

# **TABLE OF CONTENTS**

Page No.

## **A. General**

|  |       |
|--|-------|
| Disclaimer   | A 1-1 |
| Computer Use   | A 2-1 |
| Conflicts of Interest  | A 3-1 |
| Equal Employment Opportunity, Non-Discrimination and Non-Harassment    | A 4-1 |
| Non-Solicitation and Non-Distribution                                  | A 5-1 |
| Subpoenas, Legal Documents and Communications with Outside Sources     | A 6-1 |
| Telephone Usage  | A 7-1 |
| U.S. Substance Abuse   | A 8-1 |
| Introduction to VENTURE PETROLEUM Code of Conduct for Retail Employees | A 9-1 |

## **B. Employment**

|  |        |
|--|--------|
| Attendance   | B 1-1  |
| Company Service  | B 2-1  |
| Dating, Fraternalization and Nepotism                                  | B 3-1  |
| Discipline   | B 4-1  |
| Employment Classifications   | B 5-1  |
| Employment — Individuals With Disabilities                             | B 6-1  |
| Engaging the Services of Former Employees                              | B 7-1  |
| Fluctuating Work Week Method of Pay                                    | B 8-1  |
| Gambling on Company Premises and/or Time                               | B 9-1  |
| Hiring of Minors   | B 10-1 |
| Meal and Rest Periods  | B 11-1 |
| Pay Practices  | B 12-1 |
| Personal Property in the Workplace                                     | B 13-1 |
| Qualified Individuals With Disabilities and Qualified Covered Veterans | B 14-1 |
| Reproductive and Developmental Risk/Work Capacity                      | B 15-1 |
| Workplace Communications   | B 16-1 |
| Supplemental Exception Pay   | B 17-1 |

## **C. Benefits**

|   |       |
|---|-------|
| Educational Assistance                  | C 1-1 |
| Holidays                                | C 2-1 |
| Leaves of Absence                       | C 3-1 |
| Salaried Short-Term Disability Benefits | C 4-1 |
| Service and Retirement Award Program    | C 5-1 |
| Vacation                                | C 6-1 |

These policies and procedures are subject to the Disclaimer on page A 1-1 of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

## TABLE OF CONTENTS (cont.)

Page No.

### D. Operations

|  |         |
|--|---------|
| Cash Handling  | D 1-1   |
| Cash Loss Drive Off  | D 2-1   |
| Employee Purchases   | D 3-1   |
| Employee Referrals   | D 4-1   |
| Handling of Customer Complaints                              | D 5-1   |
| Inventory Control  | D 6-1   |
| Responsible Alcohol Sales Compliance                         | D 7-1   |
| Service Animal   | D 8-1   |
| Smoking  | D 9-1   |
| Special Facility Manager Compensation Program/Complexity Pay | D 10-1  |
| Temporary Management of Multiple Units                       | D 11-1  |
| Time Entry Procedures  | D 1 2-1 |
| Tobacco Compliance   | D 13-1  |
| Training Standards   | D 14-1  |
| Uniforms   | D 15-1  |
| Pager Use.   | D 16-1  |
| Training Bonus   | D 17-1  |
| Travel Time  | D 18-1  |
| Shift Trading  | D 19-1  |
| Premium Pay  | D 20-1  |

### E. HSSE

|   |        |
|---|--------|
| Cutting Devices and Personal Protective Equipment             | E 1-1  |
| Employee Personal Commitment to Safety                        | E 2-1  |
| Personal Vehicle Use  | E 3-1  |
| Property, Security and Inspections                            | E 4-1  |
| Road Safety   | E 5-1  |
| Safety Essentials   | E 6-1  |
| ServSafe Training (this policy has been combined with D 14-1) | E 7-1  |
| Violence in the Workplace                                     | E 8-1  |
| Reporting an Injury   | E 9-1  |
| Shoplifting/Beer Runner/Disruptive Customer                   | E 10-1 |
| Sharp Objects   | E 11-1 |

|                               |      |
|-------------------------------|------|
| Forms                         |      |
| Employee Lunch Exemption Form | F1-1 |

# Table of Contents Alphabetized

Page No.

|  |        |
|--|--------|
| Attendance   | B 1-1  |
| Cash Handling  | D 1-1  |
| Cash Loss Drive Off  | D 2-1  |
| Company Service  | B 2-1  |
| Computer Use   | A 2-1  |
| Conflicts of Interest  | A 3-1  |
| Cutting Devices and Personal Protective Equipment                      | E 1-1  |
| Dating, Fraternalization and Nepotism                                  | B 3-1  |
| Disclaimer   | A 1-1  |
| Discipline   | B 4-1  |
| Educational Assistance   | C 1-1  |
| Employee Personal Commitment to Safety                                 | E 2-1  |
| Employee Purchases   | D 3-1  |
| Employee Referrals   | D 4-1  |
| Employment Classifications   | B 5-1  |
| Employment — Individuals With Disabilities                             | B 6-1  |
| Engaging the Services of Former Employees                              | B 7-1  |
| Equal Employment Opportunity, Non-Discrimination and Non-Harassment    | A 4-1  |
| Fluctuating Work Week Method of Pay                                    | B 8-1  |
| Gambling on Company Premises and/or Time                               | B 9-1  |
| Handling of Customer Complaints  | D 5-1  |
| Hiring of Minors   | B 10-1 |
| Holidays   | C 2-1  |
| Introduction to VENTURE PETROLEUM Code of Conduct for Retail Employees | A 9-1  |
| Inventory Control  | D 6-1  |
| Leaves of Absence  | C 3-1  |
| Meal and Rest Periods  | B 11-1 |
| Non-Solicitation and Non-Distribution                                  | A 5-1  |
| Pager Use  | D 16-1 |
| Pay Practices  | B 12-1 |
| Personal Property in the Workplace                                     | B 13-1 |
| Personal Vehicle Use   | E 3-1  |
| Premium Pay  | D 20-1 |
| Property, Security and Inspections                                     | E 4-1  |
| Qualified Individuals With Disabilities and Qualified Covered Veterans | B 14-1 |
| Reproductive and Developmental RiskNVork Capacity                      | B 15-1 |
| Reporting an Injury  | E 9-1  |
| Responsible Alcohol Sales Compliance                                   | D 7-1  |
| Road Safety  | E 5-1  |
| Safety Essentials  | E 6-1  |
| Salaried Short-Term Disability Benefits                                | C 4-1  |
| Service Animal   | D 8-1  |
| Service and Retirement Award Program                                   | C 5-1  |
| ServSafe Training (this policy has been combined with D 14-1)          | E 7-1  |
| Sharp Objects  | E 11-1 |
| Shift Trading  | D 19-1 |
| Shoplifting/Beer Runner/Disruptive Customer                            | E 10-1 |
| Smoking  | D 9-1  |

These policies and procedures are subject to the Disclaimer on page A 1-1 of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

## Table of Contents Alphabetized

Page No.

|  |        |
|--|--------|
| Special Facility Manager Compensation Program/Complexity Pay       | D 10-1 |
| Subpoenas, Legal Documents and Communications with Outside Sources | A 6-1  |
| Supplemental Exception Pay   | B 17-1 |
| Telephone Usage  | A 7-1  |
| Temporary Management of Multiple Units                             | D 11-1 |
| Time Entry Procedures  | D 12-1 |
| Tobacco Compliance   | D 13-1 |
| Training Bonus   | D 17-1 |
| Training Standards   | D 14-1 |
| Travel Time  | D 18-1 |
| U.S. Substance Abuse   | A 8-1  |
| Vacation   | C 6-1  |
| Uniforms   | D 15-1 |
| Workplace Communications   | B 16-1 |
| Violence in the Workplace  | E 8-1  |

These policies and procedures are subject to the Disclaimer on page A 1-1 of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

## **Computer Use**

---

The Company and certain associate companies have proprietary rights of Company systems and data. Unauthorized access and non-permitted use of these systems is unlawful and may result in disciplinary action and/or legal proceedings.

The Internet is a valuable source of information, an important communication tool and an important facilitator of electronic commerce. Internet access is provided to salaried employees, as needed, as a business tool. E-mails, similar to more formal methods of communication or records, should be drafted and transmitted with care, having regard to the nature and scope of their content, who the intended recipients are, and the fact that they may be deliberately or accidentally copied and may be read by unintended recipients.

Employees are allowed to access the Internet and computer systems for business use only. Inappropriate use or misuse of the Internet or computer systems will result in employee disciplinary action up to and including termination of employment. Employees must not access Internet services that contain material that is objectionable in the workplace. This includes pornography, sexually explicit images, text and related material, illegal activity or intolerance for others. The Company also prohibits emailing or distributing such material inside or outside the Company. Employees are prohibited from sending any external emails from the VENTURE PETROLEUM at-site computer system. Employees uncertain as to what is allowed or appropriate should ask their manager.

Passwords are designated to a specific employee and should not be given to any other person for any reason.

Responsible personal use does not interfere or compete with Company business, interfere with an employee's work or the work of others, or interfere with the operation of our Internet gateways or networks (e.g. by large file downloads such as video clips and games). Also, responsible personal use does comply with Company digital business security policies. Employees should not download software unless they are clear that they have permission to do so. Employees should be careful of computer viruses and should not open attachments or link to web sites of which they are suspicious.

While respecting privacy principles, the Company specifically reserves the right, within the bounds of law, to access electronic communications and computer files. In such cases, notifying users that their electronic communications are being examined is optional at the Company's discretion.

In support of these requirements, monitoring of Company computer systems and the Internet gateways is routine, and employees should note that this is being carried out. The use of a password to access the computer systems and e-mail does not guarantee privacy of the information. The Company reserves the right to access and view all information contained on the computer and its servers, or viewed through the computer, including e-mail. Employees are prohibited from bringing personal computers onto the retail site.

## **Conflicts of Interest**

The content of the following sections, Conflicts of Interest and Gifts and Entertainment are provided in the same language in which they appear in the VENTURE PETROLEUM Code of Conduct on pages 32 - 34 (Conflicts of Interest) and pages 28 - 30 (Gifts and Entertainment). You may read the VENTURE PETROLEUM Code of Conduct at your work site, where copies are available in the office or you may access it on the VENTURE PETROLEUM intranet at <http://codeofconduct.bpweb.bp.com/en/> or at [www.bp.com](http://www.bp.com) (search: code of conduct), accessible from any internet browser.

VENTURE PETROLEUM respects its employees' privacy, and therefore does not normally take an interest in personal conduct outside of work. However, when an employee's personal, social, financial or political activities interfere or have the potential of interfering with the employee's loyalty and objectivity towards the group, a "conflict of interest" may exist that must be satisfactorily resolved. Actual conflicts must be avoided, but even the appearance of a conflict of interest can be harmful too

Conflicts of interest can arise in many ways. Here are examples of some of the more common ones.

### **Loans**

Loans between a supervisor/manager and anyone who reports in through the supervisor/manager's management chain can create a conflict of interest and are prohibited.

### **Outside Jobs and Affiliations**

Outside employment and affiliations can create conflicts of interest. Examples are:

- Having a second job
- Performing services
- Serving as a director or consultant
- Holding a financial interest

Any of the above with an organization that is a competitor, customer or supplier of goods or services to VENTURE PETROLEUM, may raise a conflict of interest, or the appearance of a conflict of interest. (The same is true if the relationship is with an organization that is seeking to become a competitor, customer or supplier.)

Some arrangements of this kind are never permissible. For example, you must never work or provide services for anyone that you must deal with as part of your job for VENTURE PETROLEUM. CSRs are allowed to work for other retailers, c-store and/or restaurants. However, sharing of proprietary VENTURE PETROLEUM work processes, materials, labor models and other information is prohibited. For all other relationships with competitors, customers or suppliers, you must first obtain written approval from your manager.

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

## **Jobs and Affiliations with Close Relatives**

The activities of close relatives sometimes can create conflicts of interest, too. If you learn that a close relative works or performs services for a competitor, customer or supplier, promptly notify your line manager to determine if action is required. In general, a relative should not have any business dealings with you, with anyone working in your business unit or with anyone who reports to you. In addition, you should never be in a situation where you have the ability to hire, supervise, affect terms and conditions of employment, or influence the management of any close relative, regardless of whether that person is a VENTURE PETROLEUM employee or employed by a VENTURE PETROLEUM contractor.

Exceptions require specific approval by your line manager.

You are not responsible for learning about the activities of family members who do not live with you. For family members outside your home, in other words, you need only be concerned with those circumstances about which you know.

"Close relative" means a spouse, parent, stepparent, child, stepchild, sibling, stepsibling, nephew, niece, aunt, uncle, grandparent, grandchild and in-laws or anyone with whom you have a close personal relationship.

## **Boards of Directors**

Occasionally, an employee may be asked to serve on the board of directors of another organization and this can, in some cases, raise a conflict of interest or even a legal issue. Before accepting a position as a board member (including not-for-profits), always get written approval as required by the non-executive directorship approval process which can be found at <http://cosec.bpweb.bp.com/procedures.htm#director>.

## **Investments**

Employees and their close relatives need to be careful that their investments do not create conflicts of interest, impairing the employee's ability to make objective decisions on behalf of VENTURE PETROLEUM.

Conflicts can occur if investments are made in competitors, suppliers, or customers.

Any "substantial interest" in a competitor, supplier or customer requires the prior written approval of your line manager. A "substantial interest" means any economic interest that might influence or appear to influence your judgment. (Usually, ownership of less than 1 % of the shares of a publicly quoted company is usually not a problem. However, if in doubt, you should check with your line manager or VENTURE PETROLEUM Legal.)

**Some investments are always wrong:**

- Never invest in a supplier if you have any involvement in the selection or assessment of, or negotiations with, the supplier, or if you supervise anyone who has such responsibility
- Never invest in a customer if you are responsible for dealings with that customer or supervise anyone with such responsibility.

Usually, however, whether an investment creates a conflict of interest is a matter of good judgment. When deciding whether an investment might create a conflict, ask yourself these questions:

- Would the investment affect any decisions I will make for my company?
- How would the investment seem to others inside my company, such as my co-workers — would they think it might affect how I do my job for the company?
- How would it look to someone outside the company, such as a customer or shareholder, or even in a newspaper?

If you think you may have a conflict of interest, or that others could possibly believe an activity or relationship you are engaged in is a conflict of interest, you must promptly disclose this to your line manager. Many conflicts of interest can be resolved in a mutually acceptable way, but they must be dealt with. Failure to disclose a conflict may lead to removal from a job assignment and other disciplinary action as appropriate.

**Gifts and Entertainment**

The exchange of gifts and entertainment can build goodwill in business relationships, but some gifts and entertainment can create improper influence (or the appearance of improper influence). Some can even be seen as bribes that tarnish the Company's reputation for fair dealing or break the law.

'Gifts and Entertainment' means anything of value, e.g. discounts, loans, favorable terms on any product or service, services, prizes, transportation, use of another company's vehicles, use of vacation facilities, stocks or other securities, participation in stock offerings, home improvements, tickets, and gift certificates.

Gifts and entertainment between Company employees and others fall into three categories:

1. Those that are usually acceptable and that you may approve yourself.
2. Those that are never acceptable.
3. Those that may be acceptable but require prior approval.

## A 3-3

### Usually Acceptable Self-Approval Test

Some gifts and entertainment are sufficiently modest that they do not require prior approval. Subject to your applying a "self-approval test" (described below), the following are usually acceptable without prior approval:

- Meals: modest occasional meals with someone with whom we do business
- Entertainment: occasional attendance at ordinary sports, theatre and other cultural events
- Gifts: gifts of nominal value, such as pens, calendars, or small promotional items

**Self-Approval Test** — In addition to applying the principles above, ask the following questions to determine whether a gift or entertainment is appropriate:

- **Intent:** Is the intent only to build a business relationship or offer normal courtesy, or is it to influence the recipient's objectivity in making a business decision?
- **Materiality** and frequency: Is the gift or entertainment modest and infrequent or could it place you (or the other party) under an obligation?
- **Legality:** Are you sure that the gift or entertainment is legal both in your country and, if applicable, in the country of the third party?
- **Compliance with the other person's rules:** Is the receipt of gifts and entertainment allowed by the recipient's organization? Special care must be taken when dealing with government officials as many countries do not allow officials to accept gifts or entertainment.
- **Transparency:** Would you be embarrassed if your manager, colleagues or anyone outside the Company became aware? If so, there is probably something wrong.
- **Hypocrisy:** Are you adopting double standards? We should only offer what we would be comfortable to accept (and vice versa).

### Always Unacceptable

Other types of gifts and entertainment are simply wrong. These are never permissible, and no one can approve them. These are:

Any gift or entertainment that would be illegal (anything offered to a government official in breach of local or international bribery laws);

Gifts or entertainment involving parties engaged in a tender or competitive bidding process;

Any gift of cash or cash equivalent (such as gift certificates, loans, stock, stock options);

Any gift or entertainment that is a 'quid pro quo' (offered for something in return);

Any entertainment that is indecent, sexually oriented, does not comply with the Company's commitment to mutual respect or that otherwise might adversely affect the Company's reputation;

A gift or entertainment that you pay for personally to avoid having to report or seek approval for.

### May Be Acceptable With Prior Approval

For anything that does not fit into the other categories, the gift or entertainment may or may not be permissible. You must get approval from your supervisor for the following:

- Entertainment
- Gifts
- Meals
- Special events
- Bonus payout

Any entertainment valued at more than \$1000 (or gifts >\$250) must be approved by a Group Vice President (VENTURE PETROLEUM).

In determining whether to approve something in this category, Company supervisors and GVENTURE PETROLEUM will apply criteria similar to those described in the 'self-approval test'.

### Other Important Things to Know About Gifts and Entertainment

**Gifts and Entertainment Registers** — All business meals, gifts and entertainment — whether accepted or declined by Company employees — must be recorded in the local Gifts and Entertainment Register. This does not apply to nominal value items such as promotional material, mementoes or working meals.

**What to Do If You Receive an Impermissible Gift** — It is acceptable to receive a gift that exceeds a designated monetary limit if it would be insulting to decline it, but the gift should be reported to management who will decide whether it:

- May be retained by the recipient
- Will be retained for the benefit of the Company or a specific department
- Will be sold and the money donated to charity
- Will be returned to the donor.

You must immediately return any gift of cash or cash equivalent such as a bank cheque, money order, investment securities or negotiable instrument.

If you have questions or concerns about gifts and entertainment policies, contact your manager or Group Compliance and Ethics.

**Subpoenas, Legal Documents and Communications with Outside Sources**

The Company must ensure that authorized personnel receive legal complaints, subpoenas and other judicial documents. The only persons legally authorized to accept such documents for the Company are officers of the Company or individuals who have been specifically designated to receive such service. The information below does not apply to legal documents served on an employee as a private party, but rather documents received by an employee acting in the capacity of VENTURE PETROLEUM representative.

A delay in responding to legal documents can be costly to the Company. Therefore, failure to transmit legal documents to the individuals identified below within the time period specified will lead to discipline up to and including termination of employment.

**Site Mail**

Managers must examine all mail received at the site within two days of receipt and must pay particular attention to certified mail. Managers must notify their CAEs immediately regarding legal documents (including, but not limited to, complaints, subpoenas and court orders) received by mail or by personal service at the site. Failure to adhere to this process will result in discipline up to and including termination of employment.

**Notices of Violation**

All Notice of Violations, such as for alcohol and tobacco violations, must immediately be given to the Site Manager. These must be faxed immediately to Martin Samo , po Box 21435 El cajon Ca 92021 , fax number 619-579-7338.

**Subpoenas**

All subpoenas must immediately be given to the Site Manager. Within 24 hours the Site Manager must fax the document to Martin Samo , po Box 21435 El cajon Ca 92021, fax number 619-579-7338.

All subpoenas and notices of violation must be express mailed to the following address within 24 hours:

### **Garnishments**

Employee garnishments such as child support orders, bankruptcy orders, wage deduction summons, IRS levies, etc. must be express mailed to the following address within 24 hours:

VENTURE PETROLEUM Human Resources/Payroll Department  
1225 Broadway  
El cajon CA 92021

It is absolutely essential that these documents are sent to La Palma immediately (including those relating to former employees).

### **Unemployment Claims**

All unemployment claims are Martin Samo , po Box 21435 El cajon Ca 92021 , fax number 619-579-7338.

### **Federal/State/Local Government or Court Notices**

Documents and/or other forms of communication received at retail locations from Federal, State or Local authorities that notify or warn of potential or real action that would adversely affect VENTURE PETROLEUM operations must immediately be brought to VENTURE PETROLEUM Legal's and the applicable CAE's attention. CAE's must then immediately inform and provide the Operations Manager with all the available information concerning the issue. Operations Managers must then, as appropriate, notify the applicable Operations Director, Performance Unit Leader, Business Unit Leader, and other groups within VENTURE PETROLEUM so that appropriate action can be taken.

These types of documents and other forms of communication include, but are not limited to, the following:

- Notifications that site licenses may be in jeopardy of being revoked
- Notifications of potential or real legal actions by Federal, State or Local agencies
- Notifications of on-site investigations and/or inspections
- Notifications of potential or real legal actions from an attorney, other than those documents specified above

Notices delivered by mail must be express mailed by the Manager within 24 hours of receipt to Martin Samo , po Box 21435 El cajon Ca 92021 , fax number 619-579-7338. , marked to the attention of VENTURE PETROLEUM Law Department. There are no exceptions; documents such as agency charges, labor board claims, summons, subpoenas and unemployment claims are all legal documents and **must be express mailed to Martin Samo , po Box 21435 El cajon Ca 92021 (Law Department) 24 hours.**

If a process server attempts to deliver notices/judicial documents in person at a facility, the process server is to be told that only our registered agent, at the address listed below, is authorized to accept service of legal documents. Should the document be left by the server despite this information, the Manager is **to express mail it within 24 hours**, to: "VENTURE PETROLEUM Law Department."

### **Employment Verifications and Personnel Information**

All requests for employment verification of, or personnel information on, former or current employees are to be directed to the Martin Samo , po Box 21435 El cajon Ca 92021 , fax number 619-579-7337

### **Employment References**

The Company does not provide employment references.

### **News Media**

No interview, statement or information is to be given to any media representative by any employee, except with the approval of the Operations Manager. All requests from the media are to be directed to Government and Public Affairs.

### **Non-Profit or Charitable Institutions**

Employees may make charitable contributions only as individuals, not as a Company representative, and such contributions cannot be charged as a Company expense. All requests for the temporary operation of charitable businesses on Company property, such as car washes, raffles, etc. are to be directed to your Operations Manager.

## **Telephone Usage**

---

The Company recognizes that employees may occasionally find it necessary to make or accept personal phone calls or text messages while at work. Such telephone calls and text messages (including those made via personal cell phones as well as those via Company telephones) are to be kept to a minimum and must be made only during breaks, with the exception of emergencies.

