



Management Review

2015

Brett McElligott, HSEQ Manager
Grindrod Shipping

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Date of Review

Date: 01-02 February 2015

The Management Review was chaired by General Manager and attended by following members.

Quentin Foyle

Hilton Stroebel

Rajaraman Krishnamoorthy

Rodney Holmes

Denver Mariano

Ronnie Paguirigan

Ren Carino

Report - Introduction from SHEQ Manager

First of all, I would like to express my sincerest appreciation to all crew members for their hard work and efforts in day to day safe management of vessels. I would like to express, on behalf of vessel Owners and our Management team, thanks and gratitude to you all for providing the stewardship and leadership in making the year 2015 relatively safe. Overall as a group there is a positive vibe with steady progress in operational excellence and consistent fleet expansion endorses this fact.

2015 has been a tremendous and challenging year for Grindrod as we have grown fast and are presently managing 21 ships. Efficient and accident free operation of ships is the key to Grindrod's success and I thank you for your hard work and all your efforts to prevent/minimize accidents. Safe operation will always be the highest priority in any environment. Safe operation is also the starting point for earning the trust of customers and all other stakeholders and remaining their preferred ship management company

There was no serious incident that took place during 2015. However there were some minor incidents in year 2015 which we could have avoided if we were proactive and developed a risk based approach for each operation.

The Port State Inspection Regimen is becoming stricter and stricter and we can see the number of inspections on the rise. This calls for the readiness and preparation of the vessel every time prior entering Port and all the times the vessel is in Port. We need to continue to focus on effective implementation of PSC Action plan to prevent detentions.

The market is depressed and showing no respite. Some say 2016 will be even worse. We look forward to your continued dedication to tide the difficult times and contribute by keeping the off hires, injuries, illnesses, damage to owner property and breakdowns at bay. Let us all take a firm resolve in making our managed vessels even more 'SAFER'.

In order to achieve the following we request you comply with the following :

- Always ensure Safe Navigation
- Proper due diligence in cargo matters and copying ship management division on all commercial matters.
- Thorough and timeous maintenance
- Performance monitoring in order to catch the problems in a proactive manner
- Ordering stores and spares when we must
- Monitoring lube oil consumptions daily and take action if consumptions are found excessive
- Ordering lube oil maximum when calling ports like Singapore.
- Maintaining Harmony and Hygiene on board
- Helping each other overcome shortcomings which may be in knowledge or behavioral safety.
- Following up on deficiencies and not hesitating in informing office if assistance is needed/required.
- Having a Risk Assessment approach towards all ship operations and maintenance.
- Open and Frequent exchange of communications between ship and office.
- Encourage Team bonding in the form of team games/ exercises.
- Using Bassnet for reporting
- Having a Risk Assessment approach towards all ship operations and maintenance.
- Compliance with Permit to work systems, tool box meeting etc
- Reporting near miss incidents
- Reporting all incidents , injuries , unsafe practices
- Reporting non compliance with MARPOL requirements

I look forward to your continual support and vigil in maintaining our fleet vessels TOP CLASS and running them safely.

The HSQE system was found to be effective and being managed satisfactorily. However management will continue to strive for further improvements.



Mr. Brett McElligott

Review of previous Management Review (2014)

Report of Previous Management Review (2014) were reviewed and found satisfactory. No outstanding issues were noted.

Safety & Environmental Protection Policy and Objectives

Policy Statement review

Grindrod Shipping PTE. Ltd is a leading global provider of shipping operations. It is recognised that our services, lead to an improved quality of life.

It is Grindrod Shipping's policy to:

- *Care for its people and provide safe and healthy working conditions;*
- *Protect and conserve the environment in which we operate;*
- *Maintain the highest standard of integrity; and*
- *Provide our customers with services that most closely meet their requirements and expectations.*

A Review / Revision of the policies was completed during the Meeting to ensure that the policies:

- *Remain appropriate to the purpose of the organization,*
- *All policies are uploaded in SHEQ WEBSITE*
- *Next company policy review would be carried out during Management review of Year 2016*

Company circulars review

All Company circulars issued in 2015 were reviewed and incorporated in our SMS system if the SMS required updating.

