	Procedure	Penalty regulations	Edition: 30 January 2023 13:00:31 Page: 1 of 5
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PART I

Full-time employees of CRIST S.A.

1. TYPES OF PENALTIES FOR EMPLOYEES OF CRIST S.A.

1.1. **Basic penalties** imposed on the employees

- warning penalty
- reprimand penalty
- financial penalty

1.2. **Warning and reprimand penalties** are imposed for the employee's failure to comply with:

- the established organisation and order in the work process,
- the regulations of safety and hygiene at work,
- fire safety regulations,
- the accepted method of confirming arrival and presence at work and excusing absence from work

1.3. **Financial penalty** may be applied to an employee for the following offences:

- failure to comply with health and safety regulations at work,
- failure to comply with the fire safety regulations,
- leaving the workplace without justification,
- entering the workplace under the influence of alcohol,
- drinking alcohol while at work.

1.4. The amount of fines imposed for:

- a) one offence,
- b) each day of unexplained absence.

The fine cannot exceed one day's salary of the employee.

The total fines cannot exceed a tenth of the salary due to the employee after all deductions (alimony, bailiff, etc.).

2. RULES FOR IMPOSING THE PENALTIES

2.1. The **only person authorised** to impose penalties in the workplace according to the Labour Code **is the Employer**.

2.2. Before imposing a penalty, the employee must be heard.

2.3. Penalties cannot be applied after:

- 2 weeks after becoming aware of the violation of the employee's duties,
- 3 months after the violation has been committed.

2.4. If the employee cannot be heard, the two-week period does not start and the period started is suspended until the day the employee appears at work.


2.5. The principle of written notice applies. This means that the Employer notifies the employee in writing indicating the nature of the employee's breach and the date on which the employee committed the breach, and informing the employee of the right to object and the time limit for doing so. A copy is filed in the employee's personal file.

2.6. When applying the penalty, particular consideration should be given to the type of violation of the employee's duties, the degree of the employee's fault and the employee's previous attitude to work.

3. PROCEDURE

Due to the conditions stated above, the below procedure should be followed:

Notification of the incident → employee's supervisor → Financial Division

	Procedure	Penalty regulations	Edition: 30 January 2023 13:00:31 Page: 2 of 5
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In the case of a penalty requested by employees/co-workers of the Health and Safety Department or the Fire Prevention Service, the Financial Division notifies directly and the request is accompanied by all the circumstances of the act including the date and time and how the information was obtained and, if possible, the photographic documentation in possession.

Please note that in the case of employees employed in a combined form (i.e. on the basis of an employment contract and on the basis of a business activity), the **LABOUR CODE** always takes precedence.

PART II


Individual subcontractors

1. TYPES OF PENALTIES

Individual subcontractors listed in this part are not subject to the rules listed in Articles 108-113 of the Labour Code. This Part covers individual subcontractors (on the basis of a civil law contract or business activity), performing a service/order for and on the premises of Crist S.A. 17. **In order to ensure protection of life and health of the Employees as well as other persons or property, CRIST controls are introduced to include sobriety checks for individuals performing services, tasks or activities for CRIST on a basis other than employment and self-employed individuals. All persons referred to in the previous sentence are covered by the check.** In view of the above, the following tariff of penalties is introduced (**according to Table 1**):

Table 1. TARIFF OF PENALTIES - individual subcontractors

Type of offence	First offence	Second offence	Third offence	Fourth offence
Alcohol-impaired condition during working hours(*)	If a breathalyser test during working hours or at the gate when a person is leaving the yard shows any result indicating a state of alcohol consumption during working hours, a financial penalty of PLN 5,000.00 will be imposed. If a person who has already been penalised for drinking alcohol while working in the CRIST SA shipyard shows a result after drinking alcohol during the next sobriety check, he/she will be banned from further work and cooperation will be terminated.			
Determination of state of intoxication or state indicative of alcohol consumption when tested at the gate at the entrance to the CRIST S.A. yard.(*)	1. A breathalyser test at the gate when a person enters the yard showing a result of less than 0.2 per mille of alcohol will result in non-admission to the yard, prohibition of work on that day, no financial penalty will be imposed. 2. A breathalyser test at the gate when a person enters the yard showing a result of more 0.2 per mille of alcohol will result in no entry to the shipyard premises, ban on work on that day and a financial penalty of PLN 2.000,00 will be impose.			
No personal protective equipment	Training	PLN 100	PLN 500	Removal from the shipyard area
Non-compliance with the DDM rule (distance, disinfection, mask) – e.g. no mask on	PLN 100	PLN 200	PLN 500	Removal from the shipyard area
Creating a threat to human life and health	Training	PLN 300	PLN 1000	Removal from the shipyard area
Blocking traffic routes	Training	PLN 200	PLN 600	Removal from the shipyard area
Parking outside designated places (if the traffic routes have not been blocked)	Caution	PLN 100	PLN 200	Withdrawal of car pass
Creating a fire hazard	Training	PLN 300	PLN 1000	Removal from the shipyard area

	Procedure	Penalty regulations	Edition: 30 January 2023 13:00:31 Page: 3 of 5
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Type of offence	First offence	Second offence	Third offence	Fourth offence
Lack of supervision of subordinate employees/ tolerance of deviations from applicable health and safety regulations and rules	Training	PLN 500	PLN 1000	Removal from the shipyard area

(*) – Any appeals against the imposition of financial penalties for claiming drunkenness or alcohol-impaired status should be submitted to the Technical Director

Cooperating subcontractors


2. TYPES OF PENALTIES

Individual subcontractors listed in this part are not subject to the rules listed in Articles 108-113 of the Labour Code. This section covers the employees of subcontractors of co-operators

performing a service/order for and on the premises of Crist S.A. In view of the above, the following tariff of penalties is introduced (**according to Table 2**):