While at work, cell phones should be put on a silent/vibrate mode. There should be no talking or text messaging on cell phones during work time (with the exception of emergencies). Cell phones may be used during break time but must be out of the view of customers. Employees must not take pictures with cell phones or cameras in the workplace.

In addition, no personal long-distance calls are to be made using Company telephones. Also, calls to 900 numbers that are not related to Company business are not to be made using Company telephones. Calls to 800 numbers are permissible as long as they are consistent with this policy and are not for an inappropriate purpose.

## **Mobile Phone Usage**

The Company prohibits employees from using any mobile phone or other twoway communication devices while driving on Company business. The Company also prohibits employees from using any Company-supplied mobile phone or other two-way communications device for any reason while driving, regardless of whether the employee is on Company business.

## **US Substance Abuse\***

### **1. Purpose of this Policy**

The Company is committed to providing a safe and healthy workplace that enables employees to perform at their most productive levels. Consistent with that commitment, the Company has developed this policy regarding substance abuse and its effect on the workplace. The goal is to establish and maintain a work environment that is free from the adverse effects of drugs and alcohol.

This policy applies to all non-represented USCO employees excluding employees of Fabrics and Fibers. Non-VENTURE PETROLEUM employees performing work for the Company on Company premises through a contract or third-party employer are expected to meet requirements comparable to those of this policy. When feasible, these requirements will be reflected in any written agreement between the Company and the contractor or third party providing leased workers.

The provisions of this policy will be applied so as to be consistent with applicable federal, state and local laws. If consistency cannot be obtained, state law will supersede.

### **2. General Policy Statement**

a) No employee shall manufacture, distribute, dispense, possess or use prohibited substances while on the job or on Company premises.

b) No employee shall report to work, be on the job or be on Company premises under the influence of prohibited substances.

c) No employee shall test positive for the presence of prohibited substances in amounts equal to or exceeding the cut-off levels adopted by the Company.

d) No employee shall refuse to undergo a prohibited substance test required by this policy, including but not limited to the following:

- Failure to remain until the process is completed;
- Failure to provide a proper specimen;
- Refusal to permit direct observation if required;
- Failure to provide a sufficient or adequate specimen (without medical explanation);
- Failure to appear for testing (including within a reasonable time);
- Refusal to undergo a medical examination when directed for shy bladder or shy lung;
- Failure to cooperate with any part of the testing process including, if requested, signature of required forms or refusal to empty pockets;
- Failure to submit to a re-collection or retesting when required; or
- Submission of a specimen that the Medical Review Officer (MRO) verifies as adulterated or substituted.

\*\*Should the Company modify this policy in any way, any positive prohibited substance test will remain active, and the Company reserves its full right to consider such a positive test result for disciplinary or other purposes.

A 8-1

e) Prohibited substances are defined as: (i) any alcoholic beverage, the use of which is not authorized by the Company, (ii) any substance that an individual may not manufacture, distribute, dispense, possess or use under U.S. law and the laws of the state in which the individual is employed or is working, and (iii) any otherwise legal but illicitly-used substances, including prescription drugs obtained without proper medical authorization, and prescribed drugs, over-the-counter drugs, THC-containing substances, and other substances not being used for their intended purposes. The MRO shall determine what constitutes illicit use.

f) An employee must notify VENTURE PETROLEUM Health Services or other applicable health services provider, or when Health Services is not readily accessible, his/her supervisor or Human Resources contact, when he/she is taking any prescription or nonprescription medicine or any other substance that he/she believes may impair his/her judgment or performance or otherwise adversely affect the normal functions of his/her mental faculties or physical abilities. Health Services (or the applicable health services provider) will determine whether, and to what extent, to restrict the employee's work activities.

g) Should an employee test positive on a prohibited substance test, refuse to undergo a prohibited substance test, and not be terminated from employment, the employee will be referred to a Substance Abuse Professional (SAP) for a clinical assessment and determination whether rehabilitation is necessary. (An SAP may be available through an Employee Assistance Program (EAP).) Employees are required to follow any recommended rehabilitation program as a condition of continued employment including prohibited substance testing in addition to testing otherwise required by this policy.

h) All discussions with the SAP, EAP or rehabilitation counselors are confidential and will not become part of an employee's employment file but will become part of the employee's confidential file maintained by VENTURE PETROLEUM Health Services (or the applicable health services provider). Counselors and physicians will discuss an employee's substance use with management only to the extent necessary to ensure workplace and employee safety or if required by law. If an employee needs time off from work for treatment or is not fit to return to unrestricted duty following treatment, the SAP/EAP will consult with a VENTURE PETROLEUM-authorized health services representative, who will advise management of medical restrictions or need for a medical leave, not revealing the reason for such actions.

i) The Company reserves the right to report known illegal activity to law enforcement authorities.

### **3. Government Regulations**

Within the United States, locations with federal agency contracts in excess of \$25,000 covered by the Drug-Free Workplace Act of 1988 must promulgate the following Drug-Free Workplace Act Policy Statement:

a) The Company is committed to providing a drug-free workplace. Drug and alcohol use in the workplace is a threat to the safety and health of our employees, and it jeopardizes the efficiency of our operations and it impacts the quality of our products.

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.

(Revised October 29, 2006)

## A 8-2

b) For these reasons, the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance on Company premises is prohibited. Further, employees must notify the Human Resources Department of any criminal drug statute conviction for a violation occurring on Company premises not later than five (5) days after the conviction. Any employee so convicted will be subject to sanctions, including satisfactory participation in a drug abuse assistance or rehabilitation program.

c) Pursuant to the Drug-Free Workplace Act of 1988, compliance with this policy is specifically made a condition of employment with the Company. An employee who violates this policy will be subject to disciplinary action, up to and including termination.

d) Employees who believe they may have a drug abuse problem are urged to contact the Company's Employee Assistance Program (EAP), Human Resources, or Health Services to obtain information regarding the Company's available EAP and rehabilitation programs.

e) When an employee notifies management of a conviction under any criminal statute for a violation occurring in the workplace, or management learns of such a conviction, local management has ten (10) days to notify the federal contracting agency. Failure to notify the appropriate agency may result in termination, debarment, or suspension of the contract.

### **4. Training**

Training for supervisors will be made available; supervisors have an obligation to seek timely and appropriate training on their responsibilities under this policy to include identification of signs indicating the appropriateness of reasonable suspicion testing. All employees will receive appropriate substance abuse awareness education as well as information concerning their obligations under this policy.

### **5. Self-Referral**

Substance abuse impacts individual health and safety. The Company encourages employees to utilize the benefits and resources available to gain the assistance they may need for substance abuse problems including, as available, self-referral to the EAP for assessment. Self-referral will not mitigate any disciplinary action the Company takes in response to any employee violation of this policy.

### **6. Inspections**

The Company will conduct inspections to the extent the Company considers necessary to ensure compliance with this policy. Generally, inspections will be conducted without any prior announcement, and may be conducted outside the presence of the employee. Entry onto any Company property or facility, including parking areas, is deemed consent to an inspection that may include, but is not limited to, person, vehicle, and personal effects at any time while entering, on, or leaving the property or facility, as well as off-Company premises while engaged in Company business.

Submission to Company inspections is a condition of employment. Employees who refuse to cooperate with Company inspections conducted pursuant to this policy shall not be forcibly inspected, but will be suspended without pay for whatever time is necessary for the Company to investigate the matter and determine if any disciplinary action, up to and including termination, will be taken.

## **7. Prohibited Substance Testing**

The Company will conduct applicant and employee testing as permitted or required by federal or state law including, where applicable, testing required by any government agency. In addition to testing mandated by law and as allowed by law, in accordance with this policy, the Company may conduct the following types of testing:

- Pre-placement testing;
- Pre-promotion testing;
- Reasonable suspicion testing;
- Post-accident/incident testing;
- Random testing;
- Return-to-work testing;
- Follow-up testing after a positive prohibited substance test; a Return from leave of absence testing; and
- Unannounced testing of employees at a work site of critical safety-sensitivity or where there is reasonable suspicion of non-individualized prohibited substance use.

Except as otherwise stated, all prohibited substance testing will be conducted using collection, documentation, chain-of-custody and testing methods consistent with Substance Abuse and Mental Health Services Administration (SAMHSA) standards. Hair testing methodology may be used for pre-placement testing and may be used for other testing with appropriate senior management authorization. On-site screening devices (such as Point of Collection Screening Devices) approved by VENTURE PETROLEUM Health Services may be utilized in addition to or in lieu of more traditional specimen collection or screening.

Unless otherwise established in an applicable substance abuse policy, prohibited substance testing will include the same substances and testing cutoff levels as under Department of Transportation (DOT) regulations and/or Department of Health and Human Services (DHHS). However, the Company reserves the right to change the substances for which it tests and/or cutoff levels, at the Company's discretion. (Refer to the Addendum for Substances and Testing Levels.)

**Confidentiality of Test Results** — Test results and related information will not be released to anyone other than members of Company management, and the employee or applicant unless: (1) the employee or applicant requests, in writing, that the Company (or its third party agents) release the information to another party; (2) the Company (or its third party agents) is ordered by a court of competent jurisdiction to release the

information; (3) a state or federal government entity having proper authority requests the information be released; or (4) as otherwise required by law.

A 8-4

#### a) Pre-Placement Testing

All applicants who have received conditional employment offers, with the exception of retail at-site non-management hourly employees, must submit to pre-placement prohibited substance testing no sooner than 60 days prior to planned placement. Applicants for at-site non-management positions will not be considered eligible for employment with the Company if they were previously employed by the Company and tested positive under a Company prohibited substance test of any kind within the 12 months of his/her current application for employment. Prior to this testing, the applicant shall have completed all of the customary prerequisites for employment, except for completion of a Company pre-placement medical examination, if required.

The Company will not hire an applicant who tests positive on a pre-placement prohibited substance test. A refusal to undergo pre-placement prohibited substance testing will automatically disqualify the applicant from further consideration for employment. Applicants denied employment because of a positive prohibited substance test will be eligible to reapply after twelve (12) months from the date of the positive prohibited substance result.

During the hiring process, the hiring manager shall not discriminate against an applicant who volunteers information regarding a past substance abuse problem, as long as the applicant is no longer using prohibited substances, can successfully pass a prohibited substance test prior to employment, and is otherwise qualified for the position.

#### b) Pre-Promotion Testing

In California, managers must contact HR before requiring any substance abuse testing. Pre-promotion prohibited substance testing is required for retail marketing at-site employees being promoted to a retail at-site management position or to any non-at-site position.

During the selection process, the hiring manager shall not discriminate against an applicant who volunteers information regarding a past substance abuse problem, as long as the applicant is no longer using prohibited substances, can successfully pass the pre-promotion prohibited substance test, and is otherwise qualified for the position. Potential internal applicants will be advised of the pre-promotion testing requirement; any individual who withdraws his/her application prior to the pre-promotion testing will not be tested and will be permitted to remain in his/her current position.

When such testing is required, the internal applicant must successfully pass the test prior to being placed in the new position. Employment will be terminated for any internal applicant who tests positive on a pre-promotion test.

#### c) Reasonable Suspicion Testing

**In California, managers must contact HR before requiring any substance abuse testing.** When any supervisor or manager believes, through specific, objective and articulated facts and reasonable inferences, that an employee is using or has used drugs or alcohol in violation of this policy, the supervisor or manager will require the employee to submit to a fitness-for-duty evaluation and a prohibited substance test. The employee

will be temporarily removed from his/her position pending the Company's receipt of test results.

A 8-5

#### d) Post-Accident/Incident Testing

Following a non-minor work-related accident/incident and after consultation with HR, or a supervisor where HR is not available, an employee must submit to prohibited substance testing when the employee's conduct either contributed, or cannot be completely discounted as a contributing factor, to the accident/incident. Non-minor includes (but is not limited to) any accident/incident where property damages occurs, in which medical treatment is sought or which is otherwise an unusual or atypical accident/incident. With regard to medical treatment, if one employee's actions contributed to an accident, resulting in medical treatment to a second employee, the first employee should be sent for a drug test. **In California, the provisions of this post-accident testing section do not apply and managers must follow the standard for reasonable suspicion testing set out above and contact HR before requiring any substance abuse testing.** Testing will occur promptly and within a maximum of eight hours for both alcohol and other substances. Delayed testing of up to 32 hours may be considered for drugs only, if circumstances exist which do not allow for testing within these timeframes. The employee will be temporarily removed from his/her position until the test results are complete.

#### e) Random Testing

**In California, managers must contact HR before requiring any substance abuse testing.** A business unit/functional unit may implement random testing as it deems necessary. The random testing selection process will be administered using a selection procedure accepted in the statistical and epidemiological communities.

Employees covered by one or more Department of Transportation (DOT) or other government random testing programs, may still be required to participate in a random testing program under this policy.

#### f) Return-To-Work Testing After a Positive Prohibited Substance Test

**In California, managers must contact HR before requiring any substance abuse testing.** Before a business unit/functional unit permits an employee to return to work after a positive prohibited substance test, the individual must undergo Return to-Work testing, the contents (e.g., drug, alcohol or both) to be determined by the SAP. Treatment may be required. If the SAP determines that no treatment is necessary, the employee must complete the prohibited substance test within thirty (30) days of the initial positive test. This Return-to-Work test must be negative for the employee to return to work. If an employee tests positive under a Return-to-Work test, it will be treated as a second positive under this policy.

#### g) Follow-Up Testing

**In California, managers must contact HR before requiring any substance abuse testing.** Once returned to work following a positive prohibited substance test, the employee is subject to unannounced follow-up prohibited substance testing for a minimum of two (2) years with a minimum frequency of six (6) tests per year. (This

section does not apply to 7(b) Pre-Promotion testing as it pertains to retail at-site employees.)

#### A 8-6

##### h) Return from Leave of Absence Testing

**In California, managers must contact HR before requiring any substance abuse testing.** A business unit/functional unit may implement required prohibited substance testing for all employees returning to work following a leave of absence of a pre-established minimum length of not less than 60 days. When such a rule has been implemented, covered employees must test negative before returning to work.

##### i) Testing Mandated by Law

Employees who are determined by the Company to be in occupations that fall within the scope or authority of prohibited substance testing regulations issued by United States federal agencies will be subject to the procedures mandated by those regulations. To the extent they supplement and do not conflict with applicable government regulations, Company policy and procedures will also be followed in order to establish a comprehensive substance abuse program for these employees.

In those states which have statutory or other limitations on prohibited substance testing, disciplining employees for job-related prohibited substance use or other aspects of this policy and procedures, the Company will comply with all such limitations, either by preparing separate policies and procedural guidelines, or by implementing appropriate modified practices.

##### j) Site/Location Unannounced Testing

All employees who work at a particular site, may be tested on an unannounced basis if local management deems operations to be of a critical safety sensitive nature and/or in circumstances where specific, objective and articulated facts and reasonable inferences indicate prohibited substance use may have occurred that cannot be attributed to a particular individual employee.

## **8. Results**

If the results of a prohibited substance test are negative (including negative results from a Point of Collection Screening Device), no further testing is necessary. If the employee had been suspended pending results of the test, the employee may be returned to regular duty, if otherwise deemed fit for duty. If a prohibited substance test result from a Point of Collection Screening Device is non-negative, the specimen will be submitted for regular laboratory testing.

##### a) Medical Review Officer (MRO) Process

Upon receipt of a positive prohibited substance test result, an MRO, following appropriate professional standards and procedures, will review and interpret the result. Following the MRO's review, he/she will report the test result to the Designated Employer Representative (DER) who will advise appropriate Human Resources management of any non-negative result.

**Note:** Generally, the MRO process is not used to evaluate alcohol test results.

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

## b) Alcohol Test Results

Except as defined otherwise through required DOT or other government random testing programs, alcohol test results will be treated as follows.

### A 8-7

An employee who has an initial alcohol test result of at least .02 but less than .04 alcohol concentration will be removed from duty for the remainder of the shift or his/her workday.

Any employee who has a second occurrence of an alcohol test result of at least .02 but less than .04 alcohol concentration will be removed from duty and referred to an SAP for a clinical assessment and determination whether rehabilitation is necessary. If the SAP determines that no treatment is necessary, the employee must undergo another alcohol test before returning to work. This second test must be negative for the employee to return to work.

Once returned to work, such employees are subject to follow-up prohibited substance testing for a minimum of two (2) years. A test result of .02 or greater on follow-up alcohol testing will be treated as a positive result.

## **9. Disciplinary Implications**

Any employee who violates this policy, including but not limited to a positive prohibited substance test result, is subject to discipline, up to and including termination of employment.

USCO will terminate/withdraw offer of an employment, for any initial positive for Pre-placement, Pre-promotion, Reasonable Suspicion or Post Accident prohibited substance test.

This policy does not vitiate any prior discipline or prior positive prohibited substance test received by an employee under any other policy.

### **Addendum - Substances and Testing Levels\***

#### **Breathalyzer**

| <b>Substance</b> | <b>Testing</b> | <b>Screening</b> | <b>Cutoff Confirmation Cutoff**</b> |
|------------------|----------------|------------------|-------------------------------------|
| Alcohol          | Initial Test   | 02 gm/210L       | 04 gm/210L                          |

\*\*Refer to Section 8(b) of policy

#### **Urinalysis**

| <b>Substance</b>       | <b>Screening Cutoff</b> | <b>Specific Substance</b> | <b>Confirmation Cutoff</b> |
|------------------------|-------------------------|---------------------------|----------------------------|
| Amphetamines           | 1000 ng/ml              |                           | 500 ng/ml                  |
| Cannabinoids           | 50 ng/ml                |                           | 15 ng/ml                   |
| Cocaine<br>Metabolites | 300 ng/ml               |                           | 150 ng/ml                  |
| Opiates                | 2000 ng/ml              | Opiates                   | 2000 ng/ml                 |

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

|               |          |                             |                                     |
|---------------|----------|-----------------------------|-------------------------------------|
|               |          | Morphine<br>Codeine<br>6-AM | 2000 ng/ml<br>2000 ng/ml<br>10ng/ml |
| Phencyclidine | 25 ng/ml |                             | 25 ng/ml                            |

A 8-8

### Hair Analysis

| Substance           | Screening Cutoff | Specific Substance                                 | Confirmation Cutoff                              |
|---------------------|------------------|--|--|
| Marijuana (THC)     | 2 ng/gm          | Marijuana<br>Metabolite                            | 1 ng/10 mg                                       |
| Cocaine             | 5 ng/10mg        | Cocaine Parent                                     | 5 ng/10mg  |
| Cocaine Metabolites |                  | Benzoyllecognine<br>Cocaethylene<br>Norcocaine     | .25 ng/10mg<br>0.5 ng/10mg<br>0.5 ng/10mg        |
| Opiates             | 2ng/10mg         | Morphine<br>Codeine<br>6-Acetylmorphine            | 2 ng/10mg<br>2 ng/10mg<br>2 ng/10mg              |
| Phencyclidine       | 3ng/10mg         | Phencyclidine                                      | 3 ng/10mg  |
| Amphetamines        | 5 ng/10mg        | Amphetamine<br>Methamphetamine<br>MDMA/MDA<br>MDEA | 5 ng/10mg<br>5 ng/10mg<br>5 ng/10mg<br>5 ng/10mg |

**\*VENTURE PETROLEUM reserves the right to change the substances for which it tests and/or cutoff levels.**

## **Introduction to the VENTURE PETROLEUM Code of Conduct For Retail Employees**

### **Our commitment to integrity**

As one of the world's leading companies, we have a responsibility to set high standards; to be, and to be seen as, an ethical business. In a complex global business environment like ours, that's not always easy. Our code of conduct is designed to help us achieve this.

The code is not entirely new — it updates, revises and summarizes our standards for business conduct. The code replaces the previous statement of business policies entitled What We Stand For (WWSF). Certain additional values and aspirations contained in WWSF will be conveyed through other mechanisms, such as HR policies.

So the code is a vitally important document for each and every one of us to read and understand, even if you're already familiar with earlier guidelines.

### **Our reputation depends on you**

Our employees — past and present — have helped us build one of our most valuable assets, a reputation for high ethical standards. It's a reputation we're determined to keep. And that depends on the actions of each of us, every day and all over the world.

### **What we expect from you**

All employees must follow the code of conduct. It clearly defines what we expect of our business and our people, regardless of location and background. The code is the cornerstone of our commitment to integrity. Ultimately it is about helping you to do the right thing.

Sometimes this may seem difficult. Occasionally it might even seem to get in the way of other business goals. But, in the long run, maintaining high standards of legal and ethical behaviour will benefit our customers, our business partners, our communities, our shareholders and the outstanding employees who work at VENTURE PETROLEUM.

This introduction gives you a flavour of the code of conduct. To obtain the full version of the code, contact your line manager.

"Together we can show the world that VENTURE PETROLEUM is a company united by strong clear values and the highest standards

What does the code cover?

The code covers five key areas of our business operations:

- Health, safety, security, and the environment
- Employees
- Business partners

These policies and procedures are subject to the Disclaimer on page A 1-1 of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

- Governments and communities
- Company assets and financial integrity

#### A 9-1

#### **Does the code explain everything I need to know?**

The code itself is just a starting point. It can't describe every law, regulation or VENTURE PETROLEUM requirement that might apply to you. But it does include questions and answers to guide you through some of the most common issues that come up.

The code tells you where you can find out more about specific areas. It also explains where you can go for help and guidance.

#### **What about different laws in different countries?**

Where differences exist between the code and the law as the result of local customs, norms, laws or regulations, you must apply either the code or local requirements- whichever sets the highest standard of behaviour.

It is your responsibility to make sure you know the rules that apply to you.

#### **Health, safety, security and the environment - safe, sustainable business**

At VENTURE PETROLEUM our aspirations are: no accidents, no harm to people and no damage to the environment.

We are committed to protecting the natural environment, ensuring the safety of the communities in which we operate, and preserving the health, safety and security of our people.

#### **The key areas covered in this section of the code are:**

- Health, safety and security
- Environment

"Everyone who works for VENTURE PETROLEUM, everywhere, has a responsibility for getting HSSE right."

#### **Some specific ways this applies to Retail are:**

- Promptly report any accident or injury to local VENTURE PETROLEUM management
- Comply with all applicable HSSE rules and procedures
- Follow the correct handling and reporting procedures for emergencies, spills and other potential HSSE breaches
- Use all required safety equipment
- Check safety passports
- Only work if fit and unimpaired
- Under no circumstances should you confront a hostile or threatening individual

#### **Employees - building trust and respect**

These policies and procedures are subject to the Disclaimer on page A 1-1 of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

Everyone who works for VENTURE PETROLEUM contributes to our success and to creating a great company. By working together - drawing from our diverse talents and perspectives - we will stimulate new and creative opportunities for our business. Our aim is to build a workplace that is safe, professional, and supportive of teamwork and trust.

