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PROCEDURE FOR VERIFICATION OF SUBCONTRACTORS PRIOR TO COMMENCING AND DURING COOPERATION WITH CRIST S.A.

| | Name and Surname | Signature | Date |
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I. PURPOSE AND SCOPE OF PROCEDURE

The purpose of this procedure is issuance of clear and transparent rules to establish cooperation between subcontractor and Crist. Procedure is intended to harmonize standards and define formal requirements, which must be fulfilled by external companies in order to commence cooperation. Moreover the procedure provides information for external companies on impact of delegation of work performance to foreigner unlawfully residing in the territory of the Republic of Poland without a valid document authorizing their stay.

II. APPLICABILITY

The procedure is applicable to all subcontractors cooperating with CRIST.

III. TERMINOLOGY AND ABBREVIATIONS

Subcontractor – external companies employing more than one employee, performing services to the benefit of CRIST S.A. regardless of the type of cooperation contract concluded (equivalent to external company).

Coordinator – according to cooperation contract it is a personally nominated representative of Subcontractor, who is responsible for the processes connected with organization and maintenance of standards set by CRIST in scope of cooperation.

Foreigner – each person non-citizen of the Republic of Poland.

Unlawful delegation of work performance to a foreigner – determines delegation of work performance to a foreigner, who has no right to perform works in the territory of Republic of Poland or has no proper work permit, without being exempted from the obligation to have work permit on the basis of special provisions, or whose purpose of residence grants no legal ground to perform works, or who performs work based on different conditions or holds a different position than stipulated in work permit, subject to art. 88f item 1a-1c or art. 88s item 1 i 2, or who performs work on different conditions or holds a different position than stipulated in work permit, as stated in art. 114, 126, 127 or in art. 142 item 3, subject to art. 119 and art. 135 item 3 of Alien Act of 12 December 2013, or who performs works without concluded employment contract or contract agreement in a required form.

IV. RESPONSIBILITY AND COMPETENCES

Pass Office

- Receives via e-mail from subcontractors of CRIST capital group filled in “Application form for subcontractor’s employees/coworkers”, containing information confirming legitimate employment and possibility of performing gainful work for persons listed in the subcontractor’s application,
- Issues one-time pass for subcontractor’s employee/coworker on the first day of work (Health & Safety training, fire-fighting training),
- Issues permanent pass for subcontractor’s employee/coworker once the “New hire circulation card” with signatures from Health & Safety Department and cooperation coordinator is submitted,
- Runs the file with information referring to the subcontractor’s employees/coworkers, prepared on the basis of the application forms sent by the subcontractor,

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- Is responsible for verification of data expiration dates entered into the “Application form for subcontractor’s employees/coworkers”, and in the event of data expiration informs subcontractors about the obligation to update the information,
- Blocks foreigner’s pass when the subcontractor’s application form or report indicating non-compliance says that the residence permit and employment legality has expired and the subcontractor did not file documents for extension.

Specialist for formal and legal issues

- Verifies, twice a year, subcontractor’s files and registers run by the Pass Office in terms of expiration dates of residence permits and employment legality,
- In the event of non-compliance in the files and registers a report is issued on the basis of which permanent passes of persons without up-to-date residence permits and employment legality may be blocked,
- Issues recommendation referring to legal changes in scope of residence rules and legitimate employment for foreigners staying on the territory of Poland,
- Forwards the information to Pass Office on blocking the permanent pass for a foreigner without proper documents issued in compliance with Polish laws.

Coordinator for Cooperation

- Prepares contracts for subcontractors once the complete data is submitted and standards are fulfilled by external companies.
- Maintains databases for currently employed external companies and updates databases with new external companies.
- Prior to termination of cooperation with a company reports this fact to Health & Safety Department and Pass Office.

Subcontractors

- Prior to the introduction of new employees/coworkers to CRIST shipyard premises and commencement of works, the subcontractors are every time obliged to submit to the Pass Office „Application form for subcontractor’s employees/coworkers”.

Health & Safety Department

- Maintains health & safety inspections at the subcontractor:
 - every 3 months verifies list of tools at a new subcontractor as well as at a subcontractor, where the verification showed abnormalities;
 - in the event of positive results of the verification, the said subcontractor is to be verified twice a year only.

