

SOP-1028

Discipline and Ethics Procedures



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Approvals

The signatures below certify that this procedure has been reviewed and accepted, and demonstrates that the signatories are aware of all the requirements contained herein and are committed to ensuring their provision.

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Amendment Record

This procedure reviewed to ensure its continuing relevance to the systems and process that it describes. A record of contextual additions or omissions is given below:

Page No.	Context	Revision	Date



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SOP-1028 Discipline and Ethics Procedures

1. Introduction & Purpose

The purpose of this SOP is to ensure that a standard approach to discipline and disciplinary awards is used uniformly across SMS.

2. References

Reference	Title & Description
M-1001	Seagull Maritime Security IMS Manual

3. Application & Scope

This SOP applies to all personnel employed or contracted to work for SMS.

4. Introduction

There is always a requirement for discipline and ethics within an organisation, simply because people sometimes do not fully understand what is required of them. The SMS SOP's have been developed using a wealth of experience gained from all SMS employees and they are designed so that we can operate safely and legally, but also because they tell our Clients what they can expect from us and, by keeping our client content, we ensure continued employment of SMS personnel.

It should be understood that all cases will be addressed individually and, if there is any doubt, an Inquiry will take place and the employee or contractor will be given the chance to present their version of events.

In each disciplinary event, sometimes there are clear breaches of discipline that follow the established procedures, others fall into the grey area such as 'unsuitability', but inappropriate behaviour in front of a client will never be tolerated.

5. General Conduct

All personnel should behave appropriately and conduct themselves in a manner that brings credit on themselves and the company, as well as allowing the client to feel confident with SMS personnel. In particular, personnel should observe the following general guidance on conduct:

- (a) Politeness and civility to all, even in the face of provocation.
- (b) Awareness of cultural differences of those who come from nations other than your own – to include racial and religious tolerance.
- (c) Discretion at all times, and in particular where private and personal relationships are concerned.
- (d) Gender tolerance.
- (e) Bullying of any kind will not be tolerated. Bullying can be threatening, insulting, abusive, disparaging or intimidating behaviour which places inappropriate pressure on the recipient or has the effect of isolating or

excluding them. Bullying can take the form of shouting, sarcasm, derogatory remarks concerning job performance or constant criticism.

- (f) Avoidance of circumstances where the possibility of violence, harassment or verbal abuse may occur.
- (g) Consideration for the ship's crew; it is their 'home'.
- (h) Awareness of, and reaction to, rules and regulations of conduct as set down by the Client.

6. Dress and Appearance

The way in which we present ourselves to our client both on and off duty is enormously important for our corporate image. It is, therefore, imperative to set and enforce standards that everyone will adhere to.

Failure to conform to these standards will be considered a breach of discipline and may result in the person's contract of engagement being cancelled.

7. Misuse of the Internet

All PCs, tablets and laptops used by SMS personnel, including those that are used in accommodation where access is provided, are monitored for inappropriate use. All personnel should be aware of this and behave accordingly. Any downloading of pornography or other inappropriate material will lead to disciplinary action, with the possibility of immediate dismissal.

8. Alcohol and Drug Testing

8.1 SMS aims to help provide a safe and drug-free work environment for our clients and our contractors. Whilst engaged under contract to SMS (including travelling and on standby), the Company explicitly prohibits:

- (a) The use, possession, solicitation for, or sale of narcotics or other illegal drugs, alcohol, or prescription medication without a prescription on Company or client premises or while performing an assignment.
- (b) Being impaired or under the influence of legal or illegal drugs or alcohol.
- (c) The presence of any detectable amount of prohibited substances in the employee's system. 'Prohibited substances' include illegal drugs, alcohol, or prescription drugs not taken in accordance with a prescription given to the contractor.

8.2 The Company have the right to conduct drug and/or alcohol testing under any of the following circumstances:

- (a) **Random Testing.** Contractors will be selected at random for drug and/or alcohol testing at any interval determined by the Company. The results of any random alcohol tests are recorded on form F-1005-14.
- (b) For **Cause Testing.** The Company may ask a contractor to submit to a drug and/or alcohol test at any time it feels that the contractor may be under the influence of drugs or alcohol, including, but not limited to, the following circumstances: evidence of drugs or alcohol on or about the contractor's person or in the contractor's vicinity, unusual conduct on the contractor's part that suggests impairment or influence of drugs or alcohol, negative performance patterns, or excessive and unexplained behaviour.
- (c) **Post-Accident Testing.** Any contractor involved in an accident or injury under circumstances that suggest possible use or influence of drugs or alcohol in the accident or injury event may be asked to submit to a drug and/or alcohol test. "Involved in an on-the-job accident or injury" means not only the one who was or could have been injured, but also any contractor who potentially contributed to the accident or injury event in any way.

