



MAGNUM CONSTRUCTION SERVICES INC.

DISCIPLINARY & RECOGNITION PROCEDURES (SAFETY INCENTIVE PROGRAM)

Document Code: MCS-HR-P04 | **Revision:** 1.0 | **Effective Date:** November 1, 2025

1. PURPOSE

To establish a consistent, transparent, and fair procedure for addressing unsafe acts or behavior, and for recognizing individuals or teams who demonstrate exceptional commitment to health, safety, environmental, and quality performance. This procedure reinforces Magnum Construction Services Inc.'s core values of accountability, continuous improvement, and positive reinforcement.

2. SCOPE

This policy applies to all Magnum Construction Services employees, subcontractors, and site personnel working under Magnum supervision at corporate offices and project sites.

It governs:

- Disciplinary actions for violations of company safety and conduct standards.
 - Recognition programs for exemplary performance and compliance.
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3. REFERENCES

- OSHA 29 CFR 1904.35 — Employee Involvement
 - ISO 45001:2018 — Occupational Health & Safety Management
 - Magnum HSE Manual (MCS-EHS-01)
 - Magnum Corporate Code of Ethics (MCS-CORP-02)
 - Magnum Human Resources Policy (MCS-HR-01)
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4. RESPONSIBILITIES

Role	Responsibilities
Executive Director	Final authority for enforcement and approval of program.
HSE Manager	Oversees disciplinary investigations and incentive tracking.
Project Manager	Ensures fair application at site level; reviews corrective actions.
Supervisors/Foremen	Conduct initial coaching or verbal warnings; promote recognition.
HR Department	Maintains all disciplinary and recognition records; ensures confidentiality.

5. DISCIPLINARY PROCEDURE

Disciplinary actions are **corrective**, not punitive, and aim to prevent recurrence of unsafe behavior.

5.1 Progressive Stages:

1. **Verbal Warning** – Coaching session documented on Form HR-F04A.
2. **Written Warning** – Issued for repeated or serious safety violations.
3. **Final Warning / Suspension** – Applied for willful disregard of safety protocols.
4. **Termination** – Reserved for gross negligence, theft, violence, or willful misconduct.

5.2 Immediate Termination Offenses:

- Falsifying safety or timesheet records.
- Tampering with safety equipment or PPE.
- Possession of drugs, alcohol, or weapons on company premises.
- Reckless actions endangering self or others.



5.3 Appeals:

Employees may appeal any disciplinary action through HR within five (5) business days of issuance.

6. RECOGNITION & SAFETY INCENTIVE PROGRAM

Magnum Construction Services promotes a **Safety-First Culture** by recognizing positive performance through measurable, fair, and transparent criteria.

Recognition Level	Eligibility	Criteria	Award Examples	Frequency
Individual Recognition	All employees	Zero incidents, proactive reporting, near-miss reporting, positive peer leadership	Safety Coin, Gift Card, Certificate	Monthly
Crew / Trade Team	Project or trade group	No incidents, 100% attendance at toolbox talks, positive audit	Lunch Voucher, Team Bonus	Quarterly
Project Milestone Award	Project management & HSE teams	Zero LTIs, Audit $\geq$ 95%, client commendation	Bonus Recognition / HSE Banner	Annual

6.1 Points System:

Each positive act = +5 points

Each verified violation = -2 to -10 points (based on severity)

Top-performing teams are announced in monthly safety meetings.

7. REPORTING & REVIEW

- All disciplinary and recognition activities must be recorded in the **Safety Performance Register (MCS-HR-F04)**.
- HSE and HR jointly review trends monthly.
- Annual summary is presented during the **Corporate Management Review**.

8. RECORD RETENTION

All records (forms, meeting minutes, awards, and disciplinary documentation) are to be retained for **5 years** in secure HR/HSE archives or QMS SharePoint.

9. CONFIDENTIALITY & FAIRNESS

All disciplinary records are confidential and handled in accordance with HR privacy standards. Recognition awards are communicated publicly to reinforce positive culture, while disciplinary actions remain private.

Magnum Construction Services maintains a **zero-tolerance policy** toward retaliation, favoritism, or unfair disciplinary treatment.

10. APPROVALS

Name	Title	Signature	Date
Michael Gaya	Executive Director		
HSE Manager	Safety & Environment		
HR Manager	Human Resources		
Project Manager	Operations		