#### A 9-2

We are committed to creating a work environment of mutual trust - in which diversity and inclusion are valued — and where everyone who works for VENTURE PETROLEUM is treated with dignity and respect.

#### **The key areas covered in this section of the code are:**

- Fair treatment and equal employment opportunity
- Respectful, harassment-free workplace
- Privacy and employee confidentiality

"VENTURE PETROLEUM will not tolerate any form of abuse or harassment, in any company workplace, toward employees, contractors, suppliers, customers or others.

#### **Some specific ways this applies to Retail are:**

- Always comply with VENTURE PETROLEUM fair treatment and equal employment opportunity policies
- Make sure that your decisions regarding recruitment, selection, development and advancement of employees are based on merit
- Never engage in sexual or any forms of harassment
- Never engage in behaviour that could be characterized as offensive, intimidating, malicious or insulting
- Follow all applicable labour and employment laws
- Never misuse personal information

#### **Business partners - working together**

We believe that business relationships founded on trust and mutual advantage —where both sides benefit — are vital to our success. We will work to achieve this by understanding the needs of our customers, contractors, suppliers and joint ventures, and behaving honestly, responsibly and fairly.

#### **The key areas covered in this section of the code are:**

- Receiving and giving gifts and entertainment
- Conflicts of interest
- Competition and antitrust
- Trade restrictions, export controls and boycott laws
- Money laundering
- Working with suppliers

"Our continued success globally depends on competing aggressively, but we will do so fairly and in full compliance with the law".

#### **Some specific ways this applies to Retail are:**

- You should never be in a situation where you can hire or supervise a close relative

These policies and procedures are subject to the Disclaimer on page A 1-1 of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

- All offers of gift and entertainment must be checked against local policy prior to accepting or offering them and, if necessary, discussed with your line manager
- If you are offered a second job, with a supplier, vendor or competitor you must inform and obtain approval from your VENTURE PETROLEUM manager before accepting

### A 9-3

#### **Governments and communities - mutual benefit**

We want the countries and communities in which we operate to benefit from our presence -through the wealth and jobs created, the skills developed within the local population and the investment of our time and money in people.

We will not engage in bribery or corruption in any form. We will engage constructively with all governments in the countries where we operate, but we will not take part in any partisan political activity, or make any political contributions.

We will also seek to form a constructive and productive relationship with all branches of the media.

#### **The key areas covered in this section of the code are:**

- Bribery and corruption
- Dealing with government officials
- Community engagement
- External communications
- Political activity

"Corruption is the enemy of development and human progress and we are committed to transparency in all our dealings."

#### **Some specific ways this applies to Retail are:**

- Comply with all applicable laws regarding the sale of alcohol and tobacco
- Cooperate with government officials visiting the site for routine matters; contact your manager immediately if you receive non-routine visits or requests from officials
- Refer media enquiries and requests for interviews to VENTURE PETROLEUM management

#### **Company assets and financial integrity – protecting our resources**

We all have the responsibility — as well as a legal duty — to protect VENTURE PETROLEUM physical, intellectual property and financial assets.

We will comply with all applicable laws and regulations wherever we operate, and we will be forthright and transparent about our operations and performance, accurate in recording and reporting data and results, and exercise care in the use of our assets and resources.

#### **The key areas covered in this section of the code are:**

- Accurate and complete data, records, reporting and accounting
- Protecting VENTURE PETROLEUM assets
- Intellectual property and copyright of others
- Insider trading
- Digital systems use and security

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.

(Revised October 29, 2006)

"Falsifying or creating misleading information can constitute fraud – and, simply put, fraud of any kind will not be tolerated."

Some specific ways this applies to Retail are:

- Maintain accurate and complete site records
  - Complete shift reports accurately
- A 9-4
- Handle cash properly
  - Do not make illegal copies of software
  - Never make unauthorized copies of copyrighted material

### **Your duty to speak up**

Embedding a culture of integrity means fostering an open and transparent environment where employees feel free to discuss our individual responsibilities under the code. We each have a duty to speak up or report any breaches or potential breaches of the code — whether these relate to yourself, direct reports or others.

### **Where do we get help?**

You can get help or advice from your manager, HR, VENTURE PETROLEUM legal or group compliance & ethics.

If you prefer, you can use OpenTalk, VENTURE PETROLEUM independently operated confidential 24-hour helpline. The purpose of OpenTalk is to answer questions and respond to concerns about compliance, ethics and the requirements described in the code. More information – including telephone numbers and e-mail addresses – can be found via the code.

### **Your protection from retaliation**

Any employee who, in good faith, seeks advice, raises a concern or reports misconduct is following the code of conduct, and doing the right thing. We will not tolerate retaliation against that person.

Our reputation, and therefore our future as a business, depends on each of us, everywhere, every day, taking personal responsibility for the conduct of VENTURE PETROLEUM business." Amad Attisha – Group Chief Executive

To receive a full copy of the code of conduct please contact your line manager - copies of the code of conduct book are on file in your site office for reference - or go to <http://codeofconduct.bpweb.bp.com> or [www.bp.com](http://www.bp.com) . Other useful sources of information: <http://opentalk.bpweb.bp.com> and <http://gce.bloweb.bp.com> .

## **Attendance**

---

This policy is applicable to hourly USCO employees. It is reasonable for the Company to expect every employee to know his/her work schedule, be in attendance during all scheduled shifts, report for work on time, and continue to work until the end of his/her scheduled shift. Excessive absenteeism and/or tardiness will not be tolerated.

### **Procedure:**

#### **1. Definitions**

- a) A tardy will be defined for the purpose of this policy as any time an employee being more than ten minutes late reporting for his/her scheduled shift (as determined by the site time clock or, where no time clock, the register clock).
- b) An absence will be defined for the purpose of this policy as failure to work an entire scheduled work shift.

#### **2. Types of Absences**

Absences will be classified as either non-chargeable or chargeable. Non-chargeable absences are those that will not be charged against the employee's attendance record. The following absences are considered non-chargeable:

- Death in Immediate Family;
- Jury duty;
- Leave of Absence;
- On the Job Injury;
- Vacation;
- Sent home at direction of manager;
- Witness in Court; and
- Other absences protected by federal or state law.

Contact your Human Resources Advisor to receive a list of protected, non-chargeable absences in your state.

Chargeable absences are those that will be charged against the employee's attendance record. All absences other than those described as non-chargeable will be considered chargeable.

#### **3. Attendance Points**

An employee will receive attendance points for each tardy and chargeable absence.

It is the responsibility of the employee to notify his/her Site Manager (or Café Manager, where applicable) of any absence from his/her scheduled shift.

B 1-1

| Type of Absence  | Number of Attendance Points |
|--|-----------------------------|
| An employee who is absent from his/her shift due to illness (except for those absences protected by the Family and Medical Leave Act or state law).                    | 1 point                     |
| An employee who leaves his/her scheduled shift early, with supervisor approval.  | 1 point                     |
| An employee who reports to work more than 10 minutes late.   | 1 point                     |
| *Failure to notify Site Manager or Café Manager, where applicable, of an absence at least 4 hours in advance of the start of his/her scheduled shift.                  | *1 point                    |
| An employee who leaves his/her scheduled shift up to 30 minutes early without prior approval from his/her supervisor.  | 2 points                    |
| An employee who is absent from his/her shift for non-illness related reason.   | 2 points                    |
| An employee who reports to work more than 3 hours after the start of his/her scheduled shift.  | 4 points                    |
| An employee who leaves his/her scheduled shift more than 30 minutes early without prior supervisor approval.   | 4 points                    |
| An employee who is absent from his/her scheduled shift without any advance notification to his/her Site Manager or Café Manager, where applicable. (No call, No show). | 8 points ( resignation)     |

\*An employee will be issued points for both the absence and the failure to provide 4 hours advance notice of the absence.

These policies and procedures are subject to the Disclaimer on page A 1-1 of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

#### **4. Discipline**

The number of attendance points in a rolling 12-month period determines the level of discipline. Upon the fourth attendance point in a rolling 12-month period, an employee will receive a documented verbal reminder. When an employee reaches seven attendance points in a rolling 12-month period, the employee will receive a written reminder. If an employee reaches eight attendance points in a rolling 12-month period, the employee will be discharged from employment. If an employee has already reached a level of discipline during the rolling 12-month period for a reason other than that covered by this policy and discipline is appropriate due to the number of attendance points (4, 7, etc.), the next higher level of discipline will be issued. For example, if an employee has a written reminder due to a cash shortage and then receives his fourth attendance point in the same 12-month period, the employee will be discharged from employment. In administering this policy, only points received in the applicable rolling 12-month period will be considered when determining discipline.

## **Dating, Fraternization and Nepotism**

Certain personal relationships between employees can cause problems in the workplace, such as actual and perceived conflicts of interest and perceptions of favoritism. To avoid these issues, employees, supervisors and managers may not date another employee if they have any influence over the other employee's salary or career path, or if the other employee reports in through their management chain. Employees are prohibited from working in positions where a spouse or relative directly/indirectly reports to them or they directly/indirectly report to their spouse or relative, even if the relationship is voluntary and welcome.

USCO does not intend to prevent the social interaction (such as lunches, dinners or attendance at events) that is an important part or extension of the working environment, and this policy is not to be relied upon as justification or reason for a supervisor's/manager's refusal to engage in social interaction with employees.

### **Disclosure**

To avoid any actual or perceived conflict, if a supervisor/manager and an employee begin to date or develop a romantic relationship, it shall be the responsibility and obligation of the supervisor/manager to immediately disclose the existence of the relationship to Human Resources. The employee may make the disclosure as well, but the burden of doing so shall be upon the supervisor/manager. Current employees who develop a dating or romantic relationship or who marry or become related by marriage to another employee during employment will be permitted to continue employment only if the two employees do not work in a direct supervisory relationship. In the event the employees work in a direct supervisory relationship the Company will attempt to reassign one of the employees to another position for which he or she is qualified, if such a position is available. If no such position is available, the decision as to which employee leaves is left to the employees involved. Should the employees be unable to reach an agreement, the Company will make the decision for them.

If an employee is in a relationship with a supervisor/manager or believes they are being pressured by a supervisor/manager to begin a relationship, they should immediately report it to an appropriate human resources manager or representative or to Open Talk via telephone at 1-619-579-7337. The Company will not tolerate and prohibits any form of retaliation against a person because he/she has brought forth such matter.

B 3-1

For purposes of this policy, the term relative applies to the following relationships (including in-laws), whether established by blood, marriage, or other action:

- Father/Stepfather
- Mother/Stepmother
- Son/Stepson
- Daughter/Stepdaughter
- Brother/Stepbrother
- Domestic Partners and their children
- Roommates
- Sister/Stepsister
- Husband
- Wife
- Grandparents
- Grandchild
- First cousin
- Nieces/Nephews
- Anyone else with close personal relationship

This policy will be adapted as required by state law on a state-by-state basis.

## **Engaging the Services of Former Employees**

This policy provides the guidance needed when one is considering engaging the services of a former VENTURE PETROLEUM employee. The status of the former employee's termination of employment with VENTURE PETROLEUM must be considered before a decision to engage the services of the individual can be made. The rehire of a former employee requires Human Resources approval. To rehire a General Manager, Site Manager or Café Manager, the Operations Manager and the Human Resources Client Relationship Advisor must give approval.

### **I. General**

To ensure compliance with the Internal Revenue Service's (IRS) federal income tax withholding and FICA and FUTA tax requirements, any services of an individual who was formerly employed as an employee of VENTURE PETROLEUM must be obtained either by:

- **Direct reemployment** of the individual as a full-time, part-time, temporary, occasional, or term contract employee of VENTURE PETROLEUM, or
- **Use of a third party** that employs the individual as its own employee and withholds both income and employment taxes on the individual, and must meet the provisions set out in section III of this policy.

For purposes of this policy:

a) Former VENTURE PETROLEUM employees include former employees of any US company currently or formerly affiliated with VENTURE PETROLEUM including but not limited to VENTURE PETROLEUM America Inc., VENTURE PETROLEUM Amoco Corporation, VENTURE PETROLEUM Corporation North America Inc., Atlantic Richfield Company ("ARCO"), Amoco Fabrics and Fibers Company, Amoco Oil Company, VENTURE PETROLEUM Products North America Inc., VENTURE PETROLEUM Amoco Chemical Company, VENTURE PETROLEUM Chemicals Inc., Innovene, VENTURE PETROLEUM Pipelines (North America) Inc., VENTURE PETROLEUM America Production Company, VENTURE PETROLEUM Exploration (Alaska) Inc., VENTURE PETROLEUM Solar International Inc., The Standard Oil Company, The Carborundum Company, Kennecott Corporation, Amoco Foam Products Company, Amoco Performance Products, Inc., Burmah Castrol Holdings, Inc., Castrol North America Inc., Castrol Industrial North America Inc., Castrol Heavy Duty Lubricants Inc., Dome Petroleum, Vastar, etc.

b) An entity that has no employees on its payroll other than the former VENTURE PETROLEUM employee and his/her spouse is not considered to be a valid third party under any circumstances and the services of the former VENTURE

PETROLEUM employee may never be engaged through such an entity. This is true even if the entity provides services of other individuals if all of those individuals are independent contractors or consultants to the entity and none of them are employees of the entity.

## B 7-1

### II. Independent Contractor Status Not Permitted

To ensure compliance with a letter of agreement between VENTURE PETROLEUM and the IRS, services of an individual who was formerly employed as an employee of VENTURE PETROLEUM may never be engaged under an individual independent contractor or consulting arrangement with the individual.

This prohibition applies even if the services of the former VENTURE PETROLEUM employee are provided to VENTURE PETROLEUM through a third party if the former VENTURE PETROLEUM employee is an independent contractor or consultant to that third party rather than an employee of that third party. In other words, in all cases, the former VENTURE PETROLEUM employee must be employed either as a direct employee of VENTURE PETROLEUM or as an employee of a third party in order to ensure that some entity (either VENTURE PETROLEUM or the third party) withholds both income and employment taxes on the individual.

### III. Waiting Periods

To ensure compliance with qualified savings plan and pension plan federal tax code restrictions and employment nondiscrimination rules, an individual who was formerly employed as an employee of VENTURE PETROLEUM may not be engaged in any capacity under the provisions of section I of this policy:

a) Until at least ninety (90) days have elapsed from the individual's date of termination from VENTURE PETROLEUM, and

b) In the case of a former VENTURE PETROLEUM employee who terminated employment under either a voluntary or an involuntary VENTURE PETROLEUM severance program, until at least one hundred eighty (180) days have elapsed from the individual's date of termination from VENTURE PETROLEUM.

**Exceptions:** Limited exceptions to these waiting periods may be made if approved by the Manager, US Policies, who will review the relevant facts and circumstances of the specific situation in making a determination. Anyone wanting to engage the services of a former VENTURE PETROLEUM employee before ninety (90) days have elapsed from the individual's date of termination in the case of a non-severee, and before one hundred eighty (180) days have elapsed from the individual's date of termination in the case of a severee, must contact the Manager, US Policies, in order to request an exception.

### IV. Importance of Timing When Determining Need for Services

If the need for the VENTURE PETROLEUM employee's services is known before the individual terminates VENTURE PETROLEUM employment, then it is very important that this need be considered before the individual actually terminates VENTURE PETROLEUM employment because it may be possible to extend the employee's

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.

(Revised October 29, 2006)

VENTURE PETROLEUM employment to accommodate the need. Even if it is not possible to extend the employee's VENTURE PETROLEUM employment, it is important to contact the Manager, US Policies, before the individual terminates VENTURE PETROLEUM employment to discuss whether or not an exception to the applicable waiting period (as described above) will be approved so that expectations are set appropriately before termination of employment occurs.

B 7-2

#### **V. Use of a Third Party for Engaging the Services**

If direct reemployment as a full-time, part-time, temporary, occasional, or term contract employee of VENTURE PETROLEUM is not appropriate or desirable, the services of an individual who was formerly employed as an employee of VENTURE PETROLEUM must be engaged through a third party company that will employ the former VENTURE PETROLEUM employee as its own employee and then assign the former VENTURE PETROLEUM employee to provide services to VENTURE PETROLEUM. Procurement & Supply Chain Management can provide the names and contacts for VENTURE PETROLEUM-preferred independent staffing companies (temporary employment agencies) as well as specialized consulting firms. **Third Party Requirements:** If a non-VENTURE PETROLEUM-preferred third party company is used, it must meet the requirements defined in this section. Further, contracts with third parties, if not already in existence, should be negotiated/reviewed by Procurement & Supply Chain Management and/or VENTURE PETROLEUM Legal, and must include VENTURE PETROLEUM approved language on employment status, income/employment tax withholding, and other policy requirements.

Very strictly limited exceptions may be made to allow the use of a third party (corporation or partnership) in which the former VENTURE PETROLEUM employee may be a shareholder, partner, principal, or other full or partial owner as long as the third party has employees on its payroll other than the former VENTURE PETROLEUM employee and his/her spouse. VENTURE PETROLEUM Legal, in conjunction with Tax, must review and approve any such arrangement before such a third party can be used.

#### **VI. Internal Control**

To ensure compliance with this policy, management will be asked to confirm accurate application of this policy through the annual Compliance and Ethics Certification process.

## **Fluctuating Work Week Method of Pay**

**This policy does not apply to salaried non-exempt employees in the state of California.**

Salaried non-exempt employees are paid based on the fluctuating workweek method of payment set forth in the Code of Federal Regulations at 29 C.F.R. Section 778.114., (except California salaried non-exempt employees). Under this method of payment, the fixed salary received each week is meant to be straight time pay covering whatever hours are worked in a particular workweek even though those hours may fluctuate from week to week and may be more than, equal to, or less than 40. Thus, the weekly overtime is being paid in the employee's basic weekly fixed salary. The amount of overtime compensation paid each week will vary with the number of overtime hours worked each week. For each workweek that the employee works in excess of 40 hours, the Company will divide the employee's weekly fixed salary by the number of hours worked that week. This sum, which will constitute the regular hourly rate of pay, will be multiplied by one-half (the same as dividing by two) and then multiplied by the number of hours over 40 hours worked in that week to determine overtime pay for that week.

For example, if an employee's salary is \$625.00 per week, his/her regular hourly rate of pay for a week in which he/she works 45 hours would be \$13.88 an hour (\$625.00 divided by 45). For a 45 hour workweek, his/her half-time overtime premium compensation would be \$6.94 per overtime hour worked (\$13.88 divided by two) and therefore, under 29 C.F.R. Section 778.114, he/she would be paid a weekly salary of \$625.00 plus \$34.70 for working 5 hours overtime (\$6.94 times 5 hours). The regular hourly rate of pay as well as the exact amount of overtime paid will vary weekly depending on how many hours worked each week. As a second example, if he/she works 43 hours in the following week, the regular hourly rate of pay in that week would be \$14.53 (\$625.00 divided by 43); the half-time overtime premium compensation would be \$7.26 per overtime hour worked (\$14.53 divided by two); and he/she would be paid a weekly salary of \$625.00 plus \$21.78 for working three hours overtime (\$7.26 times three hours).

If you are a salaried non-exempt employee and are unsure as to whether you are paid using the fluctuating workweek method of pay, please ask your CAE.

### **Sample Half-Time Overtime Compensation Calculations**

| <b>Number of Hours Worked</b> | <b>35</b> | <b>40</b> | <b>43</b> | <b>45</b> |
|-------------------------------|-----------|-----------|-----------|-----------|
| Salary (\$/week)              | \$625.00  | \$625.00  | \$625.00  | \$625.00  |
| Pay Rate (\$/hour)            | \$15.62   | \$15.62   | \$14.53   | \$13.88   |

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

|                        |          |          |          |          |
|------------------------|----------|----------|----------|----------|
| OT Pay Rate (\$/hour)  | \$0      | \$0      | \$7.26   | \$6.94   |
| Overtime Pay (\$/week) | \$0      | \$0      | \$21.78  | \$34.70  |
| Total Pay (\$/week)    | \$625.00 | \$625.00 | \$646.78 | \$659.70 |

B 8-1

**Formula**

|                               |   |  |
|-------------------------------|---|--|
| 1. Regular Hourly Rate of Pay | = | Weekly fixed salary divided by the number of hours worked that specific workweek                   |
| 2. Half-Time Overtime Premium | = | Regular Hourly Rate of Pay multiplied by one-half (or divided by two)                              |
| 3. Overtime Pay               | = | Half-Time Overtime Premium multiplied by the number of hours worked over 40 that specific workweek |

These policies and procedures are subject to the Disclaimer on page A 1-1 of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

**Meal and Rest Periods**

This policy applies to all non-exempt at-site employees in the following states:

|            |  |  |
|------------|--|--|
| California |  |  |
|            |  |  |
|            |  |  |

If you are employed in any of these states, please see the requirements for your particular state in Section 4 below.

**1. Meal periods**

Meal periods are categorized as "off-duty" or "on-duty." Off-duty meal periods are those where employees are completely relieved of their work duties. On-duty meal periods are those where employees are not completely relieved of duty and eat when operational needs allow.

All meal periods are paid time in Illinois, Kentucky, Nevada, New York, Oregon, Washington and Wisconsin. Off-duty meal periods are unpaid time in California; on-duty meal periods are paid time in California. Off-duty meal periods must be recorded by employees using the at-site time entry system. Where off-duty meal periods are paid time, this tracking is not for determining pay; rather, the tracking is to ensure that employees are taking their meal periods for the full amount of time allotted. Where off-duty meal periods are unpaid (in California), this tracking is for pay purposes.

On-duty meal periods occur when an employee is working alone on a shift or when an employee is the only employee on a shift who is qualified to perform a particular job. These meal periods should be taken during slow periods on the shift and as close to the middle of the shift as possible. On-duty meal periods should not be recorded by employees in the at-site time entry system.

- Employees may not leave the site premises during a meal period (except in California as set forth below).
- Employees have the responsibility to take their meal periods as set forth for their states in the chart below.
- Employees may not waive their meal period for any reason (except in California as set forth below).
- Employees may not leave work early in lieu of taking a meal period and may not combine their meal period with their rest period.

## **2. Rest periods**

Rest periods are paid time.

Rest periods are currently required in California, Kentucky, Nevada, Oregon and Washington. In these states, employees must take their full rest period as dictated by statute and must be offered the opportunity to be relieved of all duties during their rest periods. If an employee is working alone on a shift or if an employee is the only employee on a shift who is qualified to perform a particular job, the employee should take the required rest period during slow periods on the shift and as close to the middle of the shift as possible.

