

INTRODUCTION

Policy and Objectives

In the course of V Ships Leisure and V. Group efforts for continual improvement of the safe operations onboard and ashore, the Company is committed to creating an atmosphere of trust and fostering a culture of just and transparent treatment of persons whose performance falls below expectations.

Company employees, regardless of their rank and position onboard or ashore, are given the opportunity to report actions of persons involved in events which can damage Company's reputation.

Note:

The attached Just Culture policy is a new core V Group policy. Similar to the Safety and Environmental policies, the Just Culture policy must be displayed onboard and crew members made familiar with it.

JUST CULTURE PROCEDURE

The Master through the Heads of Department is responsible to implement and promote the Just Culture policy, and shall:

- 1) provide support, training and resources to ensure staff have the necessary competence to undertake their tasks to the required standard
- 2) hold persons accountable for their actions, but appreciate that incidents do not always occur because of individual misconduct and can be a result of system failure
- 3) Intervene following any applicable event and perform full investigation in accordance with the procedures stated in the SMS and HR policies. The "Just Culture Decision Tree" should be used to decide whether a particular unsafe behavior requires disciplinary action
- 4) ensure consistent, transparent and trusted handling of deviations from acceptable standards of behavior
- 5) proactively assure crew members that they can report the actions of those involved in events which may damage the Company's reputation without retribution, regardless of position or rank
- 6) reward behavior exceeding expectations

ACTIONS REQUIRED**All Vessels do the following:**

- 1) Display the Just Culture policy onboard as required by the Compendium of V Group core policies
- 2) Familiarize all crew members with the Just Culture policy and procedure through the onboard familiarization program and various safety forums, meetings etc.
- 3) Ensure that reporting lines are clearly explained and contact details are exhibited in crew areas

Note:

Company SMS will be updated during the next SMS revision

Attachments :

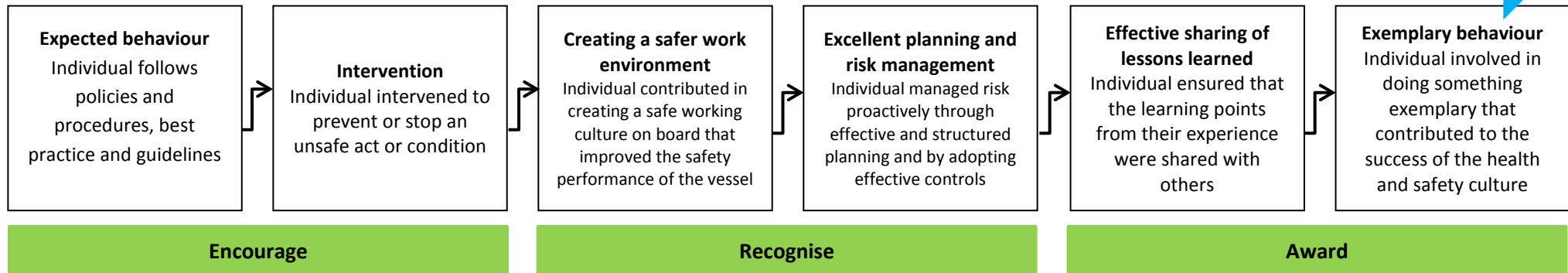
- **Just Culture policy statement**
- **Just Culture procedure**
- **Just Culture Decision Tree (for guidance of ship managers)**

