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	SUBJECT: ASSET LOSS PREVENTION	Date of Board Approval: June 17, 2005

Marine Atlantic Inc. maintains a zero tolerance policy regarding theft of (a) Marine Atlantic Inc.'s property, merchandise, and services, and (b) the property of employees, customers, suppliers, or any other company or individual. This Asset Loss Prevention Policy is designed to deal with this risk. Marine Atlantic Inc. will adopt appropriate procedures under this Policy to minimize those losses and implement the Asset Loss Prevention Plan.

Any dishonest act by a customer denies the Company resources necessary for the operation and may result in a future denial of access to Company property and premises.

Any dishonest act by the representative of a contractor or supplier is inconsistent with good business ethics and may result in the termination of the Company's current or future business relations with that business entity.

Any dishonest act by an employee while working at Marine Atlantic Inc., while representing the Company or while on its premises is an infringement on the reputation of the Company and the integrity of honest employees. Such actions will result in discipline.

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The procedures set out herein shall constitute the core ingredients of Marine Atlantic's "Asset Loss Prevention Program", instituted under the "Asset Loss Prevention Policy"

1.0 Responsibilities

1.1 The Director of Finance will:


- a. oversee and maintain the Asset Loss Prevention Program;
- b. communicate that integrity and honesty are values Marine Atlantic Inc. strives to maintain; and
- c. recommend changes to the Asset Loss Prevention Policy where considered appropriate.

1.2 Directors will:

- a. implement, in consultation with the Director of Finance, the Asset Loss Prevention Program within the departments;
- b. communicate that integrity and honesty are values that Marine Atlantic Inc. strives to maintain;
- c. explain to employees the operating details and purpose of the Asset Loss Prevention Program; and
- d. recommend any changes desirable or necessary for more effective operation of the Asset Loss Prevention Policy.

1.3 The managers or supervisors will:

- a. implement, in consultation with the Directors, the Asset Loss Prevention Program within their departments;
- b. communicate to employees, details of the operation and the purpose of the Asset Loss Prevention Program;
- c. communicate that integrity and honesty are values that Marine Atlantic Inc. strives to maintain; and

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d. recommend to the director any changes necessary in the Asset Loss Prevention Policy.

1.4 Employees will:

- maintain integrity and honesty in the workplace;
- comply with the requirements of the Asset Loss Prevention Program;
- inform persons to whom they report of suspected breaches of the Asset Loss Prevention Program by other employees, contractors, suppliers, and customers; and
- cooperate in any investigation of the above.

Failing to fully co-operate with an investigation, an employee will be subject to discipline.

1.5 Legal Counsel, in consultation with the President & CEO, will be responsible to correspond with customers and passengers in respect to issues involving this policy.


1.6 All managers will:

- a. communicate to suppliers and contractors through purchase orders or other appropriate means that searches may be administered to their representative under the terms of this policy; and
- b. investigate and terminate contracts and request removal of suppliers from approved purchasing supplier lists should a contractor be found to be in violation of this policy.

2.0 General Provisions

2.1 Loss prevention is a term used within Marine Atlantic to describe ways to prevent asset losses. These losses, also referred to in industry as shrinkage, are usually caused by shoplifting, wilful damage and wastage, receiving and paperwork mistakes and employee theft.


2.2 Examples of theft include:

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- a) Mishandling, misusing, stealing, or improperly accounting for the Company's money or funds including procedures for credit cards, coupons, gift certificates, vouchers, refunds and travel expenses;
- b) Converting Company cash, merchandise, supplies, or equipment to his / her own benefit, regardless of monetary value, removing Company tools, equipment, merchandise, or supplies from Company property without proper authorization;
- c) The unauthorized possession of Company property, the property of other employees, customers, suppliers, or visitors, or any other persons, regardless of the value of the property;
- d) Theft including unauthorized consumption and taking of items which include but are not limited to, prepared foods, drinks, chocolate bars, "grazing" at food lines, etc.; and
- e) Unauthorized discounting of products or services, including but not limited to discounting products or services for family, friends, fellow employees, or any customers without the knowledge and permission of the immediate supervisor.