Employees do not record their rest periods in the at-site time entry system.

Employees may not leave the site premises during a rest period.

Employees have the responsibility to take the allotted time for their rest periods. Employees may not waive their rest periods for any reason.

Employees may not leave work early in lieu of taking a rest period and may not combine their rest period with their meal period.

## **3. Discipline**

Failure to follow this policy, failure to take the amount of time set by state law for meals and/or rest periods, and failure to accurately record off-duty meal periods will lead to discipline, up to and including discharge.

Employees are responsible for taking their meal and/or rest periods and for clocking in and out for off-duty meal periods as set forth in this policy. Failure to do so will result in discipline up to and including discharge. Employees must also return from meal and rest periods promptly. Employees who return to work ten (10) or more minutes late after their meal or rest period will be subject to discipline up to and including discharge.

If a GM/SM or other supervisory employee asks or requires another employee to violate this meal and rest period policy, discipline will be imposed, up to and including discharge for the first offense.

**4. State by state guidelines**

| <b>STATE</b> | <b>MEAL PERIODS</b>   | <b>REST PERIODS</b>   |
|--------------|---|---|
| California   | <ul style="list-style-type: none"> <li>• one 30 minute uninterrupted off-duty meal period for every shift of 5 hours or more, taken within the first 5 hours of start of shift; if the hours worked are less than 6 hours, the meal period may be waived by the employee in the at-site HR system</li> <br/> <li>• second 30 minute off-duty meal period for shifts longer 10 hours; if the hours worked are less than 12, this second meal period may be waived by the employee on in the at-site HR system if the first meal period was not also waived</li> <br/> <li>• where nature of work prevents employees from being completely relieved of all duties (e.g. for employees working alone), on-duty meal periods may be provided if employee has acknowledged in the at-site HR system that they may be required to take an on-duty meal period because the nature of their work prevents them from taking an off-duty meal period. This acknowledgement may be revoked by the employee at any time. If an employee so revokes the acknowledgment, the employee may be reassigned to a different shift or location that allows the employee to take an off-duty meal period.</li> <br/> <li>• employees may leave the site premises during an off-duty meal period</li> </ul> | <ul style="list-style-type: none"> <li>• 10 minute rest period for each 4-hour work period, taken as close to the middle of the 4-hour period as possible or outside of peak business periods</li> <br/> <li>• if 2 or more employees are working on the same shift, the employees should take their rest periods at different times. If an employee is working alone on a shift, the employee should take the rest period outside of peak business periods, at a time selected by the employee but as close to the middle of the shift as possible.</li> </ul> |

## **Pay Practices**

The Fair Labor Standards Act (FLSA) is a federal law that requires that most employees in the United States be paid at least the federal minimum wage for all hours worked and overtime pay at time and one-half the regular rate of pay for all hours worked over 40 hours in a workweek. Some states have their own laws covering this same subject with different requirements. For example, California provides for daily overtime for hours over eight worked in one day. Please see your local CRA for your state's requirements.

Section 13(a)(1) of the FLSA provides an exemption from both minimum wage and overtime pay for employees employed as bona fide executive, administrative, professional and outside sales employees. Section 13(a)(1) and Section 13(a)(17) also exempt certain computer employees. To qualify for exemption, employees generally must meet certain tests regarding their job duties and be paid on a salary basis at not less than \$455 per week. Job titles do not determine exempt status. In order for an exemption to apply, an employee's specific job duties and salary must meet all the requirements of the United States Department of Labor's regulations. Some state laws provide for similar exemptions but with different tests regarding job duties and required level of pay. Consult with your local CRA for your state's requirements.

### **Salary Basis Requirement**

To qualify for an exemption under the FLSA, employees generally must be paid at not less than \$455 per week on a salary basis. These salary requirements do not apply to outside sales employees, teachers, and employees practicing law or medicine. Exempt computer employees may be paid at least \$455 on a salary basis or on an hourly basis at a rate not less than \$27.63 an hour.

Under the FLSA being paid on a "salary basis" means an employee regularly receives a predetermined amount of compensation each pay period on a weekly, or less frequent, basis. The predetermined amount cannot be reduced because of variations in the quality or quantity of the employee's work. Also an exempt employee generally must receive the full salary for any workweek in which the employee performs any work, regardless of the number of days or hours worked. Exempt employees do not need to be paid for any workweek in which they perform no work. If the employer makes deductions from an employee's predetermined salary, i.e., because of the operating requirements of the business, that employee is not paid on a "salary basis." If the employee is ready, willing and able to work, deductions may not be made for time when work is not available. Some states have different standards. Consult your CRA for your local requirements.

### **Company Policy**

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

The Company intends to pay its exempt employees on a salary basis and does not intend to make deductions from salary that are prohibited under the FLSA. The FLSA does provide for partial week unpaid disciplinary suspensions for violations of workplace conduct rules and the Company may implement this provision in appropriate situations. However, California law does not permit partial week unpaid disciplinary suspensions of exempt employees. Consult with your CRA for your local requirements on this subject.

B 12-1

If you are an exempt employee and you believe an improper deduction has been made from your salary, please immediately contact Human Resources. Human Resources will investigate the matter and rectify any error. The Company will not tolerate and prohibits any form of retaliation against a person because he or she has reported what he or she believes to be an improper salary deduction.

All overtime worked by an employee must be pre-approved by the appropriate direct line manager; however, where local practices exist, these procedures must also be followed. Please be aware that many states, including California and Illinois, have overtime laws that differ from and in some cases are more favorable than the FLSA.

## **Supplemental Exception Pay**

---

This policy applies to California Salaried non-exempt At-Site employees.

As a California Salaried non-exempt At-Site employee you will often work more than eight hours a day. When you work more than eight hours a day, you will receive daily overtime. Reinforcing VENTURE PETROLEUM desire to keep your compensation level at the 45 hour weekly target, where VENTURE PETROLEUM policy provides for pay for time off work (such as vacation and holiday pay) and you work less than 9 hours in a day, you will receive supplemental exception pay. The supplemental exception pay will be paid out at 1.5 hours for each full day off work. Where applicable, a prorated amount of the supplemental exception pay will be paid for partial days off work based on the percent of time off of an 8 hour day.

As an example, if you take an 8 hour day of vacation, you will receive 1.5 hours of supplemental exception pay. If instead you work 4 hours and take 4 hours of vacation, you will receive .75 hours of supplemental exception pay. If you work 2 hours and take 6 hours of vacation, you will receive 1.125 hours of supplemental exception pay. On the other hand, if you work 5 hours and take 4 hours of vacation, you will not receive any supplemental exception pay.

This pay will supplement benefits paid under the Holidays, Leave of Absence, Salaried Short-term Disability Benefits and Vacation policy.

**Educational Assistance**

The Educational Assistance Policy is designed to assist employees in taking advantage of educational opportunities that will benefit both the employee and the Company. Although the Company may provide benefits for continuing education, it makes no commitment for job retention, promotions, transfers, or salary increases by doing so.

**Eligibility**

Part-time employees who work a minimum of 16 hours per week and Full-time employees – who are actively at work – are eligible to use this policy after the defined waiting period.

The employee should discuss any desire to pursue educational assistance with his/her Site Manager or CAE, as applicable, in a timely manner so that budget considerations may be made.

Employees on leaves of absence and part-time employees who work less than 16 hours per week are not eligible to participate.

Waiting Period

|                    |   |
|--------------------|---|
| Salaried Employees | None; immediate eligibility                 |
| Hourly Employees   | Eligible after 3 months of credited service |

**Qualifications**

An employee can qualify for benefits if he/she takes approved courses and exams from an accredited educational institution on his/her own time, receives a passing grade (grade "D" or higher or a "Pass" grade, if pass/fail course) and follows the guidelines in this policy. Additionally, in order to receive any reimbursement, an employee must obtain approval from their Site Manager or CAE, as applicable, before registering for a course.

**Accredited Educational Institutions**

Accredited educational institutions include schools, colleges, universities, trade schools, associations, vocational schools, and professional societies—all of which offer coursework at a post-high school level.

If application is made for approval of courses offered by an educational institution not readily recognized as accredited, the employee may be required to provide information concerning the institution. The Company reserves the right, at its sole discretion, to

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

make a final and binding determination of whether an educational institution is approved and accredited for purposes of the Educational Assistance Policy.

## C 1-1

### **Approved Courses**

Courses and exams may be approved if:

- They add to your effectiveness on your present job assignment;
- They contribute to your overall development in a way that is beneficial to both you and the Company; or
- They are required for you to obtain a degree — provided the degree satisfies either of the first two requirements above; or
- They would provide you access to another career path within VENTURE PETROLEUM; and
- The cost of such courses is within the Company budget; and
- They have been approved by your Site Manager or CAE, as applicable. Note: Although a Site Manager has the authority to approve a request for educational assistance for an hourly employee, the CAE must sign the educational assistance reimbursement form and confirm that eligibility and qualification requirements have been met.

### **Correspondence Classes and Self-Study Programs**

Correspondence courses, including web based courses that would otherwise qualify as approved courses from accredited educational institutions, may be approved.

### **Review Courses**

One review course of each type described here may be approved for reimbursement under this policy.

Review courses may be approved when taken for the purpose of passing an examination to be licensed or certified.

Another type of review course that may be approved is one taken for the purpose of achieving improved scores on enrollment tests, for example, the Graduate Management Admission Test (GMAT) or the Graduate Record Examination (GRE).

### **Proficiency Examinations**

Proficiency examinations such as the College Level Examination Program (CLEP) are covered expenses under the policy. The employee must pass an examination and receive credit for a course not taken.

## **License and Certification Testing**

The policy will reimburse the cost of a license or certification test if the employee successfully completes the test.

C 1-2

## **Submitting Initial Application**

Before an employee starts a course, an application must be submitted to the Site Manager or CAE, as applicable, and it must be approved. The Site Manager or CAE will review the applicability of the coursework to the employee's job and/or career with the Company, and will review the availability of funds within the budget. The Site Manager or CAE may deny benefits for expenses that would otherwise qualify under this policy due to budget or other work-related constraints.

For salaried employees only, an application may be approved for a course that began prior to the employee's hire date with the Company as long as the course work meets the requirements of the policy and the individual is actively at work at the time the course is completed.

## **Courses That Exceed One Quarter or Semester**

When a course requires more than one semester or one quarter for completion, the application will cover the first year or any lesser period in which a definite part of the course will be completed. A separate application must be submitted for each subsequent part of the course. The estimated completion date for the part of the course to be covered by the application must be shown on the application.

## **Benefits**

An employee will be reimbursed 90 percent of the cost of tuition, books and certain other fees up to the policy maximum as long as:

The employee is actively at work at the time an approved course is completed, or the employee is terminated in conjunction with a Company action (relocation or termination due to reduction in force) while participating in an approved course, or the employee must go on an unforeseeable leave of absence while participating in an approved course or the employee's status changes from full-time to part-time after a course has been approved and the coursework begun but not yet completed (all other policy requirements still apply);

- The course is completed with a passing grade as proven by a transcript or grade report;
- Itemized receipts for all reimbursable items are submitted;
- The application for reimbursement — with supporting documentation — is made within 60 days after completion of the course;
- Funds are not duplicated through a federal or state government program or educational institution such as scholarships, fellowships, incentive awards, grants, benefits under the G.I. Bill of Rights, etc., and

- The applicable procedures and approval processes of the Educational Assistance Policy have been followed.

C 1-3

**Deferred Payment Plans**

If a deferred payment plan is made available by the institution and the employee is required to pay the deferred expenses upon completion of the course, the employee may submit an itemized statement of expense in lieu of a paid receipt so that he/she may receive reimbursement from the Company that can be used toward paying the deferred expenses. Fees associated with using the deferred payment plan are not reimbursable.

**Courses That Exceed One Year**

In the case of a course that requires more than one year to complete, a receipt of the cost and statement of grades or verification of satisfactory progress must be provided during each calendar year to obtain reimbursement. Reimbursement will be calculated by pro-ration of the total cost of the course.

**Maximum Benefit**

Covered expenses will be reimbursed up to a maximum dollar amount as defined in this chart:

|                            |                            |
|----------------------------|----------------------------|
| Salaried Employees         | \$6,000 per calendar year* |
| Full-time Hourly Employees | \$3,000 per calendar year* |
| Part-time Hourly Employees | \$1,500 per calendar year* |

Each session (semester, trimester, quarter) will be considered for the 90% reimbursement up to half of the annual maximum dollar amount. There is no required length of time between sessions.

The annual maximum dollar amount is determined by the year of the payout – not the year the classes are taken.

**Expenses**

The following expenses are considered eligible for reimbursement through the policy:

- Tuition;
- Required books;
- Required software;
- Printed course materials in lieu of textbooks;
- Registration, laboratory and other fees which the institution requires the student to pay, such as cap and gown, unless otherwise excluded below;
- Nonresident fees;
- P Matriculation fees;
- Examination and certification fees (as defined in the policy); and
- Late examination fees.

These policies and procedures are subject to the Disclaimer on page A 1-1 of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

If any of these fees are not required by the institution and the employee elects to pay for them, they will not be reimbursed. An employee will not be reimbursed for expenses which may be waived or for which he/she is not responsible.

## C 1-4

### **Non-Reimbursable Items**

Expenses for which reimbursement will not be made include:

- Equipment such as radio parts, drafting equipment and special laboratory equipment, calculators and computers;
- Application for entrance into college;
- Class ring or pin;
- Deferred payment or installment charges, including cash discount forfeited by late payment;
- Interest charged on loans from banks or credit associations to pay tuition;
- Late registration fees;
- Parking permit or parking fees;
- Travel-related expenses including those related to course work taken abroad;
- Program changes at the employee's request;
- Room and board;
- Transfer of credits from one institution to another;
- Transcript of credits; and
- Fees associated with course work credit that does not require a proficiency examination, such as credit given for work experience.

### **How Payment Is Made**

Upon completion of the course and submission of the required documentation within 60 days, reimbursement for eligible expenses will be processed and included in the next paycheck that is administratively possible.

### **Taxability of Payments**

Taxes will be withheld only from reimbursement amounts that exceed \$5,250 in a calendar year. Amounts payable under this policy will generally not exceed that amount.

### **Timely Submission of Documentation**

If an employee fails to submit required documentation within 60 days after completion of a course, the initial application may be treated as though the course was not completed.

If a delay in providing the required documentation cannot be avoided, the employee must notify his/her Site Manager or CAE within the 60 days and obtain an extension to submit documentation.

An employee will be reimbursed for any out-of-pocket eligible expenses if the employee withdraws from or fails to complete the course successfully, or is unable to complete the course while an employee of the Company, as the result of:

C 1-5

- Incurring a documented illness or injury;
- Induction into military service;
- A Company action such as relocation;
- The employee's Site Manager or the CAE's request to drop due to a work schedule conflict; or
- Termination associated with a reduction in force.

**Repayment**

The employee will also be required to repay any amounts duplicated by a federal, state or institutional program. If the employee fails to inform the Company of financial aid normally used to offset the benefits payable under this policy, the course will be considered ineligible for reimbursement under this policy and the employee may be subject to disciplinary action up to and including termination of employment.

The Site Manager or CAE, at his/her sole discretion, may require an employee to repay all or any portion thereof of the funds an employee receives through the Educational Assistance Policy if, within one year of completing the coursework, the employee's job performance becomes unsatisfactory or resigns or is terminated for cause.

## **Holidays**

---

### **At-Site Salaried Employees**

There are five company-observed holidays and two personal choice holidays for At-site Salaried employees.

New Year's Day  
Memorial Day  
Independence Day  
Thanksgiving Day  
Christmas Day

At-Site Salaried exempt employees will receive regular base pay for each holiday, regardless of whether they work the holiday. At-Site Salaried nonexempt employees will receive regular base pay for each holiday, or, if they work more than 8 hours on the holiday, they will instead receive pay for time worked on the holiday. If circumstances dictate that a salaried employee (exempt or non-exempt) work 4 or more hours at site on a holiday, in addition to the holiday pay, the employee will be allowed to take an alternative day off with pay. The alternative day off must occur within 30 days of the holiday on a day preapproved by the CAE. Any at-site work on a holiday by an at-site salaried employee must be with advanced CAE approval. If a holiday falls on a Saturday it will typically be recognized on the preceding Friday. If a holiday falls on a Sunday it will typically be recognized on the following Monday.

### **Personal Choice Holidays for At-Site Salaried Employees**

Two personal choice holidays are also available to At-Site Salaried employees during each calendar year, provided they are hired prior to July 1 of that year. At-Site Salaried employees hired after July 1 are eligible for one personal choice holiday. The personal choice holidays may be scheduled at any time with supervisory approval. The maximum personal choice holiday allowance an employee may have at any time shall equal two days. If an employee's earned but unused personal choice holiday allowance reaches the maximum, the employee will not accrue any additional allowance. Unless required by state law, personal choice holiday, if unused, will not be paid out upon termination/resignation.

## At-Site Hourly Employees — Full-time and Part-time

New Year's Day  
Thanksgiving Day  
Christmas Day

### C 2-1

Hourly At-site employees will be paid holiday pay for scheduled hours worked on the above three listed holidays. If a holiday occurs during an employee's scheduled vacation, the employee will be paid for the holiday only if the employee works on the holiday.

The holiday is observed on the actual day regardless if it falls on a weekend. The

Company may choose to close certain retail locations, or limit hours of site operation, on any holiday listed in this policy.

#### Holiday Payments for Hourly Employees:

1. Full-time and part-time employees will receive two times regular pay for all hours worked on the 5 company-designated holidays.
2. Any overtime will be paid in compliance with state and federal requirements.
3. Holiday payments are to be made only for work on the designated holiday calendar day, regardless of elapsed hours of work into or out of the designated holiday calendar. A calendar day basis is midnight to midnight.
4. No wages will be paid for any hours not worked on a designated holiday.
5. Worked holidays should be documented on the appropriate time card or time sheet.

## **Leaves of Absence**

---

This policy governs the following Leaves of Absence:

- Personal Leave
- Family and Medical Leave (including Pregnancy Disability Leave)
- Military Leave
- Jury Duty
- Bereavement Leave
- Time Off For Voting
- Time Off For School Visits
- Other leaves as required by state law

### **Personal Leave**

A personal leave of absence without pay may be approved for full-time employees who have completed 3 months of Company service, where the period of absence is for one bi-weekly pay period or more in duration. All leaves must be approved in advance by the direct supervisor or CAE.

A leave of absence may be granted for personal reasons, such as a death in the employee's family, taking or extending a vacation, transacting personal business, and other acceptable reasons. Time off for personal reasons is granted at the sole discretion of the Company.

The leave of absence starts with the first calendar day following the last day the employee receives pay and ends with the last calendar day of absence. This leave is unpaid and will cover an initial period of up to 90 days. If work requirements permit, the leave may be extended for up to 90-day successive periods, but not beyond the date of which the total continuous period of time on personal leave reaches one year.

Personal leaves granted will be with the understanding that there is no obligation to return the individual to employment.

### **Family and Medical Leave**

The Family and Medical Leave Act (FMLA) requires the Company to provide a family medical leave of absence of up to 12 weeks to eligible employees for specific reasons. Family medical leave is unpaid leave although paid time off such as disability benefits, vacation and personal choice holidays, where applicable, may be used and, if used, will

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

run concurrent with the leave period. Some states have parallel laws with different requirements including California's Family Rights Act (CFRA).

**Eligibility**

This policy applies to eligible full-time and part-time retail at-site employees of the Company who are on U.S. payroll. When applicable, particular terms of this policy will be modified by state laws with more generous provisions.

C 3-1

To be eligible for family medical leave of absence, an employee must have worked for the Company for at least 12 months and have worked at least 1,250 hours during the 12-month period immediately preceding commencement of the leave.

**Qualifying Reasons**

The FM LA requires that the Company provide an eligible employee with up to 12 weeks of family medical leave for the following reasons:

1. birth of the employee's child and to care for the newborn child;
2. the placement of a child with the employee for adoption or foster care;
3. the care of the employee's spouse, parent, child under age 18 or child who is older than 18 but incapable of self-care because of a disability, who has a serious health condition as defined by the FMLA; or
4. the serious health condition of the employee, which makes the employee unable to perform any one or more of the essential functions of his/her job. Note: under CFRA pregnancy disability is not considered a covered health condition for the employee. Pregnancy leave is provided for in California under the Pregnancy Disability Leave Act (PDL).

Beyond the requirements of the FMLA, Company policy also provides a family medical leave for the following reason:

5. the care of an employee's domestic partner who has a serious health condition as defined by the FMLA.

**Note:** In California, effective January 1, 2005, state-registered domestic partners will have the same rights to leave under the California Family Rights Act as do spouses and their children.

**Serious Health Condition**

A serious health condition is an illness that involves at least one of the following:

| <b>Condition</b>   | <b>Examples</b>   |
|--|---|
| Inpatient Care   | Overnight or multiple nights hospital stay or subsequent treatment in connection with inpatient care.   |
| Incapacity Exceeding Three Consecutive Calendar Days and Subsequent Treatment or Incapacity Due to the Same Condition That Involves Either (i) Treatment of Two or More Times by a Health Care Provider or (ii) While Receiving Continuing Treatment | Absent from work, visit a doctor and receive prescription; or Absent from work, visit a doctor, do not receive a prescription but visit doctor again for follow-up. |
| Pregnancy, including Prenatal Care   | Prenatal visits; Confined to bed before delivery;   |

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

|  |   |
|--|---|
|  | Morning sickness (except in CA where these conditions are covered by the PDL) |
| Chronic Condition Requiring Treatment  | Asthma, Diabetes, Epilepsy, Migraines   |
| Permanent or Long-Term Conditions Requiring Supervision, Not Necessarily Treatment | Stroke; Alzheimer's; Permanent mental health disabilities                     |
| Multiple Treatments for a Non-Chronic Condition                                    | Physical Therapy following broken bone or surgery; Chemotherapy               |

#### C 3-2

To verify the serious health condition of an employee or employee's family member, written medical certification from a health care provider may be required ("[Certification of Health Care Provider](#)"). States have different requirements for these forms. Please consult with your local CRA for your state's forms.

### Period of Leave

The FMLA requires the Company to provide eligible employees up to 12 weeks of unpaid leave for an FMLA-qualifying reason within a 12-month period. The 12-month period is measured looking backward from each day of leave.

A leave of absence will begin with the first full day an employee is absent from scheduled work for one of the five qualifying reasons defined under Qualifying Reasons. If an employee is using leave on an intermittent or reduced schedule basis, leave will begin with the first full hour an employee is absent from scheduled work.