Table 2. TARIFF OF PENALTIES - cooperating subcontractors

Type of offence	First offence	Second offence	Third offence	Fourth offence
Alcohol-impaired condition during working hours (*)	If a breathalyser test during working hours or at the gate when a person is leaving the yard shows any result indicating a state of alcohol consumption during working hours, a financial penalty of PLN 5,000.00 will be imposed. If a person who has already been penalised for drinking alcohol while working in the CRIST SA shipyard shows a result after drinking alcohol during the next sobriety check, he/she will be banned from further work and cooperation will be terminated.			
Determination of state of intoxication or state indicative of alcohol consumption when tested at the gate at the entrance to the CRIST S.A. yard. (*)	1. A breathalyser test at the gate when a person enters the yard showing a result of less than 0.2 per mille of alcohol will result in non-admission to the yard, prohibition of work on that day, no financial penalty will be imposed. 2. A breathalyser test at the gate when a person enters the yard showing a result of more 0.2 per mille of alcohol will result in no entry to the shipyard premises, ban on work on that day and a financial penalty of PLN 2,000,00 will be impose.			
No personal protective equipment	Training organised by the subcontractor	PLN 300	PLN 600	Removal from the shipyard area
Non-compliance with the DDM rule (distance, disinfection, mask) – e.g. no mask on	PLN 100	PLN 200	PLN 500	Removal from the shipyard area
Creating a threat to human life and health	Training organised by the subcontractor	PLN 500	PLN 1000	Removal from the shipyard area
Blocking traffic routes	Training organised by the subcontractor	PLN 500	PLN 1000	Removal from the shipyard area
Parking outside designated places (if the traffic routes have not been blocked)	Caution	PLN 200	PLN 400	Withdrawal of car pass
Creating a fire hazard	Training organised by the subcontractor	PLN 500	PLN 1000	Removal from the shipyard area

	Procedure	Penalty regulations	Edition: 30 January 2023 13:00:31 Page: 4 of 5
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Type of offence	First offence	Second offence	Third offence	Fourth offence
Lack of supervision of subordinate employees/ tolerance of deviations from applicable health and safety regulations and rules	PLN 500	PLN 1000	PLN 2000	Removal from the shipyard area

(*) – Any appeals against the imposition of financial penalties for claiming drunkenness or alcohol-impaired status should be submitted to the Technical Director

The Health and Safety Department maintains and analyses the Hazardous Incident Register, during periods of increased incidence of hazardous incidents on units under construction in the SD-II area, the Board of Directors, on the basis of a proposal from the Directors, has the option from time to time to introduce an abbreviated tariff of penalties with the omission of training on the basis of “APPENDIX 1. Prohibitions, orders” to this procedure. The abbreviated tariff of penalties will be in force for the period determined by the Board of Directors.

Proceeds from fines are used exclusively for the improvement of health and safety conditions .

2. MANNER OF IMPOSING PENALTIES

A penalty can be requested by anyone in accordance with the applicable tariff.

In the notification to the Financial Division sent by email or delivered in writing, all the circumstances of the act, including the date and time and how the information was obtained, must be stated. If possible, photographic documentation in possession should also be included.

2.1. Financial penalties for persons performing services directly for and on the premises of Crist S.A.
Due to the conditions stated above, the below procedure should be followed:

Notification of the incident → employee’s/co-worker’s supervisor → Financial Division

In the case of a penalty requested by employees of the Health and Safety Department or the Fire Prevention Service, the Financial Division notifies directly and the request is accompanied by all the circumstances of the act including the date and time and how the information was obtained and, if possible, the photographic documentation in possession.

2.2. Financial penalties for persons performing work for the subcontractors who work for and on the premises of Crist S.A.


If it is necessary to penalise a person performing work for a subcontractor, the penalty is imposed on the subcontractor by issuing a debit note. Therefore, the following procedure applies:

Notification (event) → Financial Division → Subcontractor

In the notification sent to the Financial Division sent all circumstances of the act, including the date and time and how the information was obtained, must be stated. If possible, photographic documentation in possession should also be included.

2.2. Additional OHS training

In the event that additional OHS training is required by an employee or person working under a business or other civil contract who has breached the applicable OHS rules and regulations at the yard, the following must be done:

	Procedure	Penalty regulations	Edition: 30 January 2023 13:00:31 Page: 5 of 5
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- write the misconduct on form entitled “**OHS/FIRE PROTECTION INCONSISTENCIES**”.
- the offending person is obliged to attend an occupational health and safety (OHS) training course on the appointed date, together with a copy of the “**OHS/FIRE PROTECTION INCONSISTENCIES**” sheet **which he/she has received**,
- the OHS Inspector notes on the same form that the person has attended the training,
- the Pass Office can reactivate the pass of a person who has committed an OHS offence, if such a pass was previously blocked, only on this basis.

THE “**OHS/FIRE PROTECTION INCONSISTENCIES**” FORMS ARE AVAILABLE IN THE OFFICES OF THE HEADS OF THE DEPARTMENTAL HALLS AND IN THE OHS AND FIRE PREVENTION DEPARTMENT.

PART III

Removal from the yard in the event of stating consumption of alcohol or intoxicants

1. Stating a state of intoxication.

If an employee is found or suspected to be performing his/her duties under the influence of alcohol:

- security should be called,
- the person should be escorted to the gate, where a breathalyser test must be carried out and, if positive, a record of the test must be made,
- the police or other law enforcement agency should be called, if necessary,
- the report together with a note to the Technical Division should be sent.

2. Suspicion of being under the influence of drugs

If there is suspicion that a person is under the influence of intoxicating substances, the police should be called immediately to clarify the matter.

Appendices:

1. Appendix 1. Prohibitions, orders