V. RELATED DOCUMENTS

Hereby procedure is compliant with internal documents:

1. Subcontracting Procedure,
2. Information Sheet for Subcontractors.
3. Health & Safety Inspection – Subcontractors - Control List

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VI. CRIST REQUIREMENTS AGAINST SUBCONTRACTORS COMMENCING COOPERATION

1. Organizational unit, which intends to commence cooperation in scope of production services with a new external company, must forward request for cooperation to Cooperation Department/Projects Execution Director. The request must include basic information about the company and scope of work.
2. To verify and assess potential subcontractors Cooperation Department applies following instruments and methods:
 - a. risk assessment,
 - b. market survey,
 - c. experience from previous cooperation,
 - d. verification of subcontractors' status in VAT,
 - e. audit of subcontractor,
 - f. recruitment of foreigners (charging additional fees for employment etc.),
 - g. review of documentation and required permits for employees of the subcontractor,
 - h. verification according to Subcontracting Procedure,
 - i. H&S self-assessment data sheet for subcontractors.
3. Subcontractor must submit Cooperation Department with all company foundation documents necessary to prepare cooperation contract such as: copy of entity's entry into a register run by Commercial Court of the National Court Register or register of business activity.
4. On the basis of collected information about the company Cooperation Department determines cooperation conditions and prepares appropriate contract.
5. Cooperation Department registers new company in cooperating companies table and fills in necessary data. Updated listing is send to:
 - a. Unit interested,
 - b. Production Department,
 - c. Administration (Pass Office and Specialist for formal and legal issues),
 - d. Tools Store,
 - e. Chief Welder Department,
 - f. Quality Control,
 - g. H&S Department.
6. Company, which performs welding works is obliged to report to Chief Welder Department and present necessary documents for verification:
 - a. works performed within our premises:
 - Copies of welding supervisory certificates, contact data to welding supervisory organization,
 - List of welders and copies of their certificates,
 - List of welding equipment and insight into equipment validation protocols (if the company welds on its' own equipment),
 - b. works performed in their own premises:
 - Copies of welding supervisory certificates, contact data to welding supervisory organization,
 - List of welders and copies of their certificates,
 - List of welding equipment and insight into equipment validation protocols,
 - List of approved welding technologies specifying steel grade joints, welding positions, thickness range, range of applicable welding materials and insight into WPQR,
 - List of welding materials to be used in the project,

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- Welding materials storage and handling conditions,
 - Information on method and equipment used for preheating before joints welding,
 - Welding logbook (form may vary i.e. WTR),
 - Information on applied technological instructions.
7. External company prior to commencement of works within CRIST S.A. premises is obliged to submit information containing:
- Name and surname of Coordinator together with contact telephone number and e-mail address – in the event of changing the Coordinator, the subcontractor is obliged to inform CRIST in writing or via e-mail,
 - Fill in all boxes in application form for an employee/coworker and submit it via e-mail to the Pass Office / Health & Safety Department at least one day before planned commencement of works – template constitutes enclosure no. 1
8. „Application form for an employee/coworker” – is a table where the subcontractor confirms that the foreigners, who cooperates with the subcontractor, has got residence permit and documents permitting them legitimate commencement of works on the territory of Poland. The form includes following data:
- A. Name and surname,
 - B. Date of birth,
 - C. Nationality,
 - D. Passport number,
 - E. Visa – type and number,
 - F. Visa expiration date,
 - G. Registration number of employer’s statement on intention to employ a foreigner or registration number of work permit,
 - H. Expiration date of employer’s statement on intention to employ a foreigner or expiration date of work permit.

After meeting aforementioned requirements the external company may begin the process of introducing the employer/coworker to CRIST shipyard premises – in the event of failure to submit the required data stipulated in the „application form for an employee/coworker” permanent pass will not be issued.

9. External company performing works within the premises of the shipyard and making use of its’ own tools is obliged to have a list of tools, together with up-to-date certificates and approvals. In order to enter the shipyard with its’ own tools a packing list of aforementioned tools must be prepared in accordance with “Instruction – Entry, exit and control of goods and materials within the premises” and presented to the security officer. List of subcontractor’s tools shall be verified by Health & Safety Department every 3 months.

VII. SUPERVISION OVER SUBCONTRACTORS AFTER COMMENCEMENT OF COOPERATION

1. After commencement of cooperation Cooperation Department registers the company into Subcontractor Assessment System WorkFlow. Assessments are implemented once a year and after the cooperation is completed. Assessment determines further cooperation, termination or necessity to take corrective actions. Prior to planned completion of cooperation H&S Department shall be informed.

2. In the event of employing new persons during ongoing cooperation the company is obliged to:

- 2.1. submit list of persons commencing the cooperation – enclosure no 1,

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2.2. in case of employing welders – to submit copies of welding certificates to Chief Welder Department,

2.3. in case of employing fitters – to have valid and up-to-date licenses to practice profession,

In case of employing foreigners requirements stipulated in item VI referring to foreigners must be met.

3. Subcontractor employing foreigners may undergo audit once a year carried out by Specialist for formal and legal issues or Cooperation Coordinator, who acts in the name of CRIST S.A. and is authorized to verify:

3.1. Content of contracts concluded with foreigners in scope of compliance with work permit text:

- working hours,
- position held,
- type of contract,
- entrusting entity,
- assuring hourly rate in compliance with minimum wage act (in case of contract agreement/provision of services).