**Note:** In California, pregnancy is not considered a serious medical condition. Pregnancy disability is covered by the Pregnancy Disability Leave (PDL) Act, which provides up to four months of leave for the period of pregnancy disability. PDL may be taken when an employee, in the opinion of a health care provider, is disabled by pregnancy, childbirth or a related medical condition (written certification may be required). PDL is not designed for "baby bonding". PDL runs concurrently with FMLA leave, and an employee may be eligible for up to 12 weeks of unpaid baby bonding

leave under the California Family Rights Act. In total, an employee may be eligible for up to 28 weeks of leave due to pregnancy disability and subsequent baby bonding.

### Multiple Leaves

If more than one leave is required within a 12-month period, it will be granted provided the total time on leave will not exceed 12 weeks in a 12-month period.

Each time an employee takes leave, the remaining leave time will be any balance of the 12 weeks that has not been used during the immediately preceding 12 months.

### Exceptions to Company's Maximum Leave Period

If an employee is granted leave to care for his or her seriously ill domestic partner, and he/she uses all or most of the 12 weeks available, he/she may still be eligible for up to 12 more weeks of leave. Because the Company is required by law to provide eligible employees with up to 12 weeks of leave for FMLA-qualifying reasons, the Company must

allow an employee to take leave for those reasons, even if the Company has already allowed maximum leave for a non-FMLA qualifying reason.

**Example:** Employee has taken 10 weeks of leave to care for a seriously ill domestic partner. Now, the employee's child is seriously ill. Although the employee has already used 10 weeks of the Company's family medical leave, if he/she meets the eligibility criteria, he/she will be allowed to take up to an additional 12 weeks of leave to care for his/her child. **Note:** The additional periods of 12-week leaves will not be permitted if the initial leave was for an FMLA-mandated reason.

C 3-3

### Intermittent or Reduced Schedule Leave

Leave may be taken on an intermittent or reduced schedule basis when medically necessary for the serious health condition of the employee or the employee's family member. Intermittent or reduced schedule leave means the employee is still working part or most of his/her regular schedule but taking time as medically necessary. A written medical certification from a health care provider may be required to certify that the intermittent or reduced schedule leave is medically necessary. The Company may modify the employee's current position or require an employee to temporarily transfer to an alternative position for which the employee is qualified, in order to accommodate the intermittent or reduced schedule leave.

When planning intermittent leave for medical treatment for the employee or the employee's family member, the employee should consult with his/her supervisor and make a reasonable attempt to schedule the leave — with approval from the health care provider — so as not to unduly disrupt the Company's operations. If the employee fails to do so, the supervisor can initiate discussions with the employee and require the employee to attempt to make such arrangements, subject to the approval of the health care provider.

If not medically necessary, the law does not require an employer to provide intermittent or reduced schedule leave. However, the Company may provide intermittent or reduced schedule leave in other circumstances with the approval of the employee's supervisor and the concurrence of the appropriate Human Resources manager.

### Counting Intermittent or Reduced Schedule Leave Time

If an employee takes leave on an intermittent or reduced schedule basis, only the amount of leave actually taken will be counted toward the 12 weeks of family medical leave to which an employee is entitled. Leave time will be counted in no less than ten-minute increments.

**Example:** If an employee who normally works five days a week takes one day of leave per week, he/she would use 1/5 of a week of leave each week. Similarly, if an employee who normally works five eight-hour days a week needs a reduced schedule of four hours of leave each day, he/she would use 1/2 of a week of leave each week.

### Termination of Leave

These policies and procedures are subject to the Disclaimer on page A 1-1 of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

An employee is expected to return to work at the end of the approved leave period and must provide at least two days notice of his/her intent to return. If an employee does not wish to or cannot return to work at the conclusion of the approved leave, the family medical leave will be terminated. Although family medical leave ends at this point, the employee may be eligible for another type of leave such as personal leave. Failure to return to work at the end of the authorized leave without an approved extension or personal leave will be deemed a voluntary quit.

#### C 3-4

### **Reinstatement**

The leave will be granted with the understanding that the employee will be reinstated to the position held prior to the leave or to a position with equivalent benefits, pay and other terms and conditions of employment. If there is a change in the Company's circumstances during the employee's leave period, the employee's status will be changed to what it would have been had the employee remained at work.

### **Fitness-for-Duty Certifications**

Any employee returning from a full-time leave of absence due to a serious health condition, or from a reduced schedule leave of absence due to a serious health condition to full-time duty, may be required to submit documentation from his/her personal physician certifying that he/she is fit to return to work. The Company reserves the right to have a Company physician conduct a fitness-for-duty exam prior to any employee returning from a leave of absence.

### **Birth or Placement of a Child for Adoption or Foster Care**

If an employee has been granted a family medical leave for the birth of the employee's child; or for the placement of a child with the employee for adoption or foster care, the leave will end no later than 12 months from the child's birth or adoption or foster care event, even if the maximum leave period has not been reached. The employee may request a personal leave for any additional time off beyond the 12-month period. If he/she does not return to work at the end of the family medical leave period or 12 months from the event, whichever occurs first, and does not request a personal leave, his/her employment with the Company will end.

### **Serious Health Condition of the Employee**

If an employee who has been off work because of his/her own serious health condition and has reached the end of his/her leave period and is unable to return to work and has Short-Term Disability benefits available, the employee may continue to stay out and receive any remaining Short-Term Disability benefits for which he/she is eligible. He/she will be placed on a medical leave of absence.

### **Notification Requirements**

An employee who expects to take or anticipates taking a family medical leave of absence must notify his/her immediate supervisor and/or Client Relationship Advisor, in

These policies and procedures are subject to the Disclaimer on page A 1-1 of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.

(Revised October 29, 2006)

writing, of the start date and expected duration of the leave at least 30 days in advance or, if the need is not foreseeable, as soon as practicable, or the leave may be delayed or denied.

The employee may be required to provide the Company with certain information to support a family medical leave. If this documentation is not provided upon request, the absence may be considered a recordable, unprotected absence and the employee may be subject to disciplinary action up to and including termination of employment.

#### C 3-5

To process a request for a family medical leave, the employee may be asked to fill out specific forms. Necessary forms will be provided to the employee. In the event the employee experiences an FMLA-mandated qualifying event, and the employee does not request leave but the Company has knowledge of that event, family medical leave processing may be automatically initiated. The employee is also required to provide a minimum two-day notice before returning to work from leave status.

### **Medical Certification**

To verify an employee's serious health condition or the serious health condition of an employee's family member, the employee may be required to provide written medical certification from a health care provider certifying the serious health condition ("Certification of Health Care Provider").

**Note: California has different requirements for this form so consult with your local CRA for the appropriate form.** If leave is for the care of a family member with a serious health condition, the certification must support that leave is required to provide the family member with assistance for basic medical or personal needs or safety, for transportation, or to provide psychological comfort which would either assist in the family member's recovery or be beneficial to the family member. If the Company does not require a written medical certification prior to the start of leave, the Company may require such a medical certification if it later learns new information that makes it question the reason for or length of leave. The employee must return the certification according to the applicable instructions 15 days after his/her receipt, or leave may be delayed or denied. If the Company questions the validity of the medical certification, and if permitted by state law, it has the right to request a second opinion. If the first and second opinions differ, the Company may require a third opinion, which will be final and binding. The third and final opinion is by a health care provider jointly selected by the Company and the employee and paid for solely by the Company.

Whether or not the Company requires a written medical certification prior to the start of leave, if it later learns the employee lied or provided fraudulent information about the reason for or length of leave, the employee may be disciplined, up to and including termination.

### **Status Reports**

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

Employees may be required to report to their supervisors every six weeks following the beginning of the leave regarding their intent to return to work. This provision does not apply to employees on intermittent leave. Employees on reduced schedule leave may be required to report to their supervisors every 6 weeks following the beginning of the leave regarding their intent to return to a full schedule. These status reports may be written or oral.

## C 3-6

### **Benefits and Service While on Leave**

**Health and Protection Coverages** — While on this leave, an employee will maintain the same level of medical, dental, vision, life and flexible spending account coverages, if applicable, under the same conditions as if the employee continued to work. The employee will still be responsible for paying his/her share of any contributions or premiums and may be required to make payments on an after-tax basis.

**Short-Term Disability (STD)/State Mandated Disability Benefits Plan** — If an employee is off work for his/her own serious health condition and is eligible for Short-Term Disability (STD) and/or a State Mandated Disability Benefits Plan, he/she will receive those benefits, whether on full-time leave or intermittent or reduced schedule leave. The period for which he/she receives Short-Term Disability and/or State Mandated Disability Benefits will run concurrently with this leave. During this period of time, the employee must meet the procedural requirements of this Policy, as well as the applicable requirements of the Short-Term Disability Plan and/or the State Mandated Disability Benefits Plan.

If an employee is on leave for his/her own serious health condition and has exhausted available Short-Term Disability benefits, any remaining period of time the employee is off work on a Protected Leave will run concurrently with a medical leave.

When an employee is out on leave to care for a child, parent, or spouse with a serious health condition, the employee may be eligible to receive Short-Term Disability benefits or the state mandated paid family leave benefits as provided by and under the terms of the state law or policy.

**Workers' Compensation Benefits** — Employees who are eligible for workers' compensation benefits will receive those benefits concurrent with any available Protected Leave.

**Savings Plan Loans and Payroll Deductions** — While on family leave, automatic payroll deductions for employee contributions and loan payments will end. The employee will receive a notice from the VENTURE PETROLEUM Retirement Service Center that will advise options to continue savings plan loan payments, which are required to avoid default.

### **Military Leave**

The Company grants leaves of absence to eligible employees who are called to or volunteer for service in one of the Uniformed Services as defined by the Uniformed Services Employment and Reemployment Rights Act. While you are on military leave, you can continue some of your Company health and protection benefits.

### C 3-7

If you need to request a military leave of absence, you should provide your supervisor with as much advance notice as possible. The Company will grant you a military leave, in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 (38 U.S.C. §4301 et seq.). If you are a full-time hourly employee with at least one year of credited service or a salaried manager you will receive a pay allowance equal to the difference between your base pay and your military pay, for up to the first year of leave.

### **Jury Duty**

This leave applies to full-time and part-time employees and provides limited pay continuation for eligible employees who are required to perform jury duty as required in accordance with state laws. An employee will receive his or her regular base pay for time lost from his or her regular work schedule due to jury duty for a period of up to two workweeks. For purposes of this policy regular base pay excludes all other compensation such as overtime, shift differential, bonuses, commissions, etc. Any court-paid fees may be retained by the employee and will not be deducted from the payments provided by the Company.

An employee must notify the manager without delay after receiving notification by the court. Failure to do so may disqualify the employee from the pay provision of this policy. An employee will be expected to report to work on any day the employee is not required to appear, or on any day the employee is released early enough to make reporting to work practical and should contact their immediate supervisor regarding scheduling. The employee is required to submit appropriate documentation, including copies of summons to the Manager or CAE.

### **Bereavement Leave**

This leave applies to full-time and part-time employees and provides up to 5 days off with pay to handle affairs, make arrangements and attend the funeral in the event of death in an employee's immediate family. Additional time off without pay may be granted with advance approval from your Manager (CAEs should be notified of any extended leaves granted by Manager). Appropriate documentation may be required for an employee to claim benefits.

The paid time off must be consecutive days and is based on the employee's regularly scheduled workweek. For example: If employees are regularly scheduled to work 4

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.

(Revised October 29, 2006)

hours per day on Monday, Wednesday, and Friday and they need to attend a funeral on the Sunday prior — the bereavement leave would begin Sunday for 5 consecutive days (Sunday through Thursday). They would be eligible for bereavement leave pay for 4 hours per day on Monday and Wednesday.

#### C 3-8

The rate of pay for an approved bereavement leave will be based on the employee's regular base rate. For purposes of this policy regular base pay excludes all other compensation such as overtime, shift differential, bonuses, commissions, etc.

For purposes of this policy, "immediate family" is defined as parents, spouse, children, brothers, sisters, grandparents, grandchildren and domestic partners, whether relationship is by blood, marriage or other legal action.

#### **Time Off for Voting**

This leave applies to full-time and part-time employees and allows for time off to vote under the terms of state law. Consult with your local CRA for your state's requirements.

#### **Time Off for School Visits**

This leave applies to full-time and part-time employees and allows for time off school visits under the terms of state law. Consult with your local CRA for your state's requirements.

#### **Other Leaves As Required By State Law**

When applicable and eligibility requirements apply, the Company will grant other leaves of absence as required by state law. (For example, in California unpaid leave is provided for victims of domestic abuse and for crime victims, among other covered subjects.) Consult your local CRA for your state's requirements.

## **Salaried Short-Term Disability Benefits**

### **Eligibility**

Retail At-site Full-time Exempt and/or Non-exempt Salaried employees who are ill or injured (non-work related) and unable to work are eligible for the STD Plan unless they are:

- Not a U.S. resident;
- A member of a collective bargaining unit (union), unless your collective bargaining agreement provides that you may participate in the STD Plan;
- An at-site retail hourly employee; or
- Not classified as an employee on a participating employer's payroll.

### **Policy**

If an employee is eligible for the STD Plan, coverage begins on the employee's hire date, but only if the employee is actively at work on that day. Otherwise, coverage will begin on the first day the employee is actively at work. If an employee does not notify his/her immediate supervisor of the illness or injury on the first day of absence, STD benefits will begin on the first workday after notification.

To receive STD benefits, an employee may be required to:

- Provide medical documentation, including paperwork required by the
- Family Medical Leave Act (FMLA), that supports claim for STD benefits;
- Accept a light-duty assignment that meets medical restrictions;
- Obtain and follow medical advice or treatment that is recommended by a competent medical authority; and a If applicable, keep all scheduled appointments with Company-approved doctors

### **STD Benefit Schedule**

STD benefits are available for up to 12 weeks each calendar year, beginning on the first regularly scheduled workday an eligible employee is unable to work. An employee's absence may also qualify for Family Medical Leave concurrent with receipt of STD benefits.

For each non-work-related illness or non-work-related injury, STD benefits will equal 100% of base pay for a certain number of weeks based on years of credited service, then 50% of base pay for an additional period. The maximum total benefit period is 12 weeks per calendar year.

| Years of Credited | Service 100% of Base Pay | 50 % Of Base Pay |
|-------------------|--------------------------|------------------|
| Less than 3       | 1 week                   | 11 weeks         |
| 3 but less than 4 | 2 weeks                  | 10 weeks         |
| 4 but less than 6 | 4 weeks                  | 8 weeks          |
| 6 but less than 8 | 8 weeks                  | 4 weeks          |
| 8 years or more   | 12 weeks                 | 0 weeks          |

C 4-1

If there is a question whether an illness or injury is work-related, the employee will first receive STD benefits according to the non-work-related schedule. If it is later determined that the illness or injury is work-related, the employee may be eligible for worker's compensation benefits reduced by the amount of non-work-related STD benefits the employee has already received, retroactive to the beginning of STD benefit payments. Timely reporting to your manager of expected time away from work is required.

Employees will not receive both worker's compensation benefits and STD benefit payments.

If an employee's absence carries over into a new calendar year, benefits will continue to be paid from the previous year's 12-week allowance. The employee will not be eligible for a new 12-week allowance until he/she returns to work.

**California State Disability Benefit**

If an employee works in California, and once STD benefits go into half pay or have been exhausted, he/she may be able to receive benefits from the state's disability plan. It is the employee's responsibility to file disability claims with the state of California. VENTURE PETROLEUM does not coordinate with California's disability benefits plan.

**Holiday Pay**

If a scheduled company holiday occurs while an employee is receiving STD benefits and the employee receives STD benefits for both regularly scheduled workdays on either side of the holiday, the employee will receive STD benefits for the holiday (not holiday pay).

**When Benefits Are Not Paid**

STD benefits will not be paid for any illness or injury resulting from:

- Working for another employer or self;
- Worker's compensation leave of absence;
- Willful intent to hurt self or another person;
- Commission of a crime;
- Intoxication or improper use of drugs (excluding any period during which the employee is participating in an approved rehabilitation program for substance

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

abuse); or participation in an act of war or a riot, unless the employee is an innocent bystander.

In addition, an employee will not be eligible to receive STD benefits while on:

- Vacation;
- A leave of absence other than a family medical leave;
- Suspension; or
- Layoff.

C 4-2

### **When Coverage Ends**

STD coverage ends on the earliest of the following dates:

- The date employee becomes ineligible because he/she is no longer an eligible employee or because employee group no longer participates in the plan;
- The date employee's employment ends for any reason; or
- The date VENTURE PETROLEUM terminates the STD Plan.

STD benefits stop when:

- You are no longer disabled;
- You fail to provide required medical documentation, including paperwork required by the Family Medical Leave Act (FMLA), that supports your claim for STD benefits;
- You fail to accept a light-duty assignment that meets your medical restrictions;
- You fail to obtain and follow medical advice or treatment that is recommended by a competent medical authority; or
- You fail to keep all scheduled appointments with company-approved doctors, including a return-to-work physical.

## **Service and Retirement Award Program**

Special recognition of an employee's length of service will be acknowledged at the completion of each successive year of service as listed below. These intervals are based on current service as outlined in the Credited Company Service Policy. These recognition awards are available to eligible hourly and salaried employees.

**Completion of Year 1** — Certificate of recognition.

**Completion of Year 3** — A special award presented by the employee's manager.

**Completion of Years 5, 10, 15, 20 (continues in 5 year increments)** - Awards will be chosen by the employee from the selected offering.

**Retirement** - To be eligible for a retirement award, an employee must be at least 50 years old and have a minimum of 10 years of credited service. Awards will be chosen by the employee from the selected offering.

Beginning with an employee's fifth year of credited service and at five-year intervals of employment thereafter, the employee will receive an award brochure in the month prior to employee's upcoming service anniversary. While it is expected that employees will select the award as soon as the award brochure is received, award orders must be placed no later than one year after anniversary or retirement date.

## Vacation

---

### Eligibility

This vacation policy applies only to eligible full-time Retail At-Site employees as described below.

Full-time Retail At-Site employees are eligible to use a new year's bank of advanced vacation benefits on each annual Company service anniversary date as set forth in the vacation benefits schedule. However, they will actually earn the vacation benefits advanced to them during the 12 months following the Company service anniversary date.

### Vacation Benefits Schedule

Vacation benefits are determined by the length of an employee's continuous Company credited service as shown in the following schedules:

|   |  |
|---|--|
| Full-Time Salaried Employees<br>Years of Company Credited Service | Weeks of Vacation Benefits Advanced on<br>Company Service Anniversary Date |
| 1-4 years   | 2 weeks  |
| 5-9 years   | 3 weeks  |
| 10 years or more  | 4 weeks  |
| Full-Time Hourly Employees<br>Years of Company Credited Service   | Weeks of Vacation Benefits Advanced on<br>Company Service Anniversary Date |
| 1-2 years   | 1 week   |
| 3-4 years   | 2 weeks  |
| 5-9 years   | 3 weeks  |
| 10 years or more  | 4 weeks  |

For hourly employees, a week of vacation benefits is equivalent to 36 hours of pay and a day of vacation benefits is equivalent to 8 hours of pay. For salaried employees, a week of vacation benefits will be equal to the standard workweek of pay. Vacation at Venture Petroleum receives no compensation just time off.

Employees do not begin to earn vacation benefits until they reach their first Company service anniversary date, but a full bank of vacation benefits will be advanced for use on

These policies and procedures are subject to the Disclaimer on page A 1-1 of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.

(Revised October 29, 2006)

each Company service anniversary date, beginning with the first Company service anniversary date. Vacations benefits will be earned on a monthly basis over the 12 months following said anniversary date, or at a rate of 1/12 per month.

Company service anniversary date is defined as the first day of the month in which the employee was most recently hired

#### C 6-1

An employee must be in active pay status (i.e., actively at work, on vacation, on an excused absence with pay, or, if applicable, receiving any short-term disability benefits or California voluntary plan benefits) for at least one day in the month in order to earn vacation benefits in that month.

Employees who are on unpaid leave status (i.e., on unpaid suspension, on any unpaid leave of absence, or in any other unpaid status) for an entire calendar month do not earn vacation benefits for that month.

#### **Employees Hired Prior to January 1, 2004**

For purposes of this policy only, January 1 will be deemed the Company service anniversary date for employees who were hired prior to January 1, 2004, rather than the first day of the month in which the employee was most recently hired. Years of Company credited service will be counted as though the employee's actual hire date is January 1 of the year in which he/she was most recently hired.

#### **Maximum Accrual**

##### **All states except California:**

Employees have a maximum limit on the amount of unused vacation benefits that can be earned under this policy. Once an employee earns the full amount of vacation benefits for which they are eligible as reflected in the Vacation Benefits Schedule, the employee will cease to earn any additional vacation benefits until some of the earned vacation benefits are used or the employee becomes eligible to earn an increased level of vacation benefits, i.e. due to passage of a Company service anniversary date. For example, if a full-time salaried employee has three years of continuous Company credited service, the employee will stop earning vacation benefits once the employee has earned two (2) weeks of vacation time. No more vacation can be earned until the employee has used some of the earned vacation time, so that the balance drops below two (2) weeks. If the employee's earned vacation balance reaches the maximum again, the employee will again stop earning vacation.

##### **California employees only:**

Employees have a maximum limit on the amount of unused vacation benefits that can be earned under this policy. Once an employee earns one and one-half (1 1/2) the amount of vacation benefits for which they are eligible as reflected in the Vacation Benefits Schedule, the employee will cease to earn any additional vacation benefits until some of the earned vacation benefits are used or the employee becomes eligible to earn an

These policies and procedures are subject to the Disclaimer on page A 1-1 of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.

(Revised October 29, 2006)

increased level of vacation benefits, i.e. due to passage of a Company service anniversary date. For example, if a fulltime salaried employee has three years of continuous Company credited service, the employee will stop earning vacation benefits once the employee has earned three (3) weeks of vacation time. No more vacation can be earned until the employee has used some of the earned vacation time, so that the balance drops below three (3) weeks. If the employee's earned vacation balance reaches the maximum again, the employee will again stop earning vacation.

## C 6-2

### **Moving Between Full-Time Hourly and Salaried Positions, or Between Full-Time and Part-Time Positions**

In the event an employee is transferred to a group eligible for a greater amount of vacation benefits under the Vacation Benefits Schedule, he/she will begin to earn vacation benefits under the new schedule beginning on the first day of the month following the month in which the transfer occurs. In the event an employee is transferred to a group eligible for a lesser amount of vacation benefits under the Vacation Benefits Schedule, he/she will stop earning vacation benefits beginning on the first day of the month following the month in which the transfer occurs. In either case, the advanced bank of vacation benefits will be adjusted accordingly, except as prohibited by law.