A few circulars are reissued with new 2016 circular number and uploaded in SHEQ system.

Masters system review

All Masters system reviews received from vessels were analyzed by the Office and necessary corrective action taken as required. The HSQE manuals were amended on occasion.

HSQE manuals were also reviewed for continual improvement depending on feedback from ships, classification society, administration, oil majors, PSC inspections, non conformities, changing regulations, best practices etc. Refer to company circular on Masters system review.

Internal and External Audits / Inspections

Audits Internal and External

Internal audits of ships and company were carried out at planned intervals for improvement of the HSQE system. Corrective and preventive actions were taken for all observations / NC raised.

All Non Compliances and observations raised in external audits were reviewed and necessary Corrective and preventive actions were taken to prevent recurrence.

The following **external** audits were completed onboard the vessels and Grindrod Ship Management Office during 2015

External Audit Type	No. Of Audits	No. of NCR	No. Observations
ISPS	4	0	0
ISM	4	0	1
MLC	4	0	0
ISO9001	0	0	0
ISO14001	0	0	0
DOC (MPA)	1	1	7

Analysis of Internal Audits

The following analysis of the audits was completed. Please note that for analysis purposes the audit findings are usually entered in BASSNet and split into the same areas as is found in SIRE vetting reports. Unfortunately BASSNet has been slow in uptake and use within the Office and onboard the vessels due to the complexities associated with the BASSNet program and the installation onboard especially new build vessels. This has been reviewed by the Company Management and Mr. Subramani Iyer –Marine Applications Manager has been inducted. Mr. Iyer has vast experience

having worked with BASSNet Applications and will oversee the problems with BASSNet and implement the application across the Fleets. The full detail of the Observation and Non Compliances will as of 2015 be available in BASSNet. The Masters are not as efficient as they should be with appropriate and valid closeout of observations and NCN's. On occasion the Masters do not reply to the remarks, these then become overdue. The Ship Manager is to actively ensure that the vessel closes out all NCN's and observations appropriately.

Internal ISM Audits:

An analysis of the **Internal Non Compliances** identified the following areas of improvement for 2016:

1. Documentation: Company Standard forms not being used.
2. Safety Management: Ship's Network and PC's not being set up as per the Company policy.
3. Pollution Prevention: The Vessel garbage book being incorrectly filled in.

An analysis of the **Internal Observations** identified the following areas of improvement for 2016:

1. Documentation: the filling in of the Permit to work.
2. Documentation: The Engineers Standing orders not being in accordance with the requirements of the SMS.
3. Documentation: The Engineers logbook not being correctly filled in.
4. Pollution Prevention: Verification of the correct collection and storage of garbage.
5. Documentation: Defect Management being maintained within BASSNet.
6. Safety: Lifeboats ready and in good order.
7. Safety: EEBD's in the Engine Room in good order and ready for immediate use.

Internal ISPS Audits:

An analysis of the **Internal Observations** identified the following areas of improvement for 2016:

1. Maintenance records of security equipment.
2. Security Training using Nvod or Seagull not being completed.

Internal Navigation Audits:

An analysis of the **Internal Observations** identified the following areas of improvement for 2016:

1. Master's Standing Orders not being in compliance with the SMS.
 2. Deck log book and Bell book not adequately completed.
 3. Pre arrival, departure checklists not adequately completed.
 4. BNWAS incorrectly recorded in the Logbook and not in compliance with SMS.
 5. Regular gyro and compass errors taken and recorded.
 6. Incorrect use of the company passage plan.
-

Corrective Action:

The above are being addressed by induction of additional guidance via Circulars and training material. Marine Superintendents and the SHEQ department representatives who will contribute to additional shipboard audits and training on board during their ship visits in 2016.

