



ELITE HOLDINGS INC.

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Substance Abuse

Drug-Free Workplace Policy

Purpose of the Policy

E.H.I. Elite Holdings Inc. values its employees and recognizes their need for a safe and healthy work environment. Furthermore, employees abusing drugs and alcohol are less productive and are often a risk to the safety and productivity of our Company. The establishment of a Drug-Free Workplace Policy is consistent with this Company's desire to promote a safe and accident free workplace.

DRUG AND ALCOHOL POSSESSION AND USE PROHIBITED

1. E.H.I. Elite Holdings Inc. prohibits the use, possession, sale, manufacture, and/or distribution of alcohol and illegal/controlled substances and/or drug-related paraphernalia on Company premises or while performing duties for E.H.I. Elite Holdings Inc. while away from Company premises and/or during working hours.
2. For purposes of this policy, the term "Company premises" or "Company property" includes all property owned, leased, used or under the control of E.H.I. Elite Holdings Inc. including but not limited to E.H.I. Elite Holdings Inc. sites, offices, facilities (including rental facilities), parking areas, land, buildings, structures, all work locations, camps, vehicles, and equipment.
3. The substances prohibited by this policy include such items as: any illegal or unlawfully obtained drugs or controlled substances; "designer" or synthetic drugs; "over the counter" or prescribed medications not being used for purposes or in the manner intended; mood or mind-altering substances; and alcoholic or intoxication beverages.
4. Compliance with this policy will be required by E.H.I. Elite Holdings Inc. as a condition of employment for qualified applicants or for continued employment of current employees. The presence of a detectable amount of any prohibited substance in an employee while working and/or during working hours may be deemed a violation of this policy, regardless of when or where the substance entered the employee's system.

PRE-EMPLOYMENT SCREENING

1. Offers of employment with E.H.I. Elite Holdings Inc. may be conditioned on proper cooperation with and participation in a drug and controlled substance screening test. Following a conditional employment offer, applicants will be asked to sign a form consenting to a screening test as part of the application process. Failure to sign the consent form will be considered a withdrawal of the application.
2. Applicants who test positive without a legitimate medical reason will be denied employment. In appropriate circumstances, E.H.I. Elite Holdings Inc. may, in its sole discretion, authorize a retest.



TESTING OF EMPLOYEES

- 1) E.H.I. Elite Holdings Inc. may request current employees to submit to a drug/controlled substance test in certain circumstances, including:
 - a) When an employee's conduct, action or behavior reasonably leads management to suspect that the employee may be using or under the influence of drugs or alcohol on Company premises or while performing duties for E.H.I. Elite Holdings Inc. while away from Company premises and/or during working hours;
 - b) When an employee has a prohibited substance in his or her possession (actual or constructive) while on Company premises or while performing work duties for E.H.I. Elite Holdings Inc.; and
 - c) When an employee has experienced an on-the job injury or accident or is involved in an incident which E.H.I. Elite Holdings Inc. believes may have resulted from impairment due to drug or alcohol use.
 - d) E.H.I. Elite Holdings Inc. may, in its sole discretion and at any time, require an employee to undergo tests to determine the presence and/or amount of alcohol and/or drugs in his/her system.
- 2) An employee who has tested "positive" on a test pursuant to this policy and who is not terminated, may be retested by E.H.I. Elite Holdings Inc. at periodic intervals, as determined by E.H.I. Elite Holding Inc., for up to (12) months after the positive test result, even without new evidence of "reasonable belief" of drug or alcohol abuse. The first test is to be retaken (14) days after a positive test, at the employees expense. If an employee tests "positive on any retest or refuses to promptly submit to a test in a fully cooperative manner, including signing any required forms, the employee may be subject to immediate termination.
- 3) An employee's refusal to submit to a requested test may be considered an act of insubordination justifying discipline, up to an including immediate termination.

USE OF LEGAL AND PRESCRIPTION DRUGS AUTHORIZED BY A PHYSICIAN

Certain legal and prescription drugs can produce changes in persons that might indicate intoxication or illegal drug use and could result in a "positive" result on a substance abuse screening test. Employees may continue to work for E.H.I. Elite Holdings Inc. while taking



prescription drugs at the direction of a doctor for the treatment of an illness or non-prescription drugs used for the purposes and in the manner intended, provided the medication does not adversely affect the employee's ability to perform his or her work in a safe and efficient manner. Each employee is responsible for being aware of and following all cautions associated with the use of prescription or non-prescription drugs. If any prescription or non-prescription drugs being taken by an employee could have side effects which could affect the employee's job performance, the employee must advise his or her supervisor of the drug being taken and the potential side effects. E.H.I. Elite Holdings Inc. has the right to determine whether an employee who is receiving legal medication should be allowed to continue working during his or her treatment due to possible safety and/or performance problems that could arise from certain legal drug use.