2.3 The Asset Loss Prevention Program encompasses and is in addition to all of the control mechanisms currently in place and implemented including, but not limited to: the International Safety Management System (ISM), the Delayed Passenger Policy and procedures, the Cash Handling Policy and procedures; and the Procurement Policy and procedures; the Credit Card procedures; and includes the unauthorized use or abuse of Travel Pass cards as outlined in the policy: *"Free Transportation – Marine Atlantic Travel Pass Cards"*.

2.4 In keeping with the zero-tolerance policy for theft, and subject to collective agreement provisions, any proven violation of the provisions of this policy will be grounds for discipline, up to and including for employees the termination of their employment. In all situations, an investigation will be conducted and documented to verify that a policy violation has occurred before disciplinary action is taken.

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Therefore, management has the authority and discretion to hold out of service any employee who is believed to be in violation of this policy, which could lead to termination of employment pending the results of the investigation.


3.0 Property Ownership Verification

3.1 Definitions


- a. Property ownership verification (POV) searches mean searches for the purpose of verifying the ownership of company property.
- b. Designated officer means any person designated by the President & CEO or his/her designate to conduct POV searches. This shall include the terminal managers and assistant terminal managers but can include any designated manager of Marine Atlantic Inc.
- c. For these procedures, a security personnel means any member of the Canadian Corps of Commissionaires, or a person/company selected to perform security operations by the President & CEO.
- d. Department head shall include the Master on each vessel or the Terminal Manager in each terminal.
- e. Appropriate Supervisor shall be the employee's immediate supervisor.

3.2 Guidelines

- a. The security personnel and designated officer conducting the POV search shall take all reasonable steps to protect the person being searched from embarrassment and ensure that the person's right to privacy and dignity is protected reasonably, including situations in which the ownership of the property is under suspicion.
- b. POV Searches shall be performed in the presence of two persons designated to conduct searches.

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- c. Random POV Searches shall be conducted at all company locations as frequently as deemed necessary.
- d. The designated officer shall determine and notify the security personnel, in a timely fashion, when a search shall be conducted. This shall not be construed that POV searches cannot transpire randomly or at the request of a designated officer.
- e. Employee search candidates will be either selected randomly or the result of reasonable cause evidence. For random searches, employees shall be selected in a non-discriminatory objective manner using a random selection process approved by the Company.
- f. Before a search can take place, the designated officer must ensure that at least one of the conducting officers is of the same sex as the search candidate. A third person can be appointed by the designated officer to ensure that this requirement is met. A POV search shall not include a personal body search.
- g. The POV search candidate who is an employee shall be asked to produce his/her Company employee identification card and the particulars are to be recorded for future reference. The identification card shall be retained until completion of the search. In cases of failing to consent to a search, the identification card shall be retained and turned over to the department head. If the employee does not have their employee identification card on their person they shall be asked for their pin number and job classification at the time of the search and other personal identification such as a driver's license. The Department Head shall be provided with the name and pin number and classification in cases of failure to consent.
- h. Employees refusing to allow a POV search shall be deemed to have committed an act as serious as if that employee had been found unlawfully in possession of Company property of significant value and shall be referred immediately for disciplinary action.

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- i. Employees found in possession of Company property will normally be suspended from duty and referred immediately for investigation and disciplinary action.
- j. The designated officer shall use every reasonable effort to retrieve any Company property if there is an opportunity to do so.
- k. The designated officer shall notify the department head, (ie, terminal manager for terminals or the master of the vessel), for any breach of the policy.

3.3 Procedures for Searches of an Employee

- a. The selected candidate shall be requested to accompany both officers to the search location, which should be in a room out of public view for hand carried items, and the following questions shall be asked;
 - 1. What is your name, PIN and position?
 - 2. Are you carrying/removing any company property from the premises or a substance prohibited by company policy?
 - 3. Do you object to having your property searched?
- b. Employees refusing to accompany the officers to the search location shall be deemed to have refused consent to the search.
- c. If the employee does not refuse the search, the property and effects of the employee shall be searched.
- d. Upon completion of the search in which no suspected Company property is found, the employee shall be thanked for his/her cooperation.
- e. Any employee found in possession of Company property shall normally be held out of service pending an investigation. The employee will be advised accordingly and escorted to the employee's department head, who will arrange for verification of ownership by the appropriate Company supervisor.

