

March 16, 2020

## **Re: Client – COVID-19 Update - Paladin Security Group**

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Paladin has been operating under our prescribed pandemic plan since the second half of January, 2020, including monitoring all communications from the Public Health Agency of Canada (PHAC) and local health authorities, to incorporate guidelines as applicable. It must be stated that we are taking the risks of COVID-19 very seriously and we are invested in mitigating these risks to protect the safety of our people and our clients. Perhaps most critically, our ongoing communication with our customers is of paramount importance and as such, this has been a tenet of our ongoing preparedness. This includes having access to our customer's pandemic plans so we can ensure alignment and continuity between our organizational planning processes.

We have updates below on several specific items that will be of interest to our clients.

- 1) A brief outline of some of Paladin's risk mitigation strategies for COVID-19 are detailed below:

### Personal Hygiene

- i) Since late February, Paladin has released several announcements to all employees, including our Control Operators, encouraging them to exercise extra diligence in the area of personal hygiene, specifically hand-washing and maintaining the cleanliness of one's workstations, including a mandatory cleaning of all touch points (i.e. Phones, Keyboards, Mouse, Monitors, Chairs, etc.) during shift-changes with available disinfectant cleaning supplies. Peer-to-Peer enforcement has been heightened and Paladin Supervisors are ensuring the practice is maintained without fail.
- ii) We continue to rely on the public health information from the experts as in the link below, supplemented with our own specific industry experiences.

(<https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection/prevention-risks.html> )

### Care for Our People

Our employees are always critical to our business and in these times of crises this is even more evident. We are trying to have regular, meaningful communication with our frontline teams and be out and visible to support them. We have provided tips on how to deal with common issues related to COVID-19. We are also investigating to better understand the announced Federal support around EI and other programs, so that we can navigate our people through these modes of getting assistance. Emphasizing support plans like our EAP (Employee Assistance) are also important for extra help that may be needed.

## Social Distancing and Segregation of Key Roles

- i) **Travel** - Excluding previously arranged travel, all non-essential travel for business purposes within Canada was restricted and tracked, effective March 1<sup>st</sup>. The majority of previously arranged travel within Canada for business purposes was also cancelled between March 1-13<sup>th</sup>. Effective March 16<sup>th</sup>, no further travel will be approved without approval from the President of the applicable Paladin company or until further restrictions are imposed by PHAC. **The Prime Minister's closing of the borders announcement today further emphasizes the need to restrict travel.**
- ii) **Meetings** - Paladin imposed a remote-meeting policy for all internal and external client meetings, effective Friday, March 13<sup>th</sup>, 2020. Paladin has access to Skype for Business, Zoom, GoTo Meeting and Microsoft Teams. Additional internal training sessions are being hosted by Paladin's IT Department on an accelerated basis preparing for further implementation of work-from home policies becoming effective (more information below);
- iii) **Restricted Access Control (Branch Offices)** - Paladin has developed plans to implement restricted access control for all offices in British Columbia, effective March 16<sup>th</sup>, 2020. As such, all visitors and tours of our offices are postponed until further notice. A previous restriction was put in place for our BC Operations Centre (Guard and Specialty Services) in Burnaby and our Victoria Operations Centre (Alarm Monitoring), effective March 9<sup>th</sup>, 2020;
- iv) **Working from Home** – Paladin completed an extensive review of Work-From Home capabilities for critical groups in early March and testing of IT capabilities is scheduled to be completed by March 17<sup>th</sup>. Between March 16-20<sup>th</sup>, Paladin will be implementing work-from home mandates for all offices in BC, which will see in-office staffing to drop to 20% or less (1-2 employees in some instances) to maintain critical functions (i.e. shipping/receiving);
- v) **Operations Centre Preparations & Segregation** - As of March the week of March 9<sup>th</sup>, Paladin has also contracted additional contractor cleaning services for our own BC Operations Centre and we have scheduled the segregation of roles within the BC Operations Centre to enhance social distancing practices in these environments. This includes physically relocating different chairs or positions to operate out of our Main Boardroom and Executive Boardroom.
- vi) **Emergency Operations Centre (EOC)** – We are into our 2<sup>nd</sup> week of operating a Pandemic Emergency Operations Centre, meeting daily and monitoring key data related to staff and client requirements across our companies. This group is also responsible for adapting our pandemic guidelines and processes so that they align with the rapid change in risk and

measures that are being driven by public health. The EOC findings will be reported to our COVID-19 Standing Committee and the EOC will remain on until further notice.

- vii) **Segregation of Critical Roles and Managers** - To better ensure continuity of operations and reduce the opportunity for mass contamination of our critical managers, we have segregated our vertical management teams. (i.e. VP of Property Management will not come into contact with Director of Commercial Office; VP of Healthcare will not come into contact with Director of Healthcare, etc.)

