by advising Management and Human Resources (HR) without delay of any need for modified duties if the Medication will affect their ability to work safely or effectively; and
- Report any requirement for modified work to their supervisor and follow any recommended course of action to minimize safety risk, which could include temporary reassignment or medical leave as appropriate to the situation.

F. Positive Test for Intoxicants

A positive test for Intoxicants is one in which the amount of the Intoxicant confirmed in a sample is at or exceeds the cut-off levels established per the Canadian Model Screening Requirements as found in the table below. The below list includes but does not limit the list of Intoxicants that the Company reserves the right to test for under this Policy.

Table 1.1
Urine drug concentration limits:

Drug or classes of drugs	Screening concentration equal to or in excess of ng/mL ⁽¹⁾	Confirmation concentration equal to or in excess of ng/mL
Marijuana metabolite	50	15
Cocaine metabolites	150	100
Opiates		
Codeine	2000	2000
Morphine	2000	2000
Hydrocodone	300	100
Hydromorphone	300	100
Oxycodone	100	100
Oxymorphone	100	100
6-acetylmorphine	10	10
Phencyclidine (PCP)	25	25
Amphetamines	500	--
Amphetamine	--	250
Methamphetamine	--	250
MDMA ⁽²⁾	500	250
MDA ⁽³⁾	--	250

Oral fluid drug concentration limits:

Drug or classes of drugs	Screening concentration equal to or in excess of ng/mL ⁽¹⁾	Confirmation concentration equal to or in excess of ng/mL
Marijuana (THC)	4	2
Cocaine metabolite	20	--
• Cocaine or Benzoyllecgonine	--	8
Opiates	40	--
Codeine	--	40
Morphine	--	40
6-Acetylmorphine	--	4
Phencyclidine	10	10
Amphetamines	50	--
Amphetamine	--	50
Methamphetamine	--	50
MDMA ⁽²⁾	--	50
MDA ⁽³⁾	--	50
MDEA ⁽⁴⁾	--	50

(1) A ng/mL means nanograms per millilitre. A nanogram is one billionth of a gram. A millilitre is one thousandth of a litre.

(2) Methylenediozymethamphetamine.

(3) Methylenedioxyamphetamine.

(4) Methylenedioxyethylamphetamine.

G. Call-In Situations

All Workers are expected to remain fit for duty in compliance with this Policy when on scheduled rotational call. If a Worker is requested to perform unscheduled services (for example: as a result of an operational incident or Emergency Response Plan call) while the Worker is under the influence of Alcohol, Marijuana, or other Intoxicants, it is the responsibility of that Worker to decline the request.

H. Social Situations

In the case of any Company social event, appropriate regard will be taken for the safety and well-being of the individuals present and the community. Responsible Alcohol use is permitted at Company sponsored social functions on or off Company premises. If Alcohol is made available to Company employees and/or guests in the course of conducting Company business (i.e. restaurant meetings, outdoor gatherings), employees are expected to use judgment and be responsible in hosting others while complying with this Policy and are subject to the requirements of "B. Alcohol" contained herein.

Marijuana use is not permitted at Company sponsored social functions on or off Company premises.

I. Driving Company Vehicles

Workers operating Company vehicles must be fit for duty in compliance with this Policy.

In addition to complying with the applicable provisions of the Company Vehicle Policy, all Workers who regularly are required to operate a motor vehicle on behalf of the Company are required to maintain a valid driver's license. Any loss of license or suspension of driving privileges (for any reason) must be reported to their supervisor immediately and the Worker will no longer be qualified to drive on behalf of the Company. This includes a Worker that has been charged with an impaired driving offense when operating a Company vehicle on or off duty. Impaired driving includes, but is not restricted to, having a BAC over the legal limit in the jurisdiction in which the event occurred, driving while impaired, or refusal to provide a sample for analysis. In these circumstances, a charge is a violation of this Policy. Failure to promptly report the charge will be grounds for termination of employment for cause.

J. Searches and Investigations

The Company reserves the right to conduct a search for Intoxicants and paraphernalia when there are reasonable grounds to believe that such substances or items are present on Company property. Supervisors are responsible for notifying senior management of any situation where they believe an investigation should be initiated. An internal investigation may take place at the direction of the Company or its legal counsel depending on the nature and seriousness of the matter. Members of law enforcement may be involved.

K. Self-Help

The Company recognizes that Intoxicant dependency is a treatable illness and that early intervention greatly improves the probability of a lasting recovery. Workers who suspect they have an Intoxicant dependency or emerging problem are required to report this to their supervisor or HR.

A Worker who believes themselves to be unable to comply with this Policy and needs assistance must immediately safely remove themselves from duty and notify the Worker's supervisor or HR. Once self-help has been initiated, Workers are required to follow all appropriate assessment protocols, along with Company supported treatment plans promptly, otherwise the Worker can be subject to disciplinary action up to and including termination with cause.

ROLES AND RESPONSIBILITIES

The following non-exclusive list summarizes the key roles and responsibilities applicable to Workers, Supervisors, HR, Health & Safety and Contractors, Vendors/Agents.