Just Culture Decision Tree

Behaviour that meets or exceeds expectations

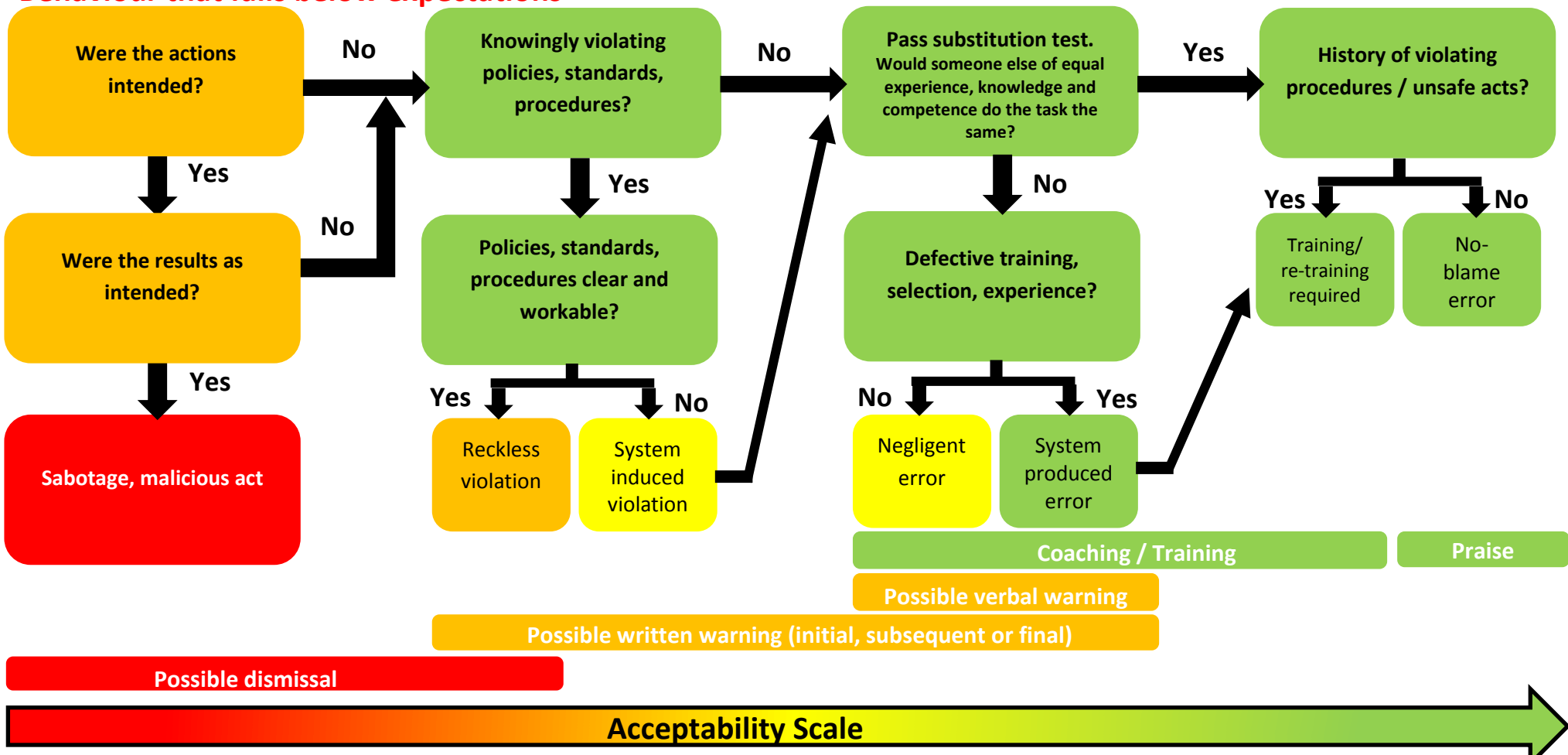
Growing personal responsibility

Proactive behaviour



Behaviour that falls below expectations

Reactive behaviour



The Company is committed to creating an atmosphere of trust in which staff, both ashore and afloat, are assured that:

- They can report the actions of those involved in events which may damage the Company's reputation without retribution and regardless of position or rank.
- Where their performance falls below expectations, the process for managing any actions taken will be in a transparent, consistent and fair manner.

To this end, the Company's management system (VMS):

- Details reporting methods, either in person or anonymously;
- Specifies behaviour which is acceptable and behaviour which is not acceptable.

To ensure staff have the necessary competence to undertake their tasks to the required standard, the Company will provide the necessary support, training and resources.

This policy applies to anyone working on board a V.Group managed vessel and to all persons employed in the Company's global network of Marine Operations Technical (MOTO) and Crewing Offices (MOCO).

The policy will not apply if an individual knowingly or willingly conceals an applicable event or hinders an investigation, or causes an event or commits an unsafe act that results from:

- An illegal act;
- A deliberate act with intended consequences to harm;
- An act committed under the influence of alcohol or drugs.



Managing Director / General Manager

20/6/2016

Date

JUST CULTURE

The Just Culture Process is for guidance only and any action taken will be subject to applicable statutory employment rights and procedures.

Responsibility

The responsibility for interpretation, administration and monitoring of compliance with this process shall be that of the operational leadership on board each vessel and within each shore office, in conjunction with Human Resources, Crewing, Compliance staff and other departments where necessary.

All managers and leadership have a responsibility to provide support, training and resources to ensure staff have the necessary competence to undertake their tasks to the required standard.

7.2 Just Culture

The Company recognises the need to hold persons accountable for their actions but appreciates that incidents do not always occur because of individual misconduct and can be a result of system or process failures.