A part-time employee is not eligible to use vacation benefits that were earned while employed in a full-time position. In circumstances where a formerly fulltime employee becomes a part-time employee, any earned but unused vacation benefits will be paid out

When an employee moves from a part-time position to a full-time position, and has less than one year of Company credited service, the employee must wait until he/she reaches his/her first Company service anniversary date to be eligible to receive an advanced bank of vacation benefits. If the employee has more than one year of Company credited service on the date of the change in status, the employee will become immediately eligible for a prorated advanced bank of vacation benefits based on the number of months remaining before the employee's next Company service anniversary date. The employee's Company service anniversary date does not change when moving between positions.

#### Timing and Use of Vacation Benefits

An employee may use vacation benefits as soon as vacation benefits have been advanced on his/her Company service anniversary date.

So that vacations will not unduly affect the efficient transaction of Company business, management reserves the right to designate the time when vacation benefits may be used and all scheduling is subject to supervisory approval.

Further, with supervisor approval, vacation benefits may be used in increments of either a full or partial day. An employee who wishes to take a partial day of vacation may work part of a day and use vacation benefits for the rest of that day.

#### Holiday, Death, or Jury Duty during Vacation

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

If a death in the family occurs during an employee's vacation, the employee will be taken  
For Salaried Employees: If a recognized paid holiday occurs during an employee's vacation on a day the employee would have otherwise been scheduled to work, the employee will receive holiday pay for that day instead of vacation pay.

C 6-3

If an employee is summoned to jury duty during a vacation and cannot rearrange the jury duty, the employee will be taken off vacation pay and will be allowed such amount of leave as provided for in the Jury Duty Leave of Absence Policy.

Termination of employment. Refer to the Accounting of Vacation Benefits at Termination of Employment section of this policy.

### **Pay During Vacation**

Vacation compensation may be through time off only with managers approval.

### **Holiday, Death, Jury Duty, or Illness During Vacation**

For Salaried Employees: If a recognized paid holiday occurs during an employee's vacation on a day the employee would have otherwise been scheduled to work, the employee will receive holiday pay for that day instead of vacation pay.

If a death in the family occurs during an employee's vacation, the employee will be taken off vacation pay and will be allowed such amount of leave as provided for in the Bereavement Leave of Absence Policy.

If an employee is summoned to jury duty during a vacation and cannot rearrange the jury duty, the employee will be taken off vacation pay and will be allowed such amount of leave as provided for in the Jury Duty Leave of Absence Policy.

For Salaried Employees Only: If an illness occurs during a salaried employee's scheduled vacation, the employee will not be eligible to receive Short-Term Disability (STD) benefits during the period of scheduled vacation. If the employee continues to be disabled after the period of vacation ends, he/she may be eligible to receive STD benefits in accordance with the STD plan.

### **Accounting of Vacation Benefits at Termination of Employment**

If an employee terminates employment, an accounting will occur to determine if:

1. The employee has earned and accrued but unused vacation benefits remaining; or
2. The employee has used advanced but unearned and unaccrued vacation benefits.

The amount of vacation benefits that the employee had used since the employee's last Company service anniversary date will be subtracted from the amount of vacation benefits that the employee had earned and accrued for use during the period since the employee's last Company service anniversary date.

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

If the balance is positive, a payment for any remaining earned and accrued vacation benefits will be made to the employee as soon as administratively possible after the effective date of the termination, or as soon as required by applicable state law. The payment will be subject to deductions that the Company is authorized or required to withhold.

#### C 6-4

If the balance is negative, the employee will owe the Company because a negative balance indicates that the employee used advanced vacation benefits since the employee's last Company service anniversary date that the employee had not yet earned or accrued under this vacation policy. In the event of a negative balance, an amount equal to the negative hours of vacation benefits times the employee's current hourly rate (or equivalent hourly rate for salaried employees) as of the effective date of the termination will be calculated. The employee will be required to reimburse the Company for the amount due where permitted by state law. This provision will not apply if a termination occurs as a result of the employee's death.

An employee shall not be allowed to extend his/her termination date by using either advanced or earned and accrued vacation benefits once he/she is no longer reporting to work. Instead, any remaining earned and accrued but unused vacation benefits will be paid out at termination.

### **Vacation Benefits When Employee Transfers**

#### **Between a Full-Time and Part-Time Position**

As the vacation policy states, only full-time Retail At-site employees are eligible for the vacation benefits described in this policy. This section describes how a transfer from a full-time position to a part-time position or vice versa affects eligibility for vacation benefits.

#### **Full-Time Position to Part-Time Position**

Effective with the date of the change in status from a full-time position to a parttime position, the employee is no longer eligible to earn and accrue vacation benefits. A part-time employee is also not eligible to use vacation benefits that were earned and accrued while employed in a full-time position. Similar to the action required when employment terminates, an accounting of vacation benefits as described in the Accounting of Vacation Benefits at Termination of Employment section of this policy will occur and the balance of vacation benefits treated accordingly.

#### **Part-Time Position to Full-Time Position**

Effective with the date of the change in status from a part-time position to a fulltime position, the employee will become eligible for vacation benefits as described in this policy.

If the employee has less than one year of Company credited service as of the date of the change in status, the employee must wait until he/she reaches his/her first Company service anniversary date to become eligible to receive an advanced bank of vacation benefits.

If the employee has more than one year of Company credited service as of the date of the change in status, the employee will become immediately eligible to receive a

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.

(Revised October 29, 2006)

prorated advanced bank of vacation benefits based on the number of months remaining before the employee's next Company service anniversary date and the employee will earn and accrue against that bank by working the period from the date of the change in status until the next Company service anniversary date.

C 6-5

**Example:**

|  |   |
|--|---|
| Hired as a Part-Time Employee          | February 10, 2005   |
| First Company Service Anniversary Date | February 1, 2006  |
| Transfers to Full-time                 | June 15, 2006   |
| 1' Advanced Bank of Vacation           | Benefits 8/12 of a full bank of vacation benefits advanced on June 15, 2006 |
| 2 ' Advanced Bank of Vacation Benefits | Full bank of vacation benefits advanced on February 1, 2007                 |

**2005 Vacation Transition Year Addendum**

East of Rockies Full-Time Employee Hired Prior to 1/1/04

- Fully earned and accrued bank of vacation benefits awarded on 1/1/05.
- Does not earn or accrue any vacation benefits during 2005.
- Receives an advanced bank of vacation benefits on 1/1/06 that is earned and accrued during 2006.

**Awarding/Accrual Schedule**

|  |                                      |                                      |                                      |                                      |                                      |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 1/1/05   | 2/05                                 | 3/05                                 | 4/05                                 | 5/05                                 | 6/05                                 |
| Fully earned and accrued bank awarded; no new vac earned or accrued during month | 0 earned or accrued                  | 0 earned or accrued                  | 0 earned or accrued                  | 0 earned or accrued                  | 0 earned or accrued                  |
| 7/05   | 8/05                                 | 9/05                                 | 10/05                                | 11/05                                | 12/05                                |
| 0 earned or accrued  | 0 earned or accrued                  | 0 earned or accrued                  | 0 earned or accrued                  | 0 earned or accrued                  | 0 earned or accrued                  |
| 1/1/06   | 2/06                                 | 3/06                                 | 4/06                                 | 5/06                                 | 6/06                                 |
| Full 2006 bank advanced; 1/12 of 2006 bank earned and accrued during Month       | 1/12 of 2006 bank earned and accrued | 1/12 of 2006 bank earned and accrued | 1/12 of 2006 bank earned and accrued | 1/12 of 2006 bank earned and accrued | 1/12 of 2006 bank earned and accrued |
| 7/06   | 8/06                                 | 9/06                                 | 10/06                                | 11/06                                | 12/06                                |

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

|                                      |                                      |                                      |                                      |                                      |                                      |
|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 1/12 of 2006 bank earned and accrued | 1/12 of 2006 bank earned and accrued | 1/12 of 2006 bank earned and accrued | 1/12 of 2006 bank earned and accrued | 1/12 of 2006 bank earned and accrued | 1/12 of 2006 bank earned and accrued |
|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|

C 6-6

West of Rockies Full-Time Employee Hired Prior to 1/1/04

- Receives an advanced bank of vacation benefits on 1/1/05 that is earned and accrued during 2005.
- Hourly employee hired during 2003 receives advanced grandfathered 2-week vacation benefits bank on 1/1/05.

**Awarding/Accrual Schedule**

| 1/1/05   | 2/05                                 | 3/05                                 | 4/05                                 | 5/05                                 | 6/05                                 |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Full 2005 bank advanced; 1/12 of 2005 bank earned and accrued during month | 1/12 of 2005 bank earned and accrued | 1/12 of 2005 bank earned and accrued | 1/12 of 2005 bank earned and accrued | 1/12 of 2005 bank earned and accrued | 1/12 of 2005 bank earned and accrued |
| 7/05   | 8/05                                 | 9/05                                 | 10/05                                | 11/05                                | 12/05                                |
| 1/12 of 2005 bank earned and accrued                                       | 1/12 of 2005 bank earned and accrued | 1/12 of 2005 bank earned and accrued | 1/12 of 2005 bank earned and accrued | 1/12 of 2005 bank earned and accrued | 1/12 of 2005 bank earned and accrued |
| 1/1/06   | 2/06                                 | 3/06                                 | 4/06                                 | 5/06                                 | 6/06                                 |
| Full 2006 bank advanced; 1/12 of 2006 bank earned and accrued during month | 1/12 of 2006 bank earned and accrued | 1/12 of 2006 bank earned and accrued | 1/12 of 2006 bank earned and accrued | 1/12 of 2006 bank earned and accrued | 1/12 of 2006 bank earned and accrued |
| 7/06   | 8/06                                 | 9/06                                 | 10/06                                | 11/06                                | 12/06                                |
| 1/12 of 2006 bank earned and accrued                                       | 1/12 of 2006 bank earned and accrued | 1/12 of 2006 bank earned and accrued | 1/12 of 2006 bank earned and accrued | 1/12 of 2006 bank earned and accrued | 1/12 of 2006 bank earned and accrued |

All Full-Time Employees Hired during 2004

- Will have earned and accrued a part of the 2005 vacation benefits bank during 2004.
- Receive a partially earned and accrued/partially advanced vacation benefits bank on first
- Company service anniversary date in 2005.

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

- Earn and accrue the partially advanced vacation benefits bank during the latter portion of the 2005/2006 vacation year.

C 6-7

**Awarding/Accrual Schedule—Employee Hired 8/1/04**

|   | 8/04  | 9/04  | 10/04   | 11/04   | 12/04   |
|---|---|---|---|---|---|
|   | 1/12 earned and accrued for 2005  | 1/12 earned and accrued for 2005                  | 1/12 earned and accrued for 2005                  | 1/12 earned and accrued for 2005                  | 1/12 earned and accrued for 2005                  |
| 1/05  | 2/05  | 3/05  | 4/05  | 5/05  | 6/05  |
| 0 earned or accrued                               | 0 earned or accrued   | 0 earned or accrued                               | 0 earned or accrued                               | 0 earned or accrued                               | 0 earned or accrued                               |
| 7/05  | 8/1/05  | 9/05  | 10/05   | 11/05   | 12/05   |
| 0 earned or accrued                               | Full 1 <sup>ST</sup> bank awarded; 5/12 earned and accrued during 2004; 7/12 advanced; 0 earned or accrued during month | 0 earned or accrued                               | 0 earned or accrued                               | 0 earned or accrued                               | 0 earned or accrued                               |
| 1/06  | 2/06  | 3/06  | 4/06  | 5/06  | 6/06  |
| 1/12 1 <sup>ST</sup> year bank earned and accrued | 1/12 1 <sup>ST</sup> year bank earned and accrued   | 1/12 1 <sup>ST</sup> year bank earned and accrued | 1/12 1 <sup>ST</sup> year bank earned and accrued | 1/12 1 <sup>ST</sup> year bank earned and accrued | 1/12 1 <sup>ST</sup> year bank earned and accrued |
| 7/06  | 8/1/06  | 9/06  | 10/06   | 11/06   | 12/06   |
| 1/12 1 <sup>ST</sup> year bank earned and accrued | Full 2 <sup>ND</sup> year bank advanced; 1/12 2 <sup>ND</sup> year bank earned and accrued during month                 | 1/12 2 <sup>ND</sup> year bank earned and accrued | 1/12 2 <sup>ND</sup> year bank earned and accrued | 1/12 2 <sup>ND</sup> year bank earned and accrued | 1/12 2 <sup>ND</sup> year bank earned and accrued |

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

## **Cash Handling**

---

### **Employee's Proper Ringing of Sales**

All sales must be recorded into the register at the correct retail price under the proper product category. The register drawer must be closed after each transaction is completed. Employees must only ring sales on their "own" register (i.e., the one they have logged onto) and, with the exception of the General/Site Manager, must not let anyone else ring sales or otherwise access their register.

The employee must suspend their register when leaving the area for extended periods of time, such as taking a break, stocking shelves, etc. Suspending the register will prevent others from accessing the register. Fraudulent use of another employee's PIN (radiant sites) or use of another employee's drawer is prohibited and subject to discipline, up to and including employment termination.

"Voids" and use of the "no sales" key are to occur only on an exception basis. These incidences require review by General/Site Manager. All voided sales and PIC refunds must be stapled or paper clipped to the Shift Close Documents, adding any notation for the reason for this transaction. Under no circumstances is the cash drawer to be accessed except for authorized transactions (gas authorization, ancillary sales, safe drops, valid paid-outs, and paid-ins).

### **Returns/Refunds**

Under no circumstances may alcoholic beverages or tobacco products be returned. For other returns or refunds, the recipient's name, address, telephone number and notation for the reason for the transaction must be documented on the appropriate Refund Form, signed by the employee and recipient, and stapled or paper clipped to the Shift Close Documents. When General/Site Manager completes End of Day Paperwork, he/she must review the documentation and sign it, ensuring validity.

### **Check Cashing/Cash Advances**

VENTURE PETROLEUM specifically prohibits the cashing of any checks, including VENTURE PETROLEUM payroll checks, via the register. Leaving checks as IOUs from employees or customers is prohibited. Additionally, the register is not to be used to give cash advances at any time or for any reason, including cash advances to employees.

### **Employee Cash Handling/Cash Differences**

The tolerance level for the amount of cash in each drawer should not exceed \$200 on first and second shift, and \$100 on third shift (or lower, if applicable by state law.).

These policies and procedures are subject to the Disclaimer on page A 1-1 of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

Exceptions can be made by an Operations Manager on a market wide basis. Each site will have a Change Fund of a specified amount determined by the Operations Manager and CAE. This amount is to be kept secure in the safe. No extra money should be hidden under the counter, at the side of the register, held on the employee, or elsewhere. No monies should be taken from the register area for any reason, except as designated in full service sites.

D 1-1

### **Bank Deposits**

Only the Manager, Assistant Manager and approved Lead CSR's are authorized by VENTURE PETROLEUM to prepare bank deposit for armored pick-up. Only authorized personnel who have completed background screening will be able to complete this duty. A Manager cannot delegate bank deposit responsibility to another employee unless that employee has been approved by the CAE and cleared through the background screening procedure.

Under no circumstances should an armored car pick-up be waved off or postponed.

If for any reason an armored car pick-up is missed, the General/Site Manager must notify the CAE immediately. Failure to do so will result in disciplinary action up to and including termination of employment.

### **Store Expense Payouts**

VENTURE PETROLEUM process for payment of all pre-approved contractual non-inventory spend is through the AMEX P-Card. Any exceptions to this will require advanced P-Card Administrator approval. General/Site Manager and CAE approval is necessary for any "exception" expense payout. For other payments under \$100, the only acceptable forms of cash payouts are as follows: A one-time store expense up to \$100 accompanied by a sales receipt; approved newspaper vendors requiring payment by "cash on delivery"; an approved cash refund with notations completely filled out on the receipt; a lotto paid-out accompanied by the lotto receipt, up to \$100 per ticket (unless state regulations require greater payouts). When a winning lotto ticket is presented in excess of \$100, the CSR should ask the customer if he/she can wait for payout until a manager is present. If the customer cannot wait and where state regulations require, the CSR can pay out up to \$500. To do so, the CSR will need to wait until enough cash has been accumulated in the drawer to make the payout. The CSR should advise the customer that it may take a couple of hours before this amount of cash is accumulated. Only under these rare circumstances should the cash drawer limits described above be deviated. Approval is not required for towing of vehicles up to \$200 per tow. Any other paid-outs and/or paid-ins are unacceptable and will count toward the over/short of the shift.

### **Cash Overage/Shortage**

Employees operating the register are held responsible for any overage/shortage.

Any employee who has an adjusted cash shortage or overage of \$3.00 or more on any given shift may be subject to disciplinary action up to and including termination of employment. Any shortage or overage in excess of \$50.00 will result in termination. Any exception requires Operations Manager approval.

### **Register Shortages**

These policies and procedures are subject to the Disclaimer on page A 1-1 of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.

(Revised October 29, 2006)

It is against VENTURE PETROLEUM policy for a manager to ask an employee to repay any shortage.

If a shift is short/over as a result of improper cash handling procedures, discipline will result as noted above.

D 1-2

## **Tips**

Employees are not permitted to take tips from customers. This includes any money that is left over after a customer transaction. For example, if a customer pre-pays \$20 for gasoline and then only pumps \$19.50 and drives off without returning for their change, the 50 cents change should remain in the register. Any tip should be documented so discipline will not result for the overage. The change should not be kept by the person running the register. In addition, with the exception of VENTURE PETROLEUM sponsored charities, tip jars and collection jars are not permitted at VENTURE PETROLEUM locations. The only exception to this tip provision is for the West of Rockies Barista employees who work at "Java to Go" branded sites. Baristas must report all tips received according to the "Tips — at site kiosk procedure for Java to Go," and process cards.

## **Safe Drops**

All safe drops must be recorded at the register using the safe/cash drop key prior to removing the cash from the register. Manual drops are discouraged unless the validated safe is inoperable. If a manual drop is necessary, the employee should take the ticket off the cash register, insert it into the safe drop envelope and put the drop in the safe. When manual drops are necessary, the maximum safe drop in one envelope should not exceed \$100. Drops using the safe validators should not exceed \$100 per drop. In some facilities, the maximum drop is lower and if so, the At-Site Manager should inform the employee of the correct amount of the safe drops for that facility. If for any reason the validators are not operating the General Manager/Site Manager must call the CAE immediately and notify Maintenance. If the non-validated funds exceed \$500, the money must remain in the manual drops safe compartment and not be removed until the armored courier is on site and dual custody is achieved.

Floating money or giving drop envelopes to another employee is prohibited, and a reason for employment termination. Once the money is in the envelope, it is not to leave the employee's hand until dropped into the safe.

## **Employee Shift Changes**

The departing employee counts the money in the drawer with the employee covering the next shift, drops bills exceeding \$100 (to remain in the register) and then logs off the register. The oncoming employee logs onto the register with the remaining monies to start the new shift. Once the departing employee has logged off the register, no more drops may be made by that employee.

Departing employees should not leave the register area until all monies are either dropped in the safe or transferred to the incoming employee. Employees may not log onto a register unless they are on duty. Additional drawer must be prepared no earlier

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.

(Revised October 29, 2006)

than 1/2 hour of end of shift. The employee who prepares/creates it is accountable for the drawer and its contents. Use of another employee's safe code is prohibited and will result in disciplinary action up to and including termination of employment.

D 1 -3

## **Employee Purchases**

---

### **Beverages**

While employees are on duty they will not be charged for fountain drinks and brewed coffee. This does not include Frozen Uncarbonated Beverages (FUB)/Frozen Carbonated Beverages (FCB) or machine dispensed Cappuccino Bean products.

### **Foods**

#### **Full Service Delis / Quick Service Restaurants, Subways and Wild Bean Café Food**

While on duty employees receive the following food discounts:

- \$1.00 off all salads and soups
- \$2.00 off all sandwiches that sell for more than \$3.00
- \$1.00 off all sandwiches that sell for \$3.00 or less.
- No discounts for any sandwich or hot food product that sells for \$2.00 or less.

Provisions of the policy:

- The discount applies only to food that will be immediately consumed by the employee while on duty.
- If a sandwich/salad is on sale, the employee is entitled to the lower of the sales price or the discount price, but not both.
- Promotional discount or employee discount may be used, but not both.
- All other food/non-food products must be paid at full price.
- All foods requiring preparation must be produced by another employee and rung on the register by another employee (preferably the manager on duty).
- An employee should only prepare his or her own food if he or she is the only employee on duty.
- Alcoholic beverages may not be purchased or consumed during a scheduled shift.
- No other discounts (other than what's listed above) will be provided.
- Any purchase by an employee must be rung up on the register by another employee (if another employee is working). If another employee is not working, the employee is still required to ring up product prior to consumption. All products must be rung up prior to consumption and/or taken out of store and must be given a receipt.
- Employees must be prepared to present a receipt as proof of purchase. A copy of the receipt must be attached to the shift report.

- Employees working on the convenience side of the store may store and consume non-alcoholic beverages behind the Front Counter out of public view.
- Café employees may store and consume non-alcoholic beverages in a designated area marked, "Employee Beverages" located in the stock room away from any food preparation. This is the only area that any beverages may be held and/or consumed.

#### D 3-1

- Employees should only eat or drink in designated areas away from food preparation.

**REMINDER:** No food may be stored or consumed behind the Café Service Counter or Front Checkout in public view.

### **Food Waste and Spoilage**

- All foods designated as food waste, out of code date, or food spoilage must be destroyed, discarded and must be recorded on the appropriate food waste logs by the manager.
- No one is permitted to take home or consume these type foods.

### Site Inventory/Merchandise

- Any purchase by an employee must be rung up on the register by another employee (if another employee is working). If another employee is not working, the employee is still required to ring up product prior to consumption. All products must be rung up prior to consumption and/or taken out of store and must be given a receipt.
- Employees must be prepared to present a receipt as proof of purchase. A copy of the receipt must be attached to the shift report.
- Failure to properly ring-up gasoline, food or merchandise will be considered theft and is subject to disciplinary action up to and including immediate employment termination.

## **Inventory Control**

---

Inventory control is central to a manager's job. To measure a manager's performance and effectiveness in this area, the Company conducts monthly and quarterly site financial audits. Where the results of a quarterly audit (or, where no quarterly audit, a three-month count equivalent) indicates Manager's inventory shrink at 3% or greater, discipline is appropriate. Where the Manager's inventory shrink is between 3% — 4%, the manager will receive a documented verbal warning (or the next appropriate level of discipline). If within 12-months of the documented verbal warning the manager again has a quarterly audit (or, where no quarterly audit, a three month count equivalent) with Manager's inventory shrink at 3% or greater, the manager will receive a written warning. If within 12-months of the written warning the manager again has a quarterly audit (or, where no quarterly audit, a three month count equivalent) with Manager's inventory shrink at 3% or greater, the manager will be immediately terminated from employment. If at any time a manager has a financial audit greater than 4% (regardless of time period), immediate termination will occur.