Workers

- Read and understand this Policy and their responsibilities under it, and regularly keep themselves updated on any changes;
- Report fit for work and remain fit for work throughout their work day and rotation;
- Adhere to all requirements that have been set out in this Policy, including when on scheduled on-call;
- Conduct themselves in an appropriate and respectful manner while on Company business and premises;
- If a Worker believes they are unfit for work they must not continue to work;
- If a Worker has Reasonable Cause to believe they or another Worker are unfit for work, they must immediately contact their supervisor, or HR;
- When appropriate, encourage a co-worker to access assistance before a suspected Intoxicant problem impacts performance or safety;
- Advise their supervisor, or HR, if they have reasonable grounds to believe that there are Intoxicants or Intoxicant paraphernalia on the worksite;
- Co-operate with an investigation regarding a potential violation of this Policy;
- Participate in the testing program when required to do so under this Policy;
- Workers are responsible to ask their doctor if prescribed Medication may affect their fitness to work;
- Seek help and follow recommended treatment if they believe they may have an Intoxicant problem before job performance is affected or violations of this Policy occur;
- Co-operate with any work modification or accommodation; and
- Comply with required monitoring and after care programs after attending Intoxicant dependency treatment.

Supervisors

- Follow all roles and responsibilities required of Workers;
- Take all precautions necessary to protect the health and safety of every Worker under the supervisor's supervision;
- Monitor and ensure that all Workers comply with this Policy;
- If a Worker self discloses that they are not fit for work or a supervisor has Reasonable Cause to suspect that a Worker is not fit for work, the supervisor must ensure that the Worker does not continue to work until they are fit for work. The Worker will be given the opportunity to address the concerns and provide an explanation;
- If a supervisor determines that signs for Reasonable Cause exist, the supervisor or their delegate will arrange to transport the Worker home in a safe and timely manner and put the Worker on leave until further notice;
- Notify the next level of management if they have grounds to believe Illicit Drug or prohibited Intoxicants are on the worksite.
- Contact HR as soon as possible, in cases related to a violation or suspected non-compliance with this Policy;
- Participate in performance management and disciplinary action to ensure safe operations and effectiveness of this Policy;
- Guide employees who seek assistance for an Intoxicant dependency or abuse problem to appropriate resources while maintaining confidentiality as may be appropriate under the circumstances; and
- Provide assistance in an investigation under this Policy.

Human Resources

- Oversee Intoxicant testing and results in accordance with applicable privacy laws;
- Provide assistance in an investigation under this Policy;
- Assist with performance management and disciplinary action to ensure safe operations and effectiveness of this Policy;
- Make referrals (for employees and contractors) for an alcohol and drug test as appropriate in a Reasonable Cause or post-incident situation; and
- Assist the Company in the application and compliance of this Policy and relevant employment and occupational health and safety legislation.

Senior Executives

- Oversee the application and compliance of this Policy;
- Approve, in writing, any circumstances where the consumption, distribution, offering or sale of Beverage Alcohol when on Company business or on Company property is authorized; and
- Approve, in writing, any circumstances where possession of open containers of Beverage Alcohol on Company business or on Company property is authorized.

Health & Safety

- Participate in the review of contractor drug and alcohol policies for compliance with Veren's policies and practices;
- Support and participate in fit for work awareness training;
- Provide assistance in an investigation under this Policy; and
- Assist the Company to ensure proper application of, and compliance with, this Policy and relevant occupational health and safety legislation.

Contractor & Vendor/Agents

- Ensure their employees, subcontractors and agents are in compliance with this Policy while on Company property;
- Establish their own testing program to comply with testing circumstances set out in this Policy (consistent with the fit for work testing requirements) and triggering testing consistent with the requirements of this Policy;
- Prohibit any of their employees, subcontractors and agents that are non-compliant with this Policy from performing work on Company property unless Company approval is provided;
- Act in compliance with all applicable privacy laws, including ensuring confidentiality of all personal information received with respect to individual testing results;
- Ensure compliance with all applicable occupational health and safety legislation;
- Maintain and provide sufficient records to demonstrate compliance with this Policy;
- Comply with any audit of their program;
- Cooperate, and ensure the cooperation of their employees, subcontractors and agents, in an investigation under this Policy; and
- Cooperate with any reasonable request of the Company in respect of this Policy and its compliance.

Testing

The Company reserves the right to conduct testing for Intoxicants in the following circumstances:

- **Reasonable Cause:** when the Reasonable Cause threshold has been met.
- **Post-incident:** after any work-related incident where any of the following occurs:
 - Fatality or a near-miss that could have resulted in a fatality;

- Serious personal injury or a near-miss that could have resulted in a serious personal injury;
- Environmental incident or a potential environmental incident;
- Significant or a potential significant loss or damage to property or equipment; or
- The incident is required to be reported to a provincial or federal regulatory authority (i.e., Occupational Health and Safety or Environment Canada).

All testing will be performed in accordance with applicable privacy legislation and any other applicable laws.

In those situations where employment is continued after a violation of this Policy, Workers will be required to pass a return to duty Intoxicants test and will be subject to unannounced testing as set out in an agreement governing their continued employment.

Any employee assuming duties after primary treatment for an Intoxicant dependency, which resulted from a referral through a medical professional, will be required to pass a return to duty test. In addition, they will be subject to unannounced testing with a case-specific program designed to support their ongoing recovery.

Failure to report directly for a test, refusal to submit to a test, refusal to agree to disclosure of a test result to HR, a confirmed attempt to tamper with a test sample, or failure to report an incident which may require testing, are a violation of this Policy.

Consequences of a Policy Violation

Any violation of the provisions of this Policy will result in corrective action up to and including termination of employment for cause. The Company has the authority and discretion to suspend and remove from the work location any employee who is believed to be involved in an incident that could lead to corrective action pending the results of the investigation.

For contractors and vendor/agents, any violation of the expectations set out in this Policy is grounds for: (i) removal of the employee, the contractor or vendor/agent or the contractor or vendor/agent itself from the work location; or (ii) refusal to provide subsequent access to the work location to such person or persons. Contracting firms administering their own fit for work policies will be expected to advise the Company whether someone under their direction is in violation of such policy and to acquire the Company's agreement and approval for such person's continued provision of services as a Worker.