Internal Office Ship Inspections review

Ship visits were carried out on all vessels by SHIP MANAGERS at planned intervals to ensure compliance and improvement of HSQE system. All observations raised during visits were closed and reports filed in company

Analysis of Incidents and Near misses

Incidents

There were 87 incidents for Grindrod in 2015 (66 in 2014), this covers both the IVS and Unicorn Fleets. As lessons learned are distributed to both fleets and usually common to both fleets, the analysis does include both fleets where relevant. The following incidents below are a summary of the most severe incidents for 2015 for the IVS Fleet.

The following occurred in the IVS Fleet for 2015:

Spills:

There were no spills in the IVS Fleet for 2015

Losses:**IVS NIGHTJAR January**

IVS Nightjar was calling at Piraeus for bunkering. Her anchorage as advised by Port control was too deep and she lost her portside anchor and cable in its entirety.

IVS KITE February

Whilst heaving up the anchor, vessel's port and starboard windlass motors were found defective and unable to complete the task. Subsequently both motors had to be replaced.

IVS MERLION June

The Vessel developed an oil leak on the stern tube seal. Part of a fishing net was found to have disturbed the seal causing the oil leak. Port authorities in Annapolis (USA) required a permanent repair prior to the vessel's departure.

LTI's and MTC's:

IVS SPARROWHAWK LTI March:

Whilst the crew were inside a tank cleaning, the section join of the temporary air drain hose leading to bilge well gave way (due the air pressure). The loose air hose struck the Wiper stationed on top of the Tank, dislodging his Helmet. The Wiper reacted to avoid the out of control hose, falling in the Engine Room. He suffered a cut to his eye-brow and a blow on his head.

IVS THANDA MTC March:

Crew Member was washing down a hatch cover when excessive water pressure forced the hose out of his hands, hitting his mouth and chipping a tooth.

IVS RAFFLES LTI June

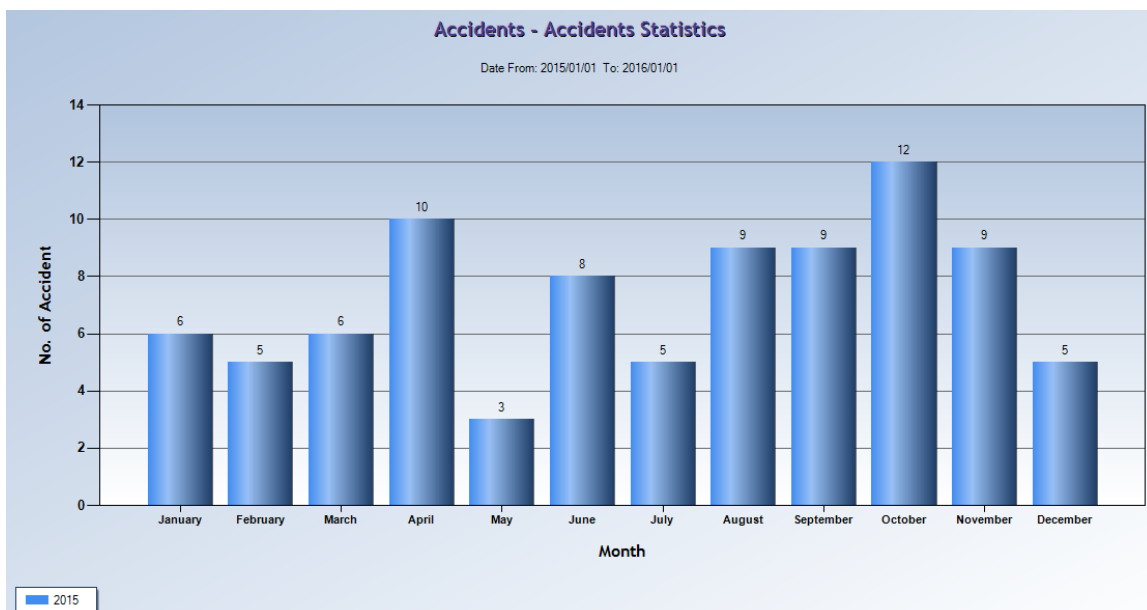
Vessel sailed from West Africa to South America. In South America the electrician showed symptoms of Malaria and was hospitalized. Subsequent tests proved negative however he was suffering from a virus and was repatriated.