Managers are accountable for inventory control at their site, even when they are absent. However, an exception may be made based on the duration of the absence and after being reviewed and approved by the Operations Manager and HR Advisor. In general, managers will be held responsible for losses when they are absent for less than 3 weeks.

In the following situations and with the approval of HR and the Operations Manager (West of Rockies), and the Operations Director (East of Rockies), a CAE may make an exception to the above process:

- The Site or General Manager is within his/her first 90 days as a manager.
- The Site or General Manager has not been responsible for managing the site for the entire audit period.
- The Site or General Manager managed more than one site for at least 60 consecutive days of the audit period.
- The Site or General Manager has followed appropriate proactive inventory control processes and, where inventory shrink occurred, promptly addressed and rectified the issue.
- The Site or General Manager is within his/her first 90 days of managing a site that, immediately before the manager's assignment to the site, had a change over audit with greater than 3% inventory shrink.
- The site is located in a high CAP score area (i.e., sites with CAP scores generally above 500).

Nothing in this policy (including the listed exceptions) affects the payout of bonuses pursuant to the Company's bonus programs. The granting of an exception under this policy has no effect on the determination of eligibility for a bonus under the terms of the Company's bonus program. Refer to the retail bonus program for specifics regarding bonus eligibility.

D 6-1

## **Responsible Alcohol Sales Compliance**

Company employees shall request proper identification from any customer purchasing alcohol who appears to be under the age of 35 years. If the customer cannot produce proper photo identification or the customer is under the legal age limit, the sale of alcohol shall be refused. Proper identification includes only a valid drivers' license, military ID, government ID or passport with a photo and birth date clearly indicated.

### **If a citation occurs:**

Any site employee (including Site or General Manager) who is cited by the authorities for selling alcohol to an individual who is under the legal age limit will be separated from employment. There may also be legal action taken against an employee by the state for non-compliance with state law.

### **If a policy violation occurs (but no government citation):**

#### **Consequences to employee (including the SM/GM themselves) who violates policy:**

1. Any site employee (including Site or General Manager) with less than one (1) year of company service who violates this policy will be immediately terminated.
2. Any site employee (including Site or General Manager) with one (1) year or more of company service who violates this policy will be suspended pending investigation. The Operations Manager will determine whether to terminate based on the employee's disciplinary history. If the Operations Manager decides to retain the employee, the employee will be suspended three (3) days unpaid suspension for hourly employees, one (1) week unpaid suspension for salaried employees.) Any second violation results in termination of employment.

#### **Consequences to manager for employee violating policy:**

1. A Site or General Manager will be counseled and will receive a documented verbal warning if any employee at the site violates this policy (regardless of whether the violation is a violation of federal or state law or policy).
2. If within the same rolling 12 month period, from the first violation, there is a second RAS policy violation by an employee (including the SM/GM) at the Site or General Manager's site, the Site or General Manager will receive a written

warning. In addition, the manager's quarterly bonus may be reduced or eliminated in these cases.

3. If within the same rolling 12 month period, from the first violation, there is a third RAS policy violation at the Site or General Manager's site by any site employee (including the GM/SM), the Site or General Manager will be terminated.

#### D 7-1

4. In situations where the employee violating the policy is "borrowed" from, or "shared" with another site, the supervisor (i.e., the employee's home site manager) of the employee will receive the discipline. Managers who are absent (i.e., vacation, suspension and leave of absence (non FMLA), etc.) continue to be accountable for following this policy.

**Any exceptions** to the above will require prior approval from the Operations Manager with consultation with the Human Resources Advisor.

**ALL** personnel at a site will be required to review RAS training if there is a RAS policy violation at the site during the quarter (Jan-Mar, Apr-June, July-Sept, Oct-Dec). This is true even if an employee at the site has already received RAS training.

### **Second-Party Purchases**

It is illegal to knowingly sell an alcoholic beverage to someone who is buying it for an underage person.

### **Records Retention**

Video Tape/Digital Video (CD) of any government violation or VENTURE PETROLEUM internal shop failure should be re-wound/set to the date/time of the incident, copied and the recording must be maintained on site, along with a copy of the Alcohol & Tobacco Violation Form, until the record retention check is conducted.

### **Legal Documents and Communications**

Documents and/or other forms of communication received at retail locations from Federal, State or Local authorities that notify or warn of potential or real action that would adversely affect VENTURE PETROLEUM operations must immediately be brought to VENTURE PETROLEUM Legal's and the applicable CAE's attention. CAE's must then immediately inform and provide the Operations Manager with all the available information concerning the issue. Operations Managers must then, as appropriate, notify the applicable Performance Unit Leader, Business Unit Leader, and other groups within VENTURE PETROLEUM so that appropriate action can be taken.

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

These types of documents and other forms of communication include, but are not limited to, the following:

- Notifications that site licenses may be in jeopardy of being revoked
- Notifications of potential or real legal actions by Federal, State or Local agencies
- Notifications of on-site investigations and/or inspections.

D 7-2

### **Special Site Manager Compensation Program/Complexity Pay**

The Complexity Pay policy has been designed to provide additional compensation to managers who are assigned to retail sites that have been assessed as more difficult to operate than normal.

There are three factors that determine whether the manager at a site is eligible for a payout:

1. CAP score of the site; and
2. Evaluation by Operations Manager of surrounding business operating practices. This evaluation is based on the competitive environment (e.g., what security measures are in place at a site's nearby competitors).
3. Manager is responsible for the site for the entire calendar month.

Where the evaluation by the Operations Manager differs from CAP score with regard to complexity pay eligibility, the Operations Manager's evaluation governs.

If a site has been designated to warrant complexity pay, the payout will be consistently administered based on the following table:

| CAP Score  | Payout/Month |
|------------|--------------|
| < 300      | \$0          |
| 300 to 499 | \$75         |
| 500 to 749 | \$100        |
| 750 to 999 | \$125        |
| >1000      | \$150        |

This payout is incremental to any salary or bonus pay. Complexity payouts are always driven by the site, not the individual. Site eligibility for complexity pay is subject to change at an Operations Manager's discretion based on updated reviews of the defined determinants. For non-exempt employees the effect of the payout on regular rate of pay/overtime will be taken into account.

D 10-1

**Temporary Management of Multiple Units**

A Site or General Manager who manages an additional retail site on a temporary basis is eligible for special supplemental pay. The supplemental pay is \$70 per week/\$300 per month. Temporary basis means the At-Site or General Manager manages a site other than his/her normally assigned site for more than two consecutive weeks. The special supplemental pay will continue for a maximum of three months. If it is required for the Site or General Manager to manage a site other than his/her normally assigned site for more than three months he/she will be reclassified as deemed necessary. This program does not apply to cluster managers who manage multiple sites on a regular basis.

These supplemental payments are paid through payroll and subject to normal withholdings including state and federal taxes. For non-exempt employees the effect of the payout on regular rate of pay/overtime will be taken into account.

## **Time Entry Procedures**

All employees are responsible for making sure that the time they work is accurately recorded, using the time clock to clock in and out, and where applicable, to record meal periods. If the time clock is unavailable, an employee should manually record the time clocked in and out on a Manual Time Sheet. (See the HR Toolkit for this form, or contact the VENTURE PETROLEUM Retail Employee Service Center.) If the automated time keeping system is unavailable, a completed Manual Time Sheet should be signed and approved by the manager and retained with the site's timesheets. The changing of an employee's time record by a manager should only occur in limited situations to correct errors related to clocking in and/or out.

All Retail At-Site Employees will be paid for all hours worked regardless of scheduled hours and regardless of whether the employee is clocked in when working. This is true even if the employee is working without managerial permission. With the roll-out of the new HR system employees will be paid based upon time entered into the time keeping system (no rounding). For example, if an employee is scheduled to start at 7:00 a.m., but he/she shows up and starts work at 6:45 a.m., he/she will be paid beginning at 6:45 a.m. It is up to the manager to ensure CSRs are aware of their scheduled hours and that they adhere to that schedule. If a CSR works without permission, either prior to or after conclusion of the shift, the manager should address this through coaching and discipline, with HR and CAE involvement where necessary.

Employees must never be asked to work 'off the clock' in order to complete shift change activities or any other work activities. The current labor model includes time for shift change activities.

Hourly employees working third shift on Saturday (EoR) or Wednesday (WoR) at the end of a pay period will be paid for any hours worked after midnight on the following pay period.

## **Tobacco Compliance**

### **Purpose**

As retailers of tobacco products, VENTURE PETROLEUM has an obligation to responsibly uphold state and local laws. In addition, VENTURE PETROLEUM has entered into an Assurance of Voluntary Compliance with the Attorneys General of several states. As part of the Assurance of Voluntary Compliance, VENTURE PETROLEUM has agreed to implement certain policies and practices surrounding the sale of tobacco.

### **Procedure**

#### I) Definitions

A. "Tobacco" is intended to include cigarettes of all kinds, cigars, loose tobacco, chewing tobacco and snuff, as well as smoking paraphernalia including lighters, matches, cigarette papers and pipes to the extent that such substances are, or in the future may be, offered for sale at our sites.

#### II) Detail Policy

##### A. Employee Hiring

i) As part of the hiring process, VENTURE PETROLEUM shall inform all applicants for positions that may involve selling tobacco, or may involve supervising anyone who sells tobacco, of the importance of complying with laws relating to youth access. This should include references to Company policies, legal consequences, and health concerns associated with youth access.

ii) All applicants for store management shall be asked about past violations for selling or supplying tobacco to minors by that person or anyone , under that person's supervision. VENTURE PETROLEUM will give appropriate consideration to such violations in making hiring decisions.

iii) Prior to assuming any job responsibilities that may involve the sale of tobacco or smoking related products, VENTURE PETROLEUM shall inform each new hire that:

- 1) The employee's compliance with youth access laws and policies will be taken into account in connection with promotion and retention decisions;
- 2) VENTURE PETROLEUM monitors employee compliance with youth access laws and policies; and

3) Failure to comply with youth access laws and policies may constitute grounds for discharge. VENTURE PETROLEUM shall provide this information in writing and shall require the employee to sign an acknowledgment that he/she has read and understands the information provided.

#### D 13-1

#### B. Training

- i) Before assuming any job duties that involve or may involve the sale of tobacco, every VENTURE PETROLEUM employee shall be given a copy of the Company's policy and procedures regarding the sale of tobacco products. The facility employee shall review it with his or her site manager.
- ii) Within thirty (30) days of assuming such job duties, the VENTURE PETROLEUM employee shall receive training on the laws, Company policy, and procedures relating to the sale of tobacco.
- iii) Such training shall be performed by a person experienced in providing youth access training, or if conducted electronically, shall be overseen by such person and shall include the following components:
  - 1) A review of applicable federal, state, and local laws relating to youth access;
  - 2) A review of VENTURE PETROLEUM policy relating to youth access;
  - 3) An explanation of the reasons that the law and Company policy deem youth access an important matter, including for example appropriate references to:
    - a) the age of most beginning users (currently the average age is 14);
    - b) the fact that nicotine is addictive, and that young people may show signs of addiction after smoking only a few cigarettes;
    - c) the fact that the younger a person becomes a regular tobacco user the more likely it is that he or she will become addicted and will suffer serious health damage; and
    - d) the fact that more than 400,000 Americans die each year from tobacco-related diseases.
  - 4) A review of the range of tobacco products, and, where applicable, smoking paraphernalia sold by VENTURE PETROLEUM, if any, to which VENTURE PETROLEUM policies and/or youth access laws apply;
  - 5) A review of the law and Company policies and procedures relating to requiring identification, including:
    - a) the age that triggers the I.D. requirement;
    - b) acceptable forms of I.D.; e.g., a valid driver's license or state issued photo I.D.;
    - c) features of an I.D. that must be checked, with particular emphasis on the government issued forms of identification most commonly possessed by adults in the market area;
    - d) how to tell if an I.D. may have been altered or is being misused; and
    - e) what an employee is to do if an I.D. appears altered or misused.

6) An explanation of the fact that many illegal sales are made to minors who produce showing that they are in fact under the legal age, and the importance of devoting the time and effort needed to perform the necessary calculation to establish whether a customer is of legal age;

D 13-2

7) A review of prescribed methods, practical techniques, or stock phrases for handling the following recurring situations and an opportunity to practice handling the following types of situations:

- a) asking for I.D.;
- b) making the necessary age calculation;
- c) declining to make a sale based on concerns relating to whether the I.D. has been altered or is being misused;
- d) declining to make a sale for failure to have an I.D.;
- e) recognizing a potential "third party" sale;
- f) declining to make a sale that appears to be a "third party" sale;
- g) declining to make a sale of smoking paraphernalia (if any are sold);
- h) resisting customer pressure and handling a customer's abusive conduct;
- i) meeting special challenges associated with declining to sell tobacco to underage persons who are friends, acquaintances and/or peer group members;
- and
- j) contacting the police when required by Company policy to do so.

8) In addition to the procedures outlined above, the following should be taught and enforced:

- a) Identification should be checked prior to ringing any part of the sale;
- b) If refusing a sale of tobacco for any reason, the tobacco should be removed from the counter immediately, before proceeding with the refusal;
- c) If money is left on the counter for a sale of tobacco and the customer begins walking away without allowing the employee to check identification, the sale shall not be rung into the register and the employee must notify the Site Manager as soon as feasibly possible. If the customer refuses to leave or becomes disruptive, the police should be contacted immediately.

9) A written test to establish that the employee has fully acquired the knowledge required to perform the job in accordance with the laws and VENTURE PETROLEUM policies relating to youth access. VENTURE PETROLEUM shall provide supplemental training to ensure that any weaknesses identified by such testing are remedied before any tobacco responsibilities are assumed. The Company shall retain written tests completed by each employee for the period of time specified in VENTURE PETROLEUM Record Retention policy. These tests shall be maintained at the site in each employee's personnel file.

10) Instruction that an employee is not required to make a tobacco sale, and must decline to do so, if the circumstances reasonably suggest that doing so would violate the laws or Company policies regarding youth access;

11) Notification that the videotapes are periodically reviewed to monitor employee performance, including but not limited to, compliance with youth access laws and policies;

12) Notification that Company Policy requires employees to ask for ID of any customer who appears to be under 35 years of age for purposes of determining if customers are of legal age to purchase tobacco and tobacco related products. The "WE ID UNDER 35" policy applies Company-wide, except in those areas where the Operations Manager has exercised their option to adopt the stricter policy of "WE ID EVERYONE".

#### D 13-3

iv) Twice a year, VENTURE PETROLEUM shall provide all employees who have responsibilities relating to the sale of tobacco with refresher training. Refresher training will include a review of applicable youth access laws and VENTURE PETROLEUM policies on youth access. Upon completion of refresher training, each employee will sign an acknowledgment that he or she has read and understands the policy statements and other information provided. These training acknowledgements will be maintained at the site in each employee's personnel file.

v) In the event an employee sells tobacco products to minors in violation of state or local laws, the employee will be terminated — even for the first offense. If an employee fails to pass an internal tobacco shop, but does not violate the law, VENTURE PETROLEUM shall provide such employee with appropriate remedial attention. Any employee that fails to pass an internal tobacco shop may be disciplined, up to and including termination of employment.

vi) All facility employees involved in the sale of tobacco, including the Site Manager, must attend a re-training session following a failure of an internal shop or receipt of a government citation. Members of the training department and/or the CAE are the only personnel authorized to conduct the re-training session. CAE attendance at the training session is mandatory. It is the CAE's responsibility to schedule the training within 72 hours of the violation. The training itself must be completed within 10 business days after the violation.

#### C. Prohibited Transactions

i) No employee shall sell smoking paraphernalia including lighters, matches, cigarette papers and pipes, to anyone under the legal age required for purchasing tobacco.

ii) No employee shall sell cigarettes or package cigarettes in quantities less than otherwise commercially available (e.g. so called "kid die packs" of fewer than twenty cigarettes).

iii) No individual shall be allowed to distribute free samples of tobacco products on store property.

#### D. Support Tools

i) To the extent practicable, VENTURE PETROLEUM will program its existing cash registers and, as existing cash registers are replaced with programmable ones, new or replacement cash registers will be programmed to:

1) lock when a tobacco product is scanned;

2) prompt the employee to I.D. the customer;

3) require the clerk to enter the birth date shown on the I.D. or, if it cannot be programmed in that manner, display the date on or before which the customer must have been born in order to make a legal tobacco purchase; and

- 4) indicate whether the tobacco sale can proceed. The cash register operator, in his or her discretion, may override the lock if the customer is beyond the age at which I.D. must be produced under prevailing Company policies.
- ii) VENTURE PETROLEUM will post signage stating "WE ID under 35" (or "WE ID EVERYONE" depending on store policy). Such signage will be placed in the following locations:
  - 1) a static cling sign attached to the front door, facing out;
  - 2) employee buttons;
  - 3) a 6" x 8" counter card, placed so as to be visible to customers; and
  - 4) 2" x 3" register toppers.

#### D 13-4

Hi) Cashiers will have a supply of cards that can be provided to customers upon request. Each card shall contain a phone number through which the customer may obtain further explanation of VENTURE PETROLEUM youth access policies.

iv) As appropriate and practicable, employees will be reminded each time he or she begins a shift of the importance of performing proper I.D. checks for tobacco purchases through a sign-in sheet, a cash register prompt, or other means.

#### E. Supervision & Accountability of Employees

- i) All new Site Managers must be informed that they are assuming responsibility for supervising employees selling tobacco and that they must monitor staff compliance with youth access laws and policies on an ongoing basis. Instances of compliance and non-compliance with youth access laws and policies will be given serious consideration in connection with that supervisor's periodic performance review and in connection with subsequent decisions relating to the supervisor's compensation, promotion, and retention.
- ii) The Site Manager shall attempt to minimize the use of persons under the legal age for purchasing tobacco in positions that may involve the selling of tobacco.
- iii) Each store manager shall report all violations of federal, state, and local laws concerning the sale of tobacco products to minors occurring at the store to their CAE. The CAE must then report the violation to the Operations Manager.

#### F. Compliance Checks

- i) An independent entity will perform annual compliance checks of 50 percent of the COCO outlets that sell tobacco. The independent entity will be instructed to perform the checks for the purpose of obtaining an accurate and reliable indication of actual employee practices in connection with tobacco sales.
- ii) The independent entity will randomly select which outlets will be checked. No outlet selected for a compliance check will be identified to VENTURE PETROLEUM, directly or indirectly, until the check pertaining to that outlet has been completed.
- iii) The compliance checks will be conducted using a person of legal age to buy tobacco, but who is within the age range requiring that he or she be asked to produce identification. These compliance checks are for the purpose of testing whether I.D. is requested as required by Company policy. The compliance check is designed to determine whether the employee selling the tobacco product asked the purchaser to produce identification.

#### G. Videotapes/Digital Video Recorders (CD's)

- i) In all ARCO and VENTURE PETROLEUM branded Company owned and operated outlets that have one or more security cameras designed and placed to videotape

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.

(Revised October 29, 2006)

transactions at the register, the security cameras must continuously videotape sales transactions that occur at the cash register.

ii) Supervisory personnel will periodically review portions of the tapes to monitor employee performance, including but not limited to, compliance with youth access laws and policies.

iii) Such videotape reviews must be conducted in a manner that does not permit an employee to predict which shifts or transactions are likely to be reviewed.

#### D 13-5

iv) As soon as practicable after reviewing a tape showing an apparent violation of youth access policies, the supervisor shall meet with the employee whose performance was reviewed for the purpose of informing him/her of the fact that a review was performed and discuss the employee's performance. In addition, if VENTURE PETROLEUM intends to retain the employee, the supervisor will inform the employee of the consequences of the violation and any subsequent violations and will provide such employee appropriate remedial attention. Additionally, the employee will be informed that he or she may be the subject of additional reviews in the future.

#### H. Youth Access Designee

i) The Programs Manager has overall responsibility for the USCO Tobacco Compliance Program. The Operations Manager in each territory will be responsible for monitoring tobacco policy compliance in his/her territory including reviewing reports of violations of laws concerning the sale of tobacco products to minors. The Operations Manager also has discretion to enforce a stricter policy if warranted.

#### I. Vendor-Assisted Sales

i) Except for the Tobacco Central outlet located in Dyer, Indiana, VENTURE PETROLEUM agrees to display and store all cigarettes in a format that does not permit a customer to take possession of them without requesting an employee's assistance in retrieving them from a restricted access location.

ii) VENTURE PETROLEUM does not use vending machines to sell tobacco products at any retail outlets that it owns and operates in the United States.

#### J. Violations

i) Failure of an internal tobacco shop for COCO facilities (all states): If found in violation of the law, the employee will be terminated, even for the first offense. Where no violation of the law has occurred, but the employee is found in violation of Company Policy, the employee will be subject to appropriate disciplinary action, up to and including termination. VENTURE PETROLEUM will administer discipline after consultation with the appropriate CAE and Human Resources Advisor. Each incident will be reviewed on a case-by-case basis.

1) Video Tape/Digital Video (CD) of any government violation or VENTURE PETROLEUM internal shop failure should be re-wound/set to the date/time of the incident, copied and the recording must be maintained on site, along with a copy of the Alcohol & Tobacco Violation Form, until the record retention check is conducted.

2) Within 24 hours of the incident, the CAE must submit a completed VENTURE PETROLEUM "Alcohol and Tobacco Violation Form" to the Operations Manager.

3) Documents and/or other forms of communication received at retail locations from Federal, State or Local authorities that notify or warn of potential or real action that would adversely affect VENTURE PETROLEUM operations must immediately be brought to VENTURE PETROLEUM Legal's and the applicable CAE's attention. CAE's must then immediately inform and provide the Operations Manager with all the available information concerning the issue. Operations Managers must then, as appropriate, notify the applicable Performance Unit Leader, Business Unit Leader, and other groups within VENTURE PETROLEUM so that appropriate action can be taken.

#### D 13-6

These types of documents and other forms of communication include, but are not limited to, the following:

Notifications that site licenses may be in jeopardy of being revoked

Notifications of potential or real legal actions by Federal, State or

Local agencies

Notifications of on-site investigations and/or inspections

ii) Government Tobacco Citations (all states): The employee will be suspended without pay during the investigation. If found in violation of the law, the employee will be terminated, even for the first offense.