3.2. Validity of employment:

- valid work permit,
- documents permitting residence within the territory of Republic of Poland - valid visas, passports
- payment of remuneration – confirmation of money transfers,
- registration for social insurance in ZUS (in case of contract agreements).

In case of irregularities found in documentation, the Subcontractor will be obliged to remove it within 2 week time, in particular when:

- there is no valid visa or other documents permitting residence of a foreigner in Poland;
- there is no residence permit in Poland authorizing a foreigner to perform works;
- there is no work permit or the conditions stipulated in work permit are different then requirements;
- required employment contracts or contract agreements were not concluded in writing.

Aforementioned violations will be qualified by CRIST as an unlawful work performance by a foreigner, which will effect in **prohibition of work within the premises of CRIST until documents provided for by the law are submitted.**

In addition, **CRIST** reserves the right to suspend the works in case the violation of regulations stipulated in hereby procedure is significant and refers to a larger number of foreigners.

4. Cooperating company employing foreigners is obliged to submit, upon CRIST's request, for verification once per quarter list of remuneration for selected month in order to cross-check whether payments are settled in accordance with applicable laws.

5. Cooperation contract with cooperation company may be terminated due to:

- 5.1. non-availability of works to be performed by the company,
- 5.2. negative rating in Subcontractors Assessment System WorkFlow,
- 5.3. significant violation of regulations applicable in Polish laws, H&S rules, fire protection rules, Code of Ethics and standards binding within the premises of CRIST S.A. shipyard.
- 5.4 failing to implement corrective actions resulting from Subcontractors' audits.

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VIII. ADDITIONAL INFORMATION FOR SUBCONTRACTOR REFERRING TO COMMENCEMENT OF COOPERATION WITH FOREIGNERS

1. A foreigner cannot work lawfully when residing in Poland on the basis of:

visa issued with symbol:

- „01” – for tourism purposes;
- „20” – for temporary protection;
- „21” – for humanitarian residence permits, state interest or international commitments;
- residence permits for temporary stay granted on the basis of art. 181 item 1 of the Aliens Act of 12 December 2013

2. Lawful work performance during application to extend a work permit

In the event of approaching the deadline of work permit validity for a foreigner, the employer shall submit application to extend a work permit for a foreigner. The application is to be submitted **not earlier than 90 days and not later than 30 day prior to expiration date of work permit.**

Respecting a time limit for submitting application to extend a work permit and provided that delegating entity and work position held remains unchanged, his work is considered as lawful until the date when the decision to extend a work permit becomes final.

3. Employment of foreigners by external companies must be in accordance with legal regulations:

1. Alien Act of 12 December 2013 (Journal of Laws 2017.2206 of 2017.11.30)
2. Act on Promotion of Employment and Labour Market Institutions of 20 April 2004 (Journal of Laws 2017.1065 of 2017.05.31)
3. Act on Consequences of Entrusting Work to Foreigners Who Are Contrary to the Provisions on the Territory of the Republic of Poland of 15 June 2012 (Journal of Laws 2012.769 of 2012.07.06)

IX. LIST OF FORMS AND ENCLOSURES

1. Table listing of persons commencing cooperation - template
2. Information on personal data transfer - template

ENCLOSURE NO. 1

| L.p | Nazwisko | Imię | Firma | Wydział/ podwykonawca | Stanowisko | Data szkolenia (wpisuje BHP) | PESEL (dla obcokrajowców data urodzenia zapisana w formacie RRRR.MM.DD lub nr paszportu) | Narodowość | Rodzaj wizy numer | Numer zezwolenia na pracę | Zezwolenie na pracę ważne do (RRRR.MM.DD) | Umowa w formie pisemnej |
|-----|----------|------|-------|--------------------------|------------|---------------------------------|--|------------|-------------------|---------------------------|---|-------------------------|
| 1 | | | | | | | | | | | | |
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ENCLOSURE NO. 2

INFORMATION REFERRING TO PERSONAL DATA PROCESSING

The purpose of hereby document is to present information referring to personal data processing by company CRIST Spolka Akcyjna with its' seat in Gdynia, 3 Czechoslowacka Street, (81-336) – being data controller of your personal data in scope determined hereunder (hereinafter referred to as „Administrator”, „CRIST S.A.”) in a simple, clear and transparent manner. Information set below meets requirements of EU regulation of EP and Council (UE) 2016/679, called general regulation act on personal data protection (hereinafter referred to as „RODO”)

Hereby document is purely for information and does not require to take up any actions on your side.