8.3 If a contractor is tested for drugs or alcohol and the results indicate a violation of this policy, or if a contractor refuses a request to submit to testing under this policy, the contractor may be subject to appropriate disciplinary

action, up to and possibly including termination from contract. In such a case, the contractor will be given an opportunity to explain the circumstances prior to any final employment action becoming effective.

9. Workplace Violence

SMS defines work-related violence as any incident in which a person is abused, threatened or assaulted in circumstances relating to their work, including abuse or threats as well as physical attacks.

Any incident of workplace violence will result in disciplinary action.

10. Misconduct

Any incident of misconduct will result in disciplinary action.

11. Sexual Harassment

11.1 SMS defines sexual harassment to be:

- (a) Remarks and comments that are sexual in nature and unwelcome
- (b) Unnecessary and unwanted physical contact including touching, pinching, patting and kissing
- (c) Displaying material in the workplace that may be deemed offensive
- (d) Sending offensive texts, emails and downloading offensive material
- (e) Continually making jokes of a sexual nature that are found offensive by others
- (f) Leering at someone or making sexual gestures can be seen as non-verbal sexual harassment
- (g) Unwanted sexual advances or verbal harassment outside of the workplace

11.2 Any incident of sexual harassment will result in disciplinary action.

12. Human Rights Abuse

SMS expects all of its personnel to abide by the following:

- (a) The Organisation's RUF should be followed at all times and do not provide any form of immunity to any person who uses force, including lethal force, unlawfully.
- (b) Any detainees are to be:
 - i. provided with adequate food, water, lighting, heating, ventilation and sanitation facilities.
 - ii. Allowed to practise their religion as long as this is not deemed to constitute a risk to the vessel, crew or MST members.
 - iii. If sick or injured, treated and if necessary given CASEVAC
 - iv. Protected from discipline or punishment inflicted by PCASP or the crew



13. Security Awareness

All personnel are individually responsible for ensuring that they are constantly aware of the need to apply sensible and realistic personal security awareness measures in all circumstances, particularly whilst on watch. These include:

- (a) Constant 'situational awareness'.
- (b) Alertness to 'atmospherics'.
- (c) Constant awareness of the current threat and possible trends.
- (d) Wearing the correct PPE when required.
- (e) Obeying all SOP's and Ship Regulations
- (f) Reporting of any suspicious events or circumstances.
- (g) Awareness of the need to protect intellectual information, including that contained on computers, company cell phones and that contained within documents.

14. Control of Weapons

14.1 All personnel are to abide by current weapons regulations contained in SOPs. The loss of a weapon is a serious offence, which could lead to disciplinary action being taken (dependant on the circumstances of the loss).

14.2 A negligent discharge is a serious offence and is to be reported to the Chief Operations Officer for disciplinary action. The offending contractor may receive instant dismissal and/or a reduction of salary.

14.3 Individuals are responsible for the security of their assigned weapons at all times once they are out of the armoury. Weapons are not to be kept in living accommodation at any time. Personal weapons are to be secured to the body at all times whilst on watch.

15. Chain Of Command

The correct chain of command must be used for all potential or actual disciplinary breaches. No person within the chain of command can be seen to be protecting another if a breach of discipline has occurred.

Whilst embarked, the Team Leader is in command of the MST and he in turn is under the direct command of the Master of the vessel except when he invokes the RUF.

At all times the MST and the TL are under the strategic command of the SMS management.

16. Contract Termination

16.1 For serious and/or repeated failures of performance and/or behaviour the Chief Operations Officer may consider initiating the process of terminating a contractor's contract. Prior to initiating or recommending this course of action, the Chief Operations Officer should discuss this with the CEO, who will advise accordingly.

16.2 There is no legal or contractual requirement to provide any justification for the termination of an individual's contract. Individual Contracts of Employment detail the potential reasons for contract termination.

16.3 For the purposes of good management, SMS requires that a correct process of reporting is followed. Any statements should be signed and dated. At the very least the CEO will require a report and recommendation from the Chief Operations Officer, stating in clear and unambiguous terms why a particular course of action is recommended. In most cases the Chief Operations Officer's recommendation should be supported by reports from Team Leaders and, where relevant, witnesses.



16.4 Once the CEO has agreed to terminate an individual's contract the HR Manager will initiate a termination letter. The termination letter will be sent to the Chief Operations Officer, who must brief the contractor accordingly. This briefing/interview shall be in the presence of a second member of the SMS permanent staff.