CONVICTION OR PROBATION UNDER A CRIMINAL DRUG LAW

Employees must notify E.H.I. Elite Holdings Inc. within five days of any conviction or entry of a guilty plea resulting in incarceration or probation under any criminal drug statute, law, regulation, or ordinance. Failure to report a conviction or guilty plea will result in termination of employment.

TESTING PROCEDURES

1. When feasible, the employee asked to submit to testing will be informed of the reason, cause or action leading to the request.
2. Employees will complete consent for testing form. The refusal to do so will be considered a violation of this policy, and the employee may be subject to disciplinary action up to and including termination.
3. Testing will be conducted by an appropriate testing facility designated by E.H.I. Elite Holdings Inc. Applicants and employees must cooperate fully with reasonable procedures and requirements of the testing facility.
4. Each employee and applicant who is to be tested will be asked by E.H.I. Elite Holdings Inc. designated testing facility to list all legal and prescription drugs consumed during the past thirty days, and will have an opportunity to explain the use of each such drug. Applicants or employees who do not report the use of any such drugs and who subsequently test "positive" on any required screening or other test, will not be hired if not yet employed, or if hired, may be subject to immediate discharge.



5. Positive test results will be given a second verification test by E.H.I. Elite Holdings Inc. designated testing facility. Employees who test positive on the second verification test will be subject to discipline up to and including immediate termination for violation of this policy. Applicants who test positive on the second verification test will not be employed.
6. Test results will be returned to Management for review with the applicant or employee. Test results will be maintained in a confidential manner in a separate file not part of the employee's personnel file. Test results of applicants will be maintained in a separate file, not part of the application.
7. E.H.I. Elite Holdings Inc. will endeavor to keep the results of any drug, substance abuse or other such test confidential. Test results and voluntary reports of drug and alcohol problems will not be revealed by E.H.I. Elite Holdings Inc. to any person except those persons whom E.H.I. Elite Holdings Inc. believes have a need to know because of such reasons as supervision of the employee involved, personnel administration or as otherwise deemed necessary or proper by E.H.I. Elite Holdings Inc. or as required by law.

PENALTIES FOR VIOLATING POLICY

1. Failure to comply with the provision of this policy will be grounds for disciplinary action up to and including immediate discharge. Furthermore, employees found to have alcohol or illegal drugs in their systems, under the WC Law may receive a 50% reduction to total forfeiture of worker's compensation benefits.
2. If an employee voluntarily reports a substance abuse problem before any circumstances warranting testing and/or disciplinary action occurs, the employee may request suspension for a prior not to exceed twelve weeks. The cost and expenses of any treatment or any counseling program will be the sole responsibility of the employee, subject to benefits available, if any, under any applicable employee benefit program. E.H.I. Elite Holdings Inc. may request certification that the employee has continued in treatment during the suspension period. If the employee does not continue proper treatment during the granted leave, the employee will be subject to disciplinary action up to and including immediate termination. Any employee who does not fully comply with E.H.I. Elite Holdings Inc. requirements for a leave that is granted may be subject to immediate termination. Employees who return to work following such voluntary treatment may be tested periodically by E.H.I. Elite Holdings Inc. to ensure that they stay drug-free. If they subsequently have a positive test for controlled substances, they will be subject to discharge.



OFF-THE JOB ILLEGAL DRUG USE, POSSESSION, SALE OR OTHER SUCH ACTIVITY

Off-the job illegal drug use, possession, sale or other such activity could adversely affect an employee's job performance, jeopardize the safety of other employees, and jeopardize Company equipment, property and reputation, as well as endanger the general public. Accordingly, such off-the job conduct or activity may be deemed a violation of this policy and could result in disciplinary action against the employee by E.H.I. Elite Holdings Inc., up to and including discharge. In deciding the appropriate disciplinary action to take in regard to such off-the-job drug use, possession, sale or other such activity, management will take into consideration the nature of the activity charged, the employee's total record with E.H.I. Elite Holdings Inc., and other factors deemed relevant by E.H.I. Elite Holdings Inc. for the protection of E.H.I. Elite Holdings Inc. business and total operation.

WORKPLACE SEARCHES AND INSPECTIONS

To help ensure a safe and healthy work environment and to accomplish the objectives of this policy, E.H.I. Elite Holdings Inc. reserves the right to condition entry upon Company premises, including any camps, crew housing, parking areas and all grounds and work areas to which E.H.I. Elite Holdings Inc. employees are assigned, upon E.H.I. Elite Holdings Inc. right to search the premises or in work areas, for illegal and unauthorized drugs, drug paraphernalia controlled substances, alcoholic beverages and unauthorized weapons. Such searches may include but are not limited to automobiles, tool boxes, lunch kits and purses employee lockers, desks, or other property under the control of the employees. Refusal to permit a search may subject an employee to immediate discipline up to and including discharge. Searches and inspections will be performed with concern for the individual's privacy, dignity and confidentiality, illegal substances, drugs, and other prohibited items discovered through these searches and inspections may result in law enforcement authorities being advised in this regard consistent with the law.

I have read and understand this policy.

Employee: _____
Print Name

Signature: _____

Date: _____