#### Centralized Escalation of Illness

- i) Our Employee Care team is managing the incoming calls and reports of illness for employees and contractors in Paladin's Vancouver branch.
- ii) All Paladin staff working within our security programs are aware of this requirement to report instances of illness to the Employee Care team, or their direct supervisor, who will enable the reporting.
- iii) The tracking of this data is updated to a centralized database that is used to monitor illness trends and enable follow up by our Employee Care team to ensure the health of our teams and help project staffing bottlenecks.

#### Updated Paladin Policies and Procedures

- i) **Sick Leave Policy and Procedure:**
  - a. In addition to their own illness, employees are encouraged to report the illness of persons that they have had immediate contact with (6 feet or less), such as family and friends, including details as to whether they have been instructed to self-isolate, quarantine or attend a testing centre for COVID-19. These occurrences are escalated to our clients for further discussion on a case by case basis to decide the best course of action, which is changing frequently as the PHAC releases additional updates;
  - b. Employees are no longer required to provide medical documentation to excuse an employee from attending a regularly scheduled shift. This policy similarly applies to those employees who are being forced to self-isolate or quarantine for a period of 14 days and Records of Employment (ROE) are being provided to enable them to apply for Employment Insurance. This will protect other employees from possible illness and ensure that we are not further burdening our healthcare system unnecessarily.

## ii) Vacation Policy and Procedure:

- a. All Paladin employees have been advised that non-essential travel outside of Canada is restricted and all such instances must be reported to Paladin's BC Operations Centre for tracking purposes. Paladin has performed a retroactive vacation analysis of all vacations booked since February 1<sup>st</sup>, which includes contacting all employees who have taken 3 days or more vacation to identify whether they travelled during their vacation and the location(s) of travel. In all such instances where travel occurred to countries of elevated risk (i.e. China, Iran, Italy, etc.) have been recorded for later purposes of contact tracing if necessary; however, no incidents of COVID-19 have occurred in these instances;
- b. All employees currently returning from vacation at international destinations have been informed of the requirement to self-isolate for a period of 14 days following their return from vacation, effective March 12<sup>th</sup>;
- c. All employees with upcoming vacation time booked are being contacted by our Employee Care Department of People & Culture to see if they can suspend or delay their plans to take vacation in order to ensure we have as many staffing resources available at all times should a proportion of our staff become ill and unable to work. A large number of Paladin employees have agreed to delay or cancel their previously scheduled vacations all together and Paladin is setting aside small tokens of appreciation for their unwavering support (i.e. prepaid VISAs and gift cards);

2) Paladin anticipates the most significant impacts to our business to include the following two areas: recruitment and training.

- i) **Recruitment** – With policies in place to restrict meetings and restricted access control for offices, as well as possible restrictions on the free movement of persons in the coming weeks or months, we believe that recruitment of additional resources will become a serious challenge. To mitigate the risk associated with not being able to readily replace employees who are ill or otherwise unwilling to work, Paladin has implemented the following practices:
  - a) **Remote Interviews** – All interviews are being conducted remotely over the phone or through Skye for Business, including an additional questionnaire specific to COVID-19, which reviews recent travel history and health specifically in relation to COVID-19;
  - b) **Uniform Collection** – Interaction with new hires is limited to the collection of uniforms from a Paladin Office, in which a specific Policy and Procedure has been put in place to manage this interaction with appropriate Safe Job Procedures, Safe Work Procedures and PPE. We are also exploring expansion of uniform delivery with our current provider;