This is the foundation of a just culture, which is an important component of a positive health and safety culture. The term “Just Culture” refers to a way of safety thinking that promotes a questioning attitude, is resistant to complacency, is committed to excellence, and fosters personal accountability and company self-regulation in safety matters.

The SMS clearly sets out the expectations for adherence to procedures in the workplace and provides a context for enforcing them. It recognises behaviours which exceed Company expectations as well as those that fall below expectations.

The benefit of having a “Just Culture” includes:

- An opportunity to improve operations through experience, feedback and lessons learnt.
- Improvement in the performance of the organisation by encouraging staff to take greater personal responsibility.
- Rewarding behaviour exceeding expectations.

7.3 Types of unsafe behaviour

Four types of behaviour might result in unsafe situations:-

- **Human error** – Where there is general agreement that an individual could have taken a different course of action in a situation where its conduct has inadvertently caused (or could have caused) an undesired outcome.
- **Negligent conduct** – negligence is conduct that falls below the standard to be expected of a reasonably prudent person and a person is negligent if he/she fails to do something a reasonable and prudent person would have done, or if he/she does something that a reasonable and prudent person would not have done.
- **Reckless conduct** (similar to gross negligence) – conduct undertaken (by act or omission) with actual appreciation of the risks involved or in serious disregard of, or with indifference to, an obvious risk.
- **Intentional “wilful” violations** – conduct undertaken (by act or omission) where a person knows and appreciates that it is wrong conduct and yet intentionally does or fails or omits to do it regardless of the consequences.

7.4 Just Culture Decision Tree & Outcomes

Management interventions following any applicable event can be an effective and powerful way of modifying individual behaviour provided it is appropriate and follows a full investigation in accordance with procedures stated within the SMS and HR policies. The “**Just Culture Decision Tree**” should be used to decide whether a particular unsafe behaviour requires disciplinary action and to ensure consistent, transparent and trusted handling of deviations from acceptable standards of behaviour. It is essential that managers or supervisors fully understand the casual factors and root causes of an event before applying the decision tree. Where incorrect causes have been identified and applied to a model, there is a danger that inappropriate action is taken.

Where there are a number of different unsafe behaviours, the decision tree should be applied to each of them separately.

The decision tree operates on an increasing personal accountability baseline:

- On the proactive side, the baseline covers a range from expected behaviour to exemplary behaviour.
- On the reactive side, the baseline covers a range from initiating actions that were malevolent, reckless, etc. (at the most extreme end) through to a no blame error.

The decision tree has five stages:-

- 1) **Intended act or omission:** The first question in the tree relates to intention, and if both action or omission and consequences were intended, then it may amount to criminal behaviour such as vandalism or sabotage.
- 2) **Under the influence of alcohol or drugs** known to impair performance at the time the error was made. A mitigating factor might be that drugs have been prescribed and declared for a medical condition as per the Company D&A process (FOM605).
- 3) **Deliberate violation of the rules** will include investigation as to whether the system promotes the violation or encourages the violation and whether the behaviour has become part of local working practice.
- 4) **Substitution Test:** Could a different person (well-motivated, equally competent, and comparably qualified) have made the same error under similar circumstances (determined by their peers)? If “yes”, the person who made the error might be blameless, if “no”, were there system-induced reasons (insufficient training / selection / experience / etc.)? If not, the behaviour might be considered to be negligent.
- 5) **Repetitive errors:** The final question asks whether the person has committed unsafe acts or omissions in the past. This does not necessarily presume accountability and may, for example, imply that additional training is required.

7.5 Methods of reporting

All managers and leadership will proactively assure staff that they can report the actions of those involved in events which may damage the Company's reputation without retribution, regardless of position or rank.

If a member of staff has a concern it should be raised with his/her line manager who may be able to agree a way of resolving the concern quickly and effectively.

If a member of staff prefers not to raise it with his/her management or the member of staff feels management have not addressed the concern adequately, he/she should raise this concern either by using the Whistle-Blower process or the Seafarers Charter, as most appropriate to the specific case.

The methods of reporting under this procedure may vary according to the individual case and the procedures stated within the SMS.

Reports may be generated from the following events, but are not limited to:-

- Accidents, incidents or near misses;
- Drug and/or alcohol violations;
- Breaches of the Company's Ethical Business Conduct & Media Policy;
- Breaches of the Seafarer's Code of Conduct;
- Breaches of the Dignity at Work policy.