Purpose, scope and legal basis for processing of personal data

CRIST S.A. processes your personal data mainly for proper performance of the contract concluded with your Employer (hereinafter referred to as „Contractor”), which provides services for CRIST S.A. and in order to present it to public authority in case of such request. In addition, the data may be processed for the purpose of pursuing claims or in order to defend against the charges. Processing is therefore based legitimately for Administrator (in accordance with art. 6 item 1 letter f RODO), and at the same time it fulfils legal obligation it has as an Administrator (art. 6 item 1 letter c RODO), arising in particular from the law governing delegation of work performance to foreigners. The scope of processing includes personal data involved in documents authorizing your work and residence on the territory of Republic of Poland, in particular your name, surname, place of residence, date of birth. Your personal data was submitted to us by the Contractor.

Recipients of personal data

In the course of normal business operation CRIST S.A. may transfer your personal data to external recipients (preserving all safety requirements arising from regulations on personal data protection), when it turns out necessary to fulfil legal obligations incumbent on CRIST S.A. The recipient of your personal data may be public authority, i.e. The National Labour Inspectorate, in scope of requests and competences it have within the limits of control implementation.

Processing time

Your data shall be processed for time necessary to fulfill purposes aforementioned in hereby information i.e. for the time of performance of contract between CRIST S.A. and Contractor, and after expiry of contract for the time required by law or necessary to perform legitimate interest of the Administrator.

Your legitimate rights

In accordance with protection of your personal data you are entitled to a number of rights arising from RODO regulations. It is as follows:

1. Right to rectification of data, if the processed data is incorrect
2. Right to access your data, including the right to receive a copy and information on processing
3. Right to delete personal data, in cases determined in RODO regulations
4. Right to demand reduction in processing of personal data
5. Right to transfer the data submitted to CRIST S.A.
6. Right to file a complaint to competent public authority (Chairman of the Personal Data Protection Office) in case of recognition that processing of personal data by CRIST S.A. violates law.

Provided that you exercise your rights, CRIST S.A. will make every effort and take up all necessary actions to the rights recognized.

Final provisions

We do hope that hereby information helps you to familiarize and understand processing of personal data by CRIST S.A. We take up all measures in order to ensure compliance with legal regulations and best standards, which guarantee protection of your privacy, rights and freedom.

In case of any questions connected with your personal data please contact rodo@crist.com.pl or in writing to the address of company headquarter.

ENCLOSURE NO. 3

| | | | |
|-----------------------------------|--|-----------------------------|-----------|
| COMPANY NAME: | | DATE: | |
| SUPERVISOR'S NAME: | | PLACE OF INSPECTION: | |
| TYPE OF WORKS: | | | |
| PREPARATION OF A WORKPLACE | | YES | NO |
| 1.1 | Designation of area, a workplace | | |
| 1.2 | Passability of communication routes, escape routes | | |
| 1.3 | Flammable materials removed | | |
| 1.4 | Utilities connected to the workplace (via gates, racks, culverts, hooks) | | |
| 1.5 | Personal protective equipment collected | | |
| 1.6 | Ventilation at the workplace connected | | |
| REMARKS: | | | |

| PERSONAL PROTECTIVE EQUIPMENT | | YES | NO |
|--|---|------------|-----------|
| 2.1 | Safety footwear, workwear, hard hat with logo | | |
| 2.2 | PPE for grinders (goggles) | | |
| 2.3 | Hearing protection | | |
| 2.4 | Dust masks / Gas masks | | |
| 2.5 | Protective gloves | | |
| 2.6 | PPE for welders | | |
| 2.7 | Equipment for work at heights | | |
| REMARKS: | | | |
| | | | |
| EFFICIENCY OF TOOLS AND EQUIPMENT | | YES | NO |
| 3.1 | Marking of electrical tools, cables and other equipment | | |
| 3.2 | Attestation of welding hoses and other wires | | |
| 3.3 | Connection of power cables | | |
| 3.4 | Vertical transport, execution of lifting operations | | |
| REMARKS: | | | |
| | | | |
| IMPLEMENTATION OF PROCEDURES AND REQUIREMENTS | | YES | NO |
| 4.1 | Work on a safe scaffolding | | |
| 4.2 | Knowledge of a alarm system introduced at CRIST | | |
| 4.3 | Consent in “Hot Work Permit Logbook and Other Works Register” to perform works in confined spaces | | |
| 4.4 | Meeting the requirements of fire protection and the Builder set out in “Hot Work Permit Logbook and Other Works Register” | | |
| 4.5 | Implementation of a constant supervision over employees | | |
| 4.6 | Ensuring the assistance during performance of works in confined spaces | | |
| 4.7 | Instructions (toolbox) prior to commencement of works | | |
| REMARKS: | | | |
| | | | |