



## **PROGRESSIVE DISCIPLINE POLICY**

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### **Intent**

The Authentic T-Shirt Company®/SanMar Canada`s (the Company) internal policies exist to provide the framework for positive and effective working relationships.

This policy outlines the steps the Company will take to administer equitable and consistent discipline for unsatisfactory conduct in the workplace. The Company is committed to fair treatment of all employees, ensuring opportunities for improvements are provided to be successful.

### **In this policy you will find:**

- Definition
- Process
- Progressive Discipline Steps and Termination with Cause
- Exceptions
- Acknowledgement and Agreement

### **Definition**

Employees for the purpose of this policy are defined as:

- Full-time
- Part-time
- Coop students
- Casual
- Seasonal

### **Process**

Disciplinary steps are generally progressive and are used to ensure that employees have the opportunity to correct their performance. Employees will be given four (4) opportunities to correct their behavior. Progressive disciplinary steps will be followed in sequence for any misconduct. However, depending on the situation, any step may be repeated, omitted or taken out of sequence at the sole discretion of the manager and Human Resources.

Progressive discipline can apply to any of the following; which includes but is not limited to:

- Attitude
- Unsafe Acts
- Health & Safety
- Attendance
- Performance

### **Progressive Discipline Steps**

Progressive discipline steps are as follows:

1. Verbal Counselling
2. 1<sup>st</sup> Written Warning
3. 2<sup>nd</sup> Written Warning
4. 3<sup>rd</sup> Written and Final Warning
5. Termination of Employment with just cause

**Verbal Counselling** addresses concerns verbally to the employee. It is intended to provide expectations to help the employee make improvements to be successful in their roles.

**Written Warnings** document the concern in writing and provide expectations for improvements. Written warnings also advise of further progressive disciplinary steps should these concerns continue.

**Verbal Counselling** will include the following:

- Clearly identify and explain the concern
- Expectations for improvement
- Next Progressive Discipline steps if concerns continue

**1<sup>st</sup> Written Warning** will include:

- Date and time of verbal counselling (if applicable)
- Clearly identify and explain the concern
- Expectations for improvement (if applicable)
- Next progressive discipline steps if concerns continue

**2<sup>nd</sup> Written Warning** will include:

- Date and time of verbal counselling and 1<sup>st</sup> written warning
- Clearly identify and explain the concern
- Expectations for improvement (if applicable)
- Next progressive discipline steps if concerns continue

**3<sup>rd</sup> Written and Final Warning** will include:

- All previous discussions (date, time and details)
- Clearly identify and explain the concern
- Expectations for improvement
- Timeframe for meeting expectations. Failure to improve by the set timeline *will* result in termination with cause

**Termination of Employment with just cause:** After exhausting all attempts to correct all concerns, employment will end immediately with The Authentic T-Shirt Company®/SanMar Canada.

### **Exceptions**

End of employment may be the first and only disciplinary step taken, and employees are not entitled to written notice or severance pay for severe offences which include but are not limited to:

- |                        |                                      |  |
|------------------------|--------------------------------------|--|
| • Willful misconduct   | • Gross incompetence                 | • Rejection within the probation period    |
| • Theft                | • Harassment of coworkers            | • Severe unsafe acts                       |
| • Conflict of interest | • Position abandonment               | • Serious undermining of corporate culture |
| • Fraud                | • Breach of company rules & policies |  |

All written disciplinary warnings will be discussed with an employee, documented and placed on record in the employee's personnel file for six (6) months. If no further discipline occurs within the six (6) month time period, the warning will become inactive. Like all other personnel matters, disciplinary procedures will remain strictly confidential.

### **Acknowledgement and Agreement**

By affixing my digital signature to this document, I confirm my acceptance of Progressive Discipline Policy. I understand all of its rules, policies, terms and conditions and agree to abide by them and any amendments that may be issued. I understand that this policy may be amended and adjusted as needed. I understand that my compliance with this policy is a condition of my employment, and any violation may result in disciplinary action up to and including termination of employment with just cause.