- c) **Security Licensing Delays** – The Security Licensing Program of the Solicitor General of British Columbia is once again delayed by up to four weeks and we anticipate this capability being further stretched with incidents of illness likely to influence this internal government department. In addition to recommending a temporary extension of all current security licenses by 3-6 months, Paladin is working with key clients to ensure that essential security services are capable of being delivered;
  - d) **The Justice Institute of BC** – Similarly, the Justice Institute of British Columbia is now providing online electronic Basic Security Training (BST) exams; however, they still require an invigilator to be present in a classroom. We are working with the JIBC to make a similar exception to have all testing completed online without an invigilator and may require the support of our local government clients.
- ii) **Training** – While in-person gatherings of 250 persons or less have not be prohibited, Paladin’s meeting policy restricts the ability to provide in-person training to persons in groups, which often regularly total anywhere from 4-40 employees. Effective March 18<sup>th</sup>, all training will be presented in a digital format on Paladin’s Learning Management System and mandatory training such as Management of Aggressive Behaviour (MOAB) will be supplemented with digital presentations via Skye for Business, Zoom and Go-To Meetings where necessary. We are working with individual clients to make these temporary exceptions for contractual training for First Aid, MOAB and AST. To date, all clients have made exceptions for lapses in re-certification and are willing to make temporary exceptions for remote training. Where mandatory training such as First Aid cannot be completed, Paladin will endeavor to ensure that a minimum of one-person on site at all times has the ability to provide first aid and look at moving resources where necessary.
- 3) Paladin’s financial strength is second to none in our industry and we are confident in our ability to keep paying our vendors, subcontractors and our people, including on an accelerated basis if necessary, to help them maintain their own operations so they can support critical services of our clients. For our staff, we have implemented a range of support mechanisms and continue to enhance those in coordination with our in-house Employee Care Department and our external Employee Assistance Program. To continue doing this effectively over the next several weeks or possibly months, we require our customers to be extremely diligent in paying their accounts in a timely manner.
- 4) We have recently begun the process of working with our clients and site teams to model scenarios that we may be faced in the coming period. Most industries will see a scale down in security coverage as the COVID-19 issues spread, while very few (like health care), will see a scale up to respond as life safety issues increase. Issues we are discussing together include:

- i) **Scheduling Changes and Reduced Levels of Security Coverage** – As a first step we look at our schedules to determine if a switch to 12 hour shifts or other alternatives alleviate any staffing issues. A reduction in security coverage down to 50% of current levels is also contemplated as a worst case scenario. As the COVID-19 issues spread across the population, these levels could become a reality to our security teams.
  - ii) **Extra Coverage Abilities and Cost** – We look to understand if there are needs for extra coverage as the scenarios get worse. If so, to what level can the coverage we expect to provide, and finally, what are the costs. We are also looking to see if any alternatives are available to mitigate the risks that warrant the coverage in the first place.
  - iii) **Shortages of Supplies/PPE** – As cleaning and maintaining sanitary conditions is key to keeping people healthy, what are the alternatives when the supplies or PPE (cleaning materials, masks, gloves etc) required is in short supply. These are difficult questions that we try to work out solutions together.
  - iv) **Nuances of Each Property** – Each client and property will have its own factors and nuances. These are discussed to ensure we can properly identify potential issues and prepare for possible issues that arise.
- 5) The key to any Emergency Management & Business Continuity Plan, including one designed for a Pandemic, is the ability for an organization to remain well-informed with real-time information from Federal and Provincial Health Authorities, many of which are also our business partners. With this information distilled to make timely adjustment to all areas of our organization, we have creating a COVID-19 Standing Committee:

Paladin's COVID-19 Standing Committee:

As of late February, Paladin's internal Emergency Management & Business Continuity Division of our Corporate Services Department has been leading a review of critical areas of each business unit, including hosting scheduled calls with all Paladin Branches. To assist with more advanced implementation and adherence to quickly changing policies and procedures in all areas of our business to mitigate the risks of COVID-19, Paladin established a COVID-19 Standing Committee, which has been meeting on a minimum of a 2 x per week basis (ramping to daily as the risk enhances) and the following business day after all major announcements by the PHAC to ensure guidelines are ratified immediately. The committee is composed of our CEO, President, Senior regional business leaders, representatives from key operational teams (i.e. Operations and Human Resources), and in-house subject-matter experts from EM&BC Division and Paladin Risk Solutions Inc.

A *COVID-19 Resource Hub* has been established by Paladin's IT Department to provide timely update of centralized information:

- i) Links to publications from Federal and Provincial health authorities (i.e. PHAC, Vancouver Coastal Health Authority, Fraser Health Authority, etc.);
- ii) Committee Meeting Minutes;
- iii) Internal/external announcement for office and field staff;
- iv) All temporarily updated Policies and Procedures (updated in real-time);
- v) All sick leave and vacation tracking information is shared and separated by region;
- vi) All casual/part-time resources capable of being re-deployed to additional coverage requests;
- vii) Tracking client communications regarding decreased and increased security requirements to provide accurate projections of where resources are available and required.

While this letter is only intended to briefly identify some of the risks currently faced by our partnership and outline the plans Paladin is implementing in the background to mitigate these risks on our side of the equation, we kindly request you to share your pandemic plan with us if you have not already done so.

More specifically, we require a concrete outline of the role that you envision for your contracted security services if and when a large proportion of the population is adversely impacted by COVID-19 because a similar impact on security services should be expected to some extent. With your detailed plan at hand, we can start to plan what each site security program and what each specific position will focus on in the event of further changes, such as increased restrictions to access control and possible re-deployment of existing resources to higher priority areas or locations.

If you have any questions or require any further information, please contact us at your convenience.

Sincerely,

PALADIN SECURITY GROUP LTD.