1) Site Manager Responsibility: Upon receipt of notice of an alleged governmental tobacco violation, the Site Manager must contact the CAE immediately and make available to the CAE the following:

a) The videotape/CD of the day and time in question.

b) Copies of ALL training certification and acknowledgment forms.

c) Copies of any and all written statements and/or reports from anyone (including law enforcement and the tobacco licensing agency).

d) Failure to comply with this process may result in disciplinary action, up to and including termination of employment.

2) CAE Responsibility: Upon receipt of an alleged violation, the CAE must:

Report this to the Operations Manager and secure all items listed above and hold them on site until such time they are moved to offsite storage per the Record Retention process.

10. Complete and submit the VENTURE PETROLEUM Alcohol & Tobacco Violation Reporting Form to the Operations Manager within 24 hours of the violation. Failure to comply with this process may result in disciplinary action, up to and including termination of employment.

D 13-7

### **Training Standards**

It is expected that all at-site salaried and hourly employees will successfully complete mandatory training for specific job functions. Employees who fail to pass required training will be required to retake the class(es) within three months of first failing the class. If an employee is unable to pass a mandatory training class within this three month time-frame, the employee will be reassigned, reclassified, or terminated from employment. If the class is necessary to be considered for promotion and the employee is unable to pass the required class, the employee will remain in their current position, be reassigned or reclassified, or terminated from employment. NOTE: Those hourly employees who are required to undergo ServSafe Training are required to complete their training within 30 days of hire, or promotion to a position that requires ServSafe training. If the employee twice fails the required ServSafe training, he/she will be reassigned or terminated from employment.

An employee who twice fails a training class must receive Operations Manager approval before taking the training again.

## **Uniforms**

---

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image we present to customers and visitors.

While at work, employees must present a clean and neat appearance and dress according to the requirements of their position. Any clothing, attire or tattoos with offensive logos or words are prohibited at work. Employees who report for work inappropriately dressed, or have not observed personal hygiene requirements noted below, will be sent home and directed to return to work in proper attire. Under such circumstances, employees will not be compensated for the time away from work.

Employees should notify HR if any of the requirements of this policy conflict with their religious beliefs. Employees should also contact HR if they believe their uniform needs to be modified due to a disability or other medical condition.

HR will evaluate the request on a case by case basis.

### **Uniform Requirements**

All employees are required to conform to the dress standards and maintain acceptable personal hygiene.

Employees must wear all components of the uniform. The uniform must be clean and free of stains, tears, and holes. The approved uniform is the only acceptable attire to be worn while on duty. If an employee is sent home for failing to be in acceptable uniform, the employee will be disciplined up to and including termination of employment.

Managers are responsible for ordering uniform shirts, nametags, "We ID" buttons, and other components for all employees. Employees are required to provide their own shoes & pants.

Uniform items provided by the Company are the property of the Company and must be returned upon termination of employment.

After consultation with Human Resources, managers have final discretion over what is offensive, distracting, or otherwise inappropriate appearance at work, including matters relating to hair color, jewelry, make-up, tattoos, etc.

#### D 15-1

#### Uniform Components for all At-Site Employees

- Uniform shirt
- Long or short-sleeved
- At hire, the Company will provide each full-time new hire three (3) uniform shirts and each part-time new hire two (2) uniform shirts.
- If replacement shirts are needed, they will be provided at the Company's expense and with a CAE's approval.
- With the exception of maternity shirts, if worn out, shirt cannot hang more than six inches below waistline. Otherwise shirt must be tucked in.
- Long sleeved undershirts are prohibited under short sleeved uniforms shirts.
  - Nametag (to be worn opposite of logo)
  - Promotional buttons
  - Khaki Dockers-style pants (employees are required to provide their own)
- No shorts
- No denim
- No frayed, baggy, cargo, or carpenter styles permitted
  - Branded baseball style hat (optional) must be worn bill forward

#### Safety Attire

- Company issued safety vest while on duty outside of the building

#### Shoes

- Leather, canvas, or vinyl shoes permitted
- Shoes must be closed toed, closed flat heeled, and slip resistant Socks or stockings must be worn
- No sandals are allowed

#### Outerwear

- Sweaters and coverings over the uniform shirt are prohibited on the sales floor
- Personal jackets and coats may be worn when outside the store (with orange safety vest) or in the cooler

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

### Additional Components for Employees working in food preparation

- Disposable plastic gloves during all food preparation
- Cut-resistant gloves when using a knife or as otherwise required by policy

### Additional Components for Wild Bean Café Employees

- Apron
- Branded hat (required) must be worn bill forward or hair net
- Chef's Coat (bakers only)

D 15-2

## **Personal Appearance**

### Hair

- Hair must be neat, clean, and away from face
- Facial hair must be neatly trimmed and/or clean shaven

### Personal Hygiene

- All employees must report to work clean and well groomed
- Hands must be clean and must be washed before leaving restroom
- Fingernails must be clean and trimmed

### Jewelry

- Jewelry that poses a safety hazard is prohibited
- Facial studs/bars and tongue piercings are permitted as long as limited to two or less
- Facial rings/hoops are not permitted for safety reasons
- Earrings are limited to two per ear

In addition, Food Service employees are prohibited from wearing:

- Rings, with the exception of a plain band such as a wedding ring
- Bracelets, with the exception of watches that are tightly secured and do not have any dangling objects
- Medical alert i.d. jewelry is permitted when worn around the neck.
- Loop or dangling earrings

### Miscellaneous

- Tattoos are acceptable as long as they are not offensive in nature, e.g., gang symbols, nudity or racially biased

These policies and procedures are subject to the Disclaimer on page A 1-I of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

- Gum chewing or eating in front of customers is prohibited

If you have any questions regarding appropriate dress or hygiene, please check with your manager.

D 15-3

### **Pager Use Policy**

#### **Applicable to all non-exempt employees**

VENTURE PETROLEUM will compensate employees for all expenses incurred in direct consequence to the performance of his/her duties or in compliance with the supervisor's direction.

If your supervisor requires that you carry a pager, such activity is not compensable. The company's expectation is that if you receive a work page, you will exhibit professional courtesy and respond to the page within 30 minutes. Employees will be compensated for all time spent responding to a page. Such time must be properly reflected on your time records. Failure to respond to a page at all, or in a timely manner, may subject you to disciplinary action, up to and including termination of employment.

## **Training Bonus**

---

A Site or General Manager who is selected to be a Field Orientation Leader (FOL) and mentors a COCO Manager in Training (MIT), a Franchisee or Franchisee Manager in Training is eligible for a bonus. Also, a Café Manager (CM) who is selected and mentors a COCO Café Manager in Training (CMIT) or a Franchisee Café Manager in Training is eligible for a bonus. The FOL and the CM bonus is \$300 for each successfully trained candidate. These bonuses are payable if and when the trainee successfully completes classroom training and is certified for placement.

The FOL is not eligible for the \$300 bonus and may be subject to disciplinary action and may be removed as a FOL if, during the training the Franchisee or Franchisee Manager in Training, sells alcohol or tobacco or handles cash.

A Master Baker who is selected to be a trainer for the Baker is eligible for a bonus. The Master Baker bonus is \$50, to be payable at the end of successful completion of in-store training.

When a Café Manager conducts a one Week CAE training class for food handling certification, the Café Manager will receive a \$100 per class bonus.

These bonuses will be paid through payroll, and are subject to normal withholdings, including state and federal taxes. For non-exempt employees the effect of the bonus payout on regular rate of pay/overtime will be taken into account.

## **Travel Time**

---

### **Applicable to all non-exempt employees**

VENTURE PETROLEUM will compensate employees for all expenses incurred in direct consequence to the performance of his/her duties or in compliance with the supervisor's direction. This includes pay and/or reimbursement for mileage, travel, and dining expenses, incurred while the employee is under VENTURE PETROLEUM control and/or direction.

With the exception of travel time from home to work and back, most travel time is considered work time. For those conducting gas surveys, work begins at the first survey site. The company will compensate all non-exempt employees who are required to travel in the course of conducting their work, for regular time and any applicable overtime, according to Federal and State regulations.

Employees who spend time at lectures, work-related courses, employer-sponsored training programs, or employee meetings must count that time as hours worked for pay purposes, unless:

- Time is outside of normal working hours; and
- Course work is unrelated to the employee's regular job (such as learning the requirement of a new or higher-rated job); and
- Attendance is strictly voluntary (except for continuing education training); and
- No productive work is performed.

Attendance at employee meetings, employer-sponsored training programs, lectures, work-related courses, or meetings is not deemed voluntary if it is a VENTURE PETROLEUM requirement for the employee to attend the meeting(s). Training is directly related to the employee's job if it aids him/her in performing the present job more effectively, as distinguished from training for another labor skill. However, training is not considered directly related to an employee's job if the intention of such training is to prepare him/her for advancement to a higher skill.

The following are examples of when a VENTURE PETROLEUM employee will receive compensation for travel or training time:

- If an employee reports to the regular workplace and is then required to travel to another site to work for the day, or for a required training or meeting, travel time to the assigned workplace will be compensated;
- When an employee is required to report to a work site other than the regular site, and goes directly to that site without first going to the regular site, the company will pay the employee for his/her travel time if the employee must expend substantial additional time (45 minutes or more than his/her normal commute) commuting to and from his/her home and the alternate work site.
- If employees are required to travel to a distant work place, travel and work time will be compensated according to Federal and State regulations.

D 18-1

## **Shift Trading**

---

General Managers/Site Managers are responsible for creating employee's work schedules. However, there might be times when an employee may want to trade shifts with another employee. In the event the employee is not able to work their scheduled shift, it is the responsibility of the employee to find a replacement. The following must be in place for a shift trade to occur:

- Obtain approval from co-worker with whom the shift trade is occurring
- Must execute the trade within 48 hours of scheduled shift. (This will be automated through the back office HR system when it becomes available.)
- Neither employee enters into overtime status for that particular work week, work day, or does not enter into seventh consecutive work day
- General Manager/Site Manager will have the right to approve or deny a request for any reason

A General Manager/Site Manager has the authorization to approve a shift trade that may deem the employee eligible for overtime for that particular work week.

If the employee is unable to find a replacement, the employee is expected to work their original shift schedule.

## **Premium Pay**

---

### **Site CSR Safety Lead/Temporary Baker**

Customer Service Representatives who undertake the additional duties and responsibilities associated with the CSR Safety Lead or Temporary Baker will be eligible for a premium of \$0.25 per hour, which will be added to their base hourly wage. This premium will only be provided while the employee is in the role of Safety Lead or Temporary Baker. Sr. Assistant Managers, Assistant Site Managers, Caf6 Leads, and all salaried employees (including MITs and non exempt managers), are NOT eligible for these premiums.

### **Territory Safety Coordinator**

Where applicable, one Site or General Manager will be selected in each Company Account Executive's (CAE) territory to be the Territory Safety Coordinator, and will be eligible to receive a \$300 per quarter bonus prorated depending on length of time in role.

These payments will be paid through payroll, and are subject to normal withholdings, including state and federal taxes. For non-exempt employees the effect of the payment on regular rate of pay/overtime will be taken into account.

D 20-1

## **Cutting Devices and Personal Protective Equipment** .

All employees are permitted to use only Company approved cutting tools. Box cutters, approved by the Health and Safety Department, are used only in operations that require them. The need for kitchen knives and slicers, required for Wild Bean Café and Subway operations, is directed only by Food Operations.

Where applicable, rounded tip scissors are the only cutting tool not requiring approval from HSSE.

Employees must use all required personal protective equipment (PPE) when using a knife or slicer at a Company facility. For this reason, with the exception of Dough Cutters (where applicable), employees are required to put on and wear cut resistant gloves while using or handling any cutting device (knife or slicer) while on duty at a Company facility.

## **Employee Personal Commitment to Safety**

The health and safety of our employees and the safe operation of our sites is a top priority for VENTURE PETROLEUM. VENTURE PETROLEUM safety goals are simply stated — no accidents, no harm to people, and no damage to the environment. Every employee should be able to go home at the end of the working day without having suffered or caused harm in any way.

VENTURE PETROLEUM has several safety policies in place to help prevent injuries and accidents from occurring. These policies are primarily housed in the HSSE Retail Facility programs Manual (Green HSSE Binder). There are also safety policies in this Retail At-Site Policies & Procedures Manual and the Yellow Emergency Procedure Manual.

As a condition of continued VENTURE PETROLEUM employment, employees are expected to follow these policies and work safely at all times, including following all Night Time Operations as listed in the U.S. Convenience Retail HSSE Manual (Green Binder) Section 405, 1.4 Crime Deterrence. For purposes of this policy, night time is defined as sunset to sunrise. Only HSSE business critical incidents are deemed appropriate to go outside after dark, such as for a gas spill or an emergency. This section states:

1.4 Night Time Operations should be approached with added awareness and vigilance.

Employees working at night should:

1.4.1 Make frequent and regular cash drops into the safe.

1.4.2 Not wander around outside nor perform routine tasks outside at night [i.e. taking out the trash, sweeping the forecourt, cleaning the pumps, etc.].

1.4.3 Not be lured outside by customers with unusual requests for assistance.

1.4.4 Not access an exterior only entry restroom without informing a fellow employee of absence and anticipated duration.

1.4.5 Openly greet everyone who enters the store.

1.4.6 If a problem starts to develop on the lot or in the store, call the police as soon as it is safe to do so.

The failure to follow these provisions will not be tolerated. Where an employee violates a safety policy, termination of employment will be considered (even for a first offense). In certain situations and depending on a variety of factors including the nature of the violation, less severe discipline may also be considered.

VENTURE PETROLEUM safety goal can only be achieved if every single employee remembers the importance of safety and accepts their personal responsibility for safe work practices.

Everyone who works for VENTURE PETROLEUM is responsible for their own safety and the safety of those around them. Everyone who works for VENTURE PETROLEUM has an obligation to stop work that is unsafe.

This means that if an employee observes another individual violating a safe work practice, VENTURE PETROLEUM expects the employee to immediately alert the other individual of this unsafe behavior. If the unsafe behavior continues, the employee should alert management.

## E 2-1

VENTURE PETROLEUM safety policies come into play throughout every work day. Some of the more common safety procedures are outlined below. However, employees are required to review and be familiar with all of VENTURE PETROLEUM safety policies. If an employee has questions, needs assistance with the policy with the policy review, or needs training on a particular policy, the employee must notify his or her Manager.

### **Working with knives and slicers**

Employees are required to wear cut-resistant gloves in accordance with the Cutting Devices and Personal Protective Equipment policy.

### **Walking on wet floors**

Employees will promptly take action to identify wet floors with the appropriate signs. Employees will follow the proper process for mopping floors, including dry mopping.

### **Working on a safety ladder or step ladder**

Employees will use only approved equipment and will use it properly. An employee will never allow his/her feet to be more than 6 feet from the ground.

### **Using cleaners and other chemicals**

Employees will use cleaners and other chemicals in accordance with instructions on the label. They will make sure all containers at the store are properly labeled and stored. Only products and chemicals approved by the Health and Safety Department can be used. A complete listing of approved products is maintained in Section 600 of the HSSE Programs Manual (Green Binder).

### **Stocking inventory (soft drinks, beer, milk and other merchandise)**

Employees will follow proper lifting techniques, in order to avoid sprains and strains.

### **Working on the Forecourt**

Employees will wear a reflective safety vest any time they are outside the store performing a task.

These policies and procedures are subject to the Disclaimer on page A 1-1 of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

### **Large Spill or Leak**

If a large spill or leak occurs, employees must take appropriate action outlined in the Yellow Emergency Procedures Manual. This includes phoning the fire department and notifying their manager and Company Account Executive immediately.

E 2-2

## **Personal Vehicle Use**

Only employees who are listed on the site Performance Board as Designated Drivers and who have successfully completed the Defensive Driver Safety Training prescribed by USCO can drive on Company business. (An employee who needs to drive to any training must complete the Defensive Driver Safety Training and obtain their manager's approval prior to driving to the training.) Refer to the Road Safety Policy (Green Binder, Section 305 — 10.) for details on business critical driving.

### **Mileage Reimbursement**

The Company will reimburse eligible employees for approved use of their own vehicle on Company business at the rate established by the IRS for the time at which the mileage was incurred. Future reimbursement rates are subject to possible changes when IRS rates are revised. No other reimbursements for personal vehicle use will be provided.

Responsibility for proper control of reimbursement authorized by this procedure rests with the supervisor approving the employee's Expense Report form.

Employees are expected to submit timely reimbursement requests.

Reimbursements must be submitted to the employee's supervisor within two months of expense. Requests submitted beyond two months will be reviewed by the employee's supervisor and may not be reimbursed unless required by law.

### **Employee Responsibility**

Maintenance of the vehicle, liability insurance, and all other types of insurance coverage relating to the operation of the vehicle are the responsibility of the employee. The Company does not provide any insurance coverage for employees' vehicles. The amount of liability insurance coverage must meet minimum statutory limits as set by the State in which the motor vehicle is registered.



## USCO Road Safety Policy for Sites



**Failure to follow this policy will result in disciplinary action up to and including termination.**

- Any Site employee driving on VENTURE PETROLEUM business must be listed as a designated driver on the Performance Board. Employees who are not listed as designated drivers may not drive on VENTURE PETROLEUM business
- All VENTURE PETROLEUM drivers must have a valid driving/operator's license, issued by the state in which they live, for the class of vehicle being driven. Designated Drivers must inform their supervisors of any change to the status of their license immediately.
- Every Designated Driver will successfully complete a VENTURE PETROLEUM approved defensive driving course (computer-based or lecture only) before driving on VENTURE PETROLEUM business and once every three years.
- Vehicles driven on VENTURE PETROLEUM business must have proper functioning seat belts for each passenger. This requirement applies to personally-owned vehicles and rental vehicles. Taxis and buses are excluded from this policy; however, use of such vehicles must be minimized where alternatives exist.
- Everyone in the vehicle must wear a seat belt while the vehicle is in motion.
- Vehicles must be maintained in accordance with the vehicle manufacturer's specifications. Vehicles must not carry more passengers than allowed by the manufacturer or legal limits for the vehicle.
- Employees may not drive or ride as a passenger on motorcycles, bicycles, quads or similar vehicles for VENTURE PETROLEUM business.
- All loads, regardless of volume, shape, or size, must be properly secured and may not exceed manufacturer's specifications and legal limits for the vehicle.

- Each and every employee is obliged to stop driving if they are tired or fatigued. The employee should either make alternative travel arrangements or have an appropriate period of rest/sleep before driving.
- Employees must not drive at any time and under any circumstances, if they are under the influence of alcohol, drugs, or any other substance or medication that could impair their ability to drive safely.
- Employees driving on VENTURE PETROLEUM business must not use any mobile-cell phones or other two-way communication devices while the vehicle is in operation.
- Any employee involved in a vehicle accident while driving their personal vehicle on VENTURE PETROLEUM business must report the accident as soon as possible to their supervisor and their insurance company.
- Employees who drive over 10,000 miles per year on VENTURE PETROLEUM business are considered Professional Drivers and other requirements apply. See USCO Road Safety Policy in section 305 of the Green Binder.

E 5-1

### **ServSafe Training**

The ServSafe Training policy has been combined with the Training Standards policy D 14-1.

## **Reporting Injuries and Accidents**

The safe operation of our sites has been and will continue to be a VENTURE PETROLEUM priority.

The immediate reporting of all injuries and accidents affords VENTURE PETROLEUM the opportunity to ensure the employee has access to prompt medical attention, to address potential safety concerns, and to prevent other similar workplace incidents or accidents from occurring.

As a result, employees must immediately report any on-the-job injury or accident to their Site Manager and/or Company Account Executive (CAE). The notification to the Site Manager and/or CAE should occur as soon as the employee is aware of the injury or accident, regardless of whether medical treatment is needed. Generally this should be at the time of the injury or accident and no later than the end of the employee's work shift. Emergency contact information is located within the Yellow Emergency Procedure Manual.

Unless emergency medical treatment is required, an employee must also tell his/her Site Manager and/or Company Account Executive before he/she obtains medical treatment. This applies even if the need for medical treatment occurs in the afternoon or evening hours or over the weekend.

Where an employee fails to follow the reporting requirements of this policy, termination of employment will be considered for a first offense. In certain situations, less severe discipline may also be considered.

## **Shoplifting/Beer Runner/Disruptive Customer**

Employees should never verbally or physically confront a shoplifter, beer runner or disruptive customer. It is acceptable to "politely" ask a customer whether he or she is going to pay for an item. If an employee observes a customer who appears to be contemplating or attempting to shoplift, the employee may politely inquire if the customer needs anything else or if they need help in finding anything else. However, if the customer becomes irate or clearly agitated, the employee should say nothing further.

Reminder: the procedure as listed in the U.S. Convenience Retail HSSE Manual (Green Binder) Section 410 must be followed:

### **"PROCEDURE**

Every store employee who witnesses a crime, or who suspects that someone has committed a crime, regardless of how minor, shall not physically confront or openly accuse that person of the crime. Open confrontation often leads to hostilities and assaults, and should be avoided. Site Managers shall ensure that all store employees know and are aware of the company policy of "not chasing" a criminal offender, (regardless of how minor the offense or how young the offender). A crime incident response checklist to assist in incident response is located at the end of Section 410."

Unless there are extenuating circumstances, an employee who violates this policy is subject to immediate termination of employment.

E 10-1

**Sharp Objects in the Workplace**

Employees are prohibited from using or bringing sharp objects into the work site:  
Razor blades,  
Knives not provided by the Company,  
Exposed blades,  
Any other unauthorized cutting devices

Unless there are extenuating circumstances, an employee who violates this policy is subject to immediate termination of employment.

E11-1



P.O. Box 21435  
El Cajon, California 92021  
619-579-7337  
www.venturepetroleum.com

December 17, 2008

To all Employees;

This notice informs all employees that Venture Petroleum Company Inc. grants all employees a 30 minute lunch break to any shift, after 5 hours, except when workday will be completed in 6 hours or less and there is mutual employer/employee consent to waive meal period. On-duty meal period counted as time worked and permitted only when nature of work prevents relief from all duties and there is written agreement between parties.

This notice serves as a written agreement to employees that there may be a time, or times, when lunch must be consumed at the premises while at work. In such case the employee will be paid for his/her lunch break. Please sign below to acknowledge the mentioned agreement.

Please note, that the employee may revoke his/her agreement at any time, by simply giving management a written notice. At which time Venture Petroleum will grant such notice relative to on-duty lunch breaks.

| Name  | Signature | Date  |
|-------|-----------|-------|
| _____ | _____     | _____ |
| _____ | _____     | _____ |

These policies and procedures are subject to the Disclaimer on page A 1-1 of the Retail-At-Site Policies & Procedures Manual. Please understand that violation of any of the policies and procedures contained in the Manual can lead to disciplinary action up to and including termination of employment.  
(Revised October 29, 2006)