IVS KINGLET MTC November:

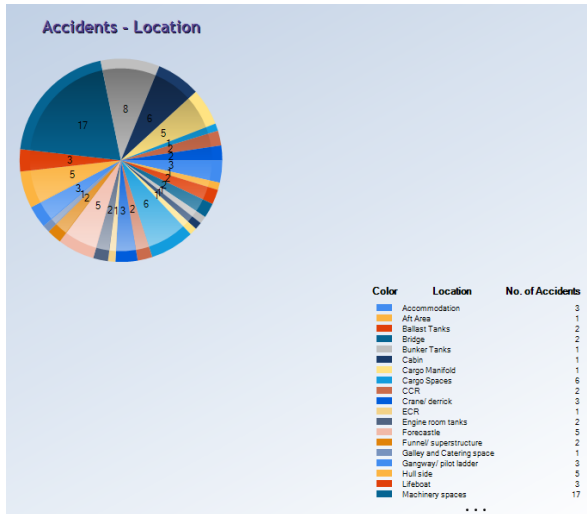
The crew member was standing in front of the inlet vent duct in the Engine Room when a foreign body blew into his eye. This had to be removed by a physician.

IVS KAWANA MTC December:

Oiler slipped in the E/R stair during his watch due to inclement weather condition and vessel was rolling heavily. First aid provided and he was sent ashore for medical checkup at next port

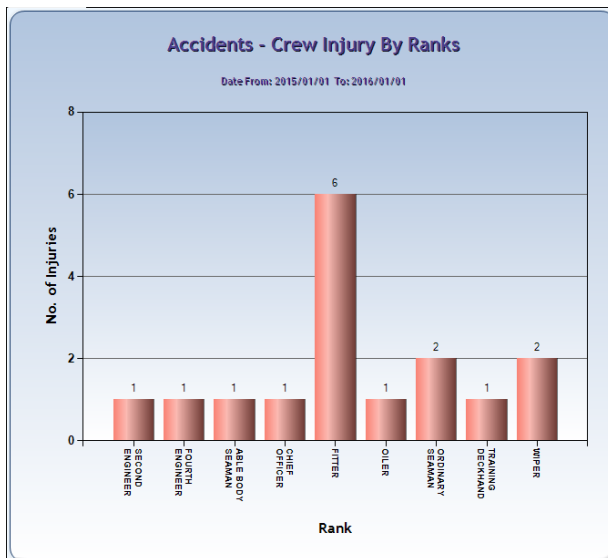


Incidents by month

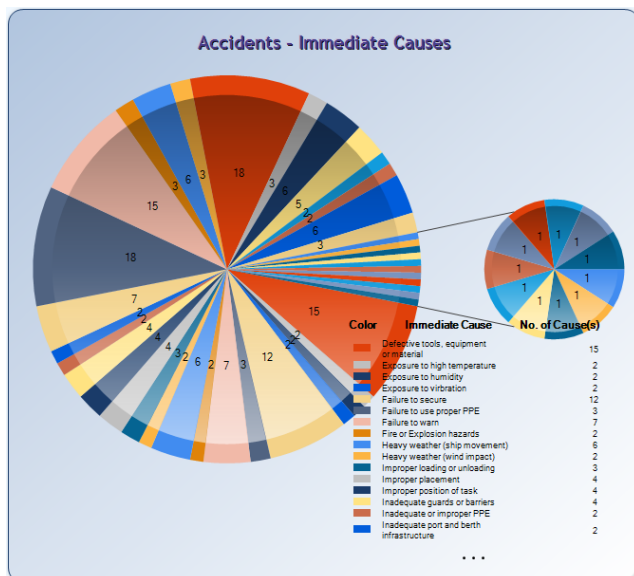


The top three **Location** of Incidents include:

- 20% in Engine Room
- 9.5% on Main Deck
- 07% Mooring Station



As can be seen in this analysis the majority of incidents happened to the Engine Department personnel.

