

VERO ENERGY INC.

Section 1 – Management Commitment



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1.0 MANAGEMENT COMMITMENT & CONTROL

1.1 Purpose

Why do we need to do this?

This Corporate Health and Safety Manual is designed to provide both employees and contractors with practical guidance in health and safety issues. The manual also sets specific standards for the company's Corporate Health and Safety Program.

The standards and rules as set forth in this manual are to be followed by all employees and contractors. Wherever possible and applicable, legislative requirements have been incorporated from Alberta.

Safe work procedures (mostly as contained in Section 5) are guidelines that are based on minimum standards identified in government legislation. Deviation to any of these rules and work procedures shall require the approval of the Vice President, Engineering. An equivalent level of safety must be provided for workers performing the tasks when deviation from written rules and procedures is necessary.

This manual is intended specifically for all Vero Energy Inc. personnel. All personnel are required to become familiar with this manual's contents, to review it during safety meetings and training sessions and to refer to it before conducting any critical task.

This manual is also intended to complement the contractors' Corporate Health and Safety Programs as identified in Section 6 or, in the absence of the contractors' own Safety Program, to provide a contractor with guidance on Vero Energy Inc.'s expectations for Corporate Health and Safety.

1.2 RESPONSIBILITIES

Who has to do this?

Any requirements for change or modification of this documentation shall be reported to the Vice President, Engineering. **Vero Energy Inc. welcomes any suggestion for the ultimate improvement of this manual and its contents.** In order to ensure a practical and optimum level of safety for employees and contractors, all personnel who work for Vero Energy Inc. must ensure the information contained in this manual fulfils the company's safety needs.

1.3 STANDARDS

Where does it say we have to do this?

OHS Legislation: *Alberta OHS Act*

Section One – Defines Employer, Prime Contractor, Contractor, Worker and Supplier

Section Two – Describes responsibilities of employers, contractors, workers and suppliers.

Section Three – Imposes duties on Prime Contractors.

1.4 IMPLEMENTATION

How will we make sure this is put into place?

1.4.1 HEALTH AND SAFETY STATEMENT

The safety and well being of our employees, contractors and public are the foundation of our operating philosophy. Management and employees share in a commitment to minimize the potential for adverse impact to human health in all of our operations.

Collectively, we resolve to:

Be Proactive

- Make health and safety an integral part of every business decision.
- Provide the resources and training necessary to effectively implement our health and safety programs

Minimize Risks

- Assess the hazards associated with our operations, implement prevention programs, and ensure effective emergency response.
- Follow recommended safe work procedures, wear and use personal protective equipment when required, participate in safety training programs and inform supervisors of unsafe working conditions.

Ensure Compliance

- Design and manage our activities to ensure we meet or exceed compliance with applicable government laws and procedures.
- Employees, contractors, and sub-contractors who knowingly violate safety rules may face disciplinary action, discharge, or legal action if warranted. Visitors who knowingly disobey safety rules will be asked to leave Vero Energy Inc. worksites. Individuals who do not fulfill their safety responsibilities will become accountable for any problems their negligence creates and may be liable under the law.

By fulfilling our safety responsibilities, everyone who works for our company will share the benefits of a safe workplace.



Doug Bartole
President
Vero Energy Inc.

Shane Manchester,
Vice President, Operations
Vero Energy Inc.

1.4.2 PETROLEUM INDUSTRY GUIDING PRINCIPLES FOR WORKER SAFETY

Petroleum Industry Guiding Principles For Worker Safety

We, the members of the petroleum industry, have a responsibility to protect all workers engaged in its activities from personal injury and health hazards. To meet our responsibility we will operate under the following guiding principles:

RESPONSIBILITY

The operating company, when acting as prime contractor, is responsible for coordination and general supervision of all activities at the worksite, including activities carried out by contractors, subcontractors, service companies and suppliers. While all parties have a responsibility to promote worker safety, the operating company recognizes its leadership role in promoting worker health and safety on the basis that it has the greatest power to influence worksite situations. It is the responsibility of workers and employers to refuse to perform unsafe work practices.