16.5 The individual whose contract has been terminated will be de-kitted and out-processed. Terminated contractors **will not** be recommended for a return to contract.

17. Record of Disciplinary Action

17.1 In addition to the disciplinary procedures outlined above, all disciplinary interviews and actions, including minor censures, must be recorded by the SMS chain of command.

17.2 A record of any disciplinary action is to be recorded and kept on file each time the HR Manager or Chief Operations Officer takes any form of disciplinary action against an individual. The form of this record is to include the individual's name, the nature and date of the action taken, and the nature of the subject of the issue in question.

18. Commercial Ethics Code

18.1 All dealings with suppliers must be clear-cut commercial agreements. Back handed commissions, favours or payments are not acceptable.

18.2 No entertainment, gifts or 'services' are to be accepted in any form without prior approval from a director of the company and as a matter of principle it is board policy not to accept such gestures whether offered innocently or not. In the event that gifts are made regardless they must be declared immediately to the HR Manager.

18.3 Any suggestion of deviation from the code will be treated as gross misconduct and will entail instant dismissal with the possibility of prosecution under the relevant applicable law dependant on the circumstances. Please understand that our integrity is as important to us as our professional ability to deliver.

18.4 Any suggestion by a supplier or a colleague of any impropriety or breach of this code in either the letter or the spirit should immediately be reported to the Chief Operations Officer. All contractors, subcontractors and advisors must behave as one and the same time commercially, ethically and with total integrity.

18.5 In the event that anyone associated with SMS has any grounds to believe that any breach of this code may have occurred, there is an obligation to report it to the Chief Operations Officer.

19. Grievance

19.1 Grievances are concerns, problems or complaints raised by a staff member or any 3rd party. Any worker may at some time have problems or concerns with their work, working conditions or relationships with colleagues that they wish to raise with management.

19.2 Issues considered as grievances include:

- (a) terms and conditions of employment
- (b) health and safety
- (c) work relations
- (d) bullying and harassment
- (e) new working practices/organisational changes
- (f) discrimination.



19.3 Any personnel or 3rd party who believe they have a grievance should report the matter to their immediate superior. If it is something they do not want to report to their immediate superior, they have the option of reporting the occurrence directly to a member of senior management:

- (a) Chief Operations Officer
- (b) Chief Finance Officer
- (c) Chief Executive Officer

19.4 Senior management must deal with the matter by ensuring the following are carried out:

- (a) Document the receipt of the complaint or grievance.
- (b) Consider whether the matter should be dealt with as a TIP to:
 - i. establish steps to address and resolve any such complaints and grievances;
 - ii. conduct an efficient investigative process of the grievance which includes regular communication with the complainant, and to cooperate with any official external investigation if necessary;
 - iii. expedite address of complaints within three months of initial notification;
 - iv. consider corrective and preventative actions, including disciplinary action where infractions are found, commensurate with the fault which should be documented and retained;
 - v. Protect the complainant who made the report.

20. Improper or Illegal Conduct

20.1 SMS operate under various codes of conduct, as laid down in their policies and procedures.

20.2 Any personnel who believe they have observed improper or illegal conduct should report the matter to their immediate superior. If it is something they do not want to report to their immediate superior, they should follow the whistleblowing procedure.

21. Whistleblowing

21.1 Whistleblowing is when a worker reports suspected wrongdoing at work. Officially this is called 'making a disclosure in the public interest'.

21.2 A worker can report things that aren't right, are illegal, are not in accordance with SMS's procedures or if anyone at work is neglecting their duties, including:

- (a) someone's health and safety is in danger (other than those situations faced during a security incident)
- (b) damage to the environment
- (c) a criminal offence
- (d) the company isn't obeying the law (like not having the right insurance)
- (e) covering up wrongdoing

21.3 If it is something that the person does not want to report to their immediate superior, you have the option of reporting the occurrence directly to:

- (a) Chief Operations Officer
- (b) Chief Finance Officer
- (c) Chief Executive Officer



21.4 Ensure that you make it clear in your communication that you are following the 'Whistleblowing Procedure' and want the matter to remain confidential. Alternatively, you can write to any of the above named personnel (mark your envelope 'confidential')

21.5 Senior management must deal with the matter by ensuring the following are carried out:

- (a) Document the receipt of the whistleblowing report.
- (b) Consider whether the matter should be dealt with as an enquiry to:
 - i. establish steps to address and resolve the matter;
 - ii. conduct an efficient investigative process of the report which includes regular communication with the reporter, and to initiate any official external investigation if necessary;
 - iii. consider corrective and preventative actions, including disciplinary action where infractions are found, commensurate with the fault which should be documented and retained;
 - iv. Protect the whistleblower who made the report