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- f. Searches shall be conducted to ensure that vessel gangways, and vehicle decks as well as employees entering and exiting other Company property are covered.
 - g. An employee's vehicle is considered one of his/her property and effects and is subject to a POV search while it is on or as it leaves Company property. POV Searches of vehicles may be combined with searches of carried effects as an extension of the search process or may be conducted in isolation using the same selection criteria. In the event of a POV search of an employee's vehicle, every effort will be taken to have the employee or driver in attendance at all times. Vehicles may be searched at the selection site.
 - h. Employees refusing searches of their vehicles parked on Company grounds shall be deemed to have committed an act as serious as if that employee had been found unlawfully in possession of Company property of significant value and will be subject to discipline plus the loss of vehicle entry privileges in the future. Employees not wishing to have their vehicles inspected can park their vehicles off Company property.
 - i. Employees are responsible for the conduct of persons in their vehicles. If an occupant is found in violation of this policy, the employee will be subject to disciplinary provisions of this policy.
 - j. Upon completion of the POV search process, a "Property Ownership Verification Report" shall be completed by the security personnel and provided to the designated officer for countersignature and distribution to the appropriate Company officers. The Director of Finance shall be provided a copy of all reports on a bi-weekly basis.
- 3.4 Procedures for Searches of Contractors/Suppliers
- a. POV Searches of contractors, their employees and vehicles may be conducted by security personnel at any time, without the need for the designated officer to be present. Searches should cover persons and vehicles entering and exiting the property and are not subject to the random selection process.

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- b. All purchase orders and contracts are to include a clause alerting contractors to the fact that their employees and vehicles are subject to a search at any time. Failure to consent to a POV search will constitute a breach of contract and they may be subject to removal from the list of contractors/ suppliers entitled to do business with the Company.


3.5 Procedures for Selective Searches of Customers and members of the Public

- a. Selective searches shall only be undertaken when the Company has reasonable cause and under the direction of a designated officer. Except for the search of vehicles used by employees to gain access to and from the company's premises, as specifically dealt with in these Procedures, the search of a customer or a customer's vehicle or a member of the public or that person's vehicle shall only be performed under this procedure.
- b. All selective searches shall be communicated to the individual/group involved. A recognized law-enforcement agency can be called upon promptly to help with the search under this policy.
- c. Should the person(s) refuse to be searched or have the vehicle searched, the person(s)/vehicle may be detained until a local law enforcement officer is called in to conduct the search.
- d. Upon completion of the search in which no Company property is found, the person(s) shall be thanked for their cooperation.
- e. Any person found in possession of Company property shall be held for the local law enforcement. The designated officer will arrange for verification of ownership by the appropriate Company supervisor.
- f. Any person found in breach of this section of the Procedures may be subject to having travel privileges suspended for


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such period of time as may be determined appropriate by the President & CEO.

- g. A Property Ownership Verification form Appendix A as adopted from time to time will be completed in each instance where property is retained by a designated officer.

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PROPERTY OWNERSHIP VERIFICATION Rapport de controle- biens de la society		
Time filed:	Date:	Location:
Name:	PIN:	Position:
If non employee, record company name and reason for visit: _____ _____ _____ _____		ID Card Checked: Yes _____ No _____ Card No.: _____
Time Person Selected:	Time Person Released:	Consent: Granted: _____ Withheld: _____
General Description of Personal Effects: _____ _____ _____ _____ _____		

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Vehicle Checked: Yes: _____ No: _____

Vehicle Description: _____ Vehicle License Plate Number: _____

Vehicle Compartments/Contents Checked:

Trunk : _____ Glove Box: _____ Containers: _____

Other: _____

Description of Suspect Company Property:

Action Taken:

Signatures:

Designated Officer: _____

Security Personnel: _____

Other Officer: _____

Copy: Director of Finance