PRIORITY

Activities will be conducted on the basis that safety of all personnel is of vital importance, whether those personnel are employed by an operating company, a contractor, a subcontractor, a service company or a supplier.

RECOGNITION

The process of selecting contractors, subcontractors, service companies and suppliers, and the administration of contracts, will include recognition and support of good safety performance. Support and recognition based on good safety performance will also be provided by all employers to their employees.

IMPROVEMENT

The operating company, in cooperation with service companies within the industry, will promote methods and practices that have potential for improving safety performance.



Wallace E. Baer
President/CEO
Enform



Signed on behalf of the following six sponsoring associations representing the Canadian petroleum industry:





Signature

President.

Title

Vero Energy Inc.

Company

Mar 9, 2010

Date

1.4.3 VERO ENERGY INC. – DRUG AND ALCOHOL POLICY

The purpose of this policy is to outline Vero Energy Inc.'s philosophy toward drug and alcohol abuse and to establish a clear guideline for disciplinary actions dealing with employees and contractors who use, sell, transfer, are in possession of or who may be impaired from the use of alcohol, drugs or other psychoactive substances on company property. This policy applies to all employees and contractors of Vero Energy Inc..

Excluded from this policy is the legitimate possession and proper use of medications specifically prescribed for the user by a licensed physician and over-the-counter medications, provided that such medications are being used in strict compliance with the prescription and/or the manufacturer's directions and that the use of medications does not impair ability to perform the worker's job. It is the duty of the employee to inform their supervisor of any medications that are being used that may affect their work and to question the doctor or pharmacist regarding possible side effects. The supervisor may request to see a prescription to verify legal use and may assign alternate work.

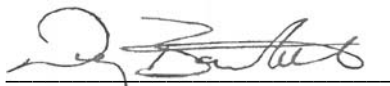
To ensure a safe and productive work environment at all company facilities and worksites and to safeguard Vero Energy Inc., management strictly prohibits the use, sale, transfer or possession of alcohol, drugs or other psychoactive substances on any company premises or worksites except at company approved functions. This prohibition includes, but is not limited to, company vehicles as well as personal vehicles while being used for Vero Energy Inc.'s business.

In addition, the company strictly prohibits any worker being on any company worksite while in a state of impairment of any licit or illicit psychoactive substance.

Moreover, the company strictly prohibits any visitor or contractor being on company premises or worksites while in a state of impairment of any psychoactive substance. Any contractor or visitor found in violation of the above stated policy will be refused entry onto, or removed from, the company's premises or worksites.

Any employee who is taking any legal drug that may impair their performance or motor functions and affect their safety or the safety of other employees must advise his or her supervisor before reporting for work under such medications. A company authorized representative may request to see the prescription in order to verify legal use. Misuse of any prescribed or other psychoactive drug is strictly prohibited.

VIOLATION OF THIS POLICY WILL RESULT IN DISCIPLINARY ACTION, INCLUDING THE TERMINATION OF EMPLOYMENT OR CONTRACT, IN APPLICABLE CIRCUMSTANCES.



Doug Bartole
President
Vero Energy Inc.



Shane Manchester, P. Eng.
Vice President, Operations
Vero Energy Inc.

1.4.4 VERO ENERGY INC. – ENFORCEMENT POLICY

The objective of the company when employing an individual is on the basis of establishing a long term relationship. Given this approach, our primary goal is to provide an environment through training, development and strong management which will allow both the employee and the company to fulfill the purpose of providing a high standard of excellence through the services we offer to our clients. It is through an ongoing process of education and dialogue that we can achieve these goals together. Vero Energy Inc. recognizes that there are those who do not wish to align with this purpose, therefore we are introducing fair and constructive disciplinary guidelines that will allow for rehabilitation in the workplace rather than punishment.

Guidelines for Disciplinary Action

- 1st Offence A verbal and written warning to the offending employee and noted. Keep copies of the written warning on file.
- 2nd Offence A written warning that should include the statement “**any further violation will result in suspension without pay or discharge**”. Copies of the written warning are to be given to the employee, and placed in the employee’s personnel file.
- 3rd Offence Suspension or Discharge.

In all cases the employee will be given the opportunity to discuss the disciplinary action with management.

It must be understood that a serious certain breach of discipline may invite immediate discharge or may result in some other form of disciplinary action other than that outlined above, including immediate termination.



Doug Bartole
President
Vero Energy Inc.



Shane Manchester.
Vice President, Operations
Vero Energy Inc.

1.4.5 WORKPLACE VIOLENCE POLICY

Purpose

It is the goal of Vero Energy Inc. to provide a workplace for all employees, contractors, clients and visitors that is free from violence by establishing preventive measures, holding perpetrators of violence accountable and by providing assistance and support to victims. Committing violent acts, whether on duty or off duty, has the potential to impact an employee's ability to perform their job. Alberta legislation requires employers to provide their employees with a safe and healthy work environment. It is intended that all useful management tools be employed to accomplish the dual purpose of reducing the effects of violence on victims and providing consequences to those who perpetrate violence.

Definitions

Workplace Violence includes, but is not limited to, intimidation, threats, physical attack or property damage and includes acts of violence committed by company employees, clients, customers, relatives, acquaintances or strangers against company employees in the workplace.

Intimidation is engaging in actions that includes but is not limited to stalking or behaviour intended to frighten, coerce or induce distress.

Physical Attack is unwanted or hostile physical contact such as hitting, fighting, pushing, shoving or throwing objects.

Domestic Violence is the use of abusive or violent behaviour, including threats and intimidation, between people who have an ongoing or prior intimate relationship. This could include people who are married, live together or date or who have been married, lived together or dated.

Property Damage is intentional damage to property and includes property owned by the company, employees, visitors or vendors.

Coverage

This policy applies to all full time and part time employees and contractors. This policy applies to the conduct of an employee or contractor while functioning in the course and scope of employment or contract as well as off duty violent conduct that has a potential adverse impact on an employee's ability to perform the assigned duties and responsibilities.

A violation of this policy will be considered unacceptable personal conduct as provided in the Disciplinary Policy. Acts of violence, as defined herein, may be grounds for disciplinary action, up to and including dismissal. An act of off duty violent conduct may also be grounds for disciplinary action.

Authorized Exceptions to Policy

An employee may only have a weapon in their vehicle if it is in compliance with management approval as being required as part of the employee's job duties (i.e. for flare lighting, etc.).

Retaliation

This policy prohibits retaliation against any employee who, in good faith, reports a violation of this policy. Every effort will be made to protect the safety and anonymity of anyone who comes forward with concerns about a threat or act of violence.

Reporting Responsibilities

All employees are encouraged to be alert to the possibility of violence on the part of employees, former employees, customers and strangers. Employees shall place safety as their highest concern and shall report all acts of violence and threats of violence. All reports of violence will be handled in a confidential manner, with information released only on a need-to-know basis. Management shall be sensitive and responsive to the reporting employees' fear of reprisal.

Procedures

The Accident/Incident Hazard Reporting procedure (Section 9) will be used when investigating a report of a violation of this policy.

Employees and contractors will be instructed regarding proper response to acts or threats of violence.

The enforcement policy of the company will be used after the investigation, if warranted.



Doug Bartole
President
Vero Energy Inc.



Shane Manchester, P. Eng.
Vice President, Operations
Vero Energy Inc.

1.5 MONITORING

How will we check to see that this is carried out?

Performance reviews for managers, supervisors, site representatives, workers and contractors will address health and safety responsibilities and success in meeting the standards expected.

1.6 REVIEW/FOLLOW UP

When will we review this component for continuous improvement?

Standards and requirements for leadership will be reviewed as a part of the regular review of the Health and Safety Management System.

Standards and requirements for leadership will be reviewed whenever the applicable OHS Legislation is updated or changed.

The Leadership section of the Health and Safety Management System will be reviewed annually as part of the Basic Safety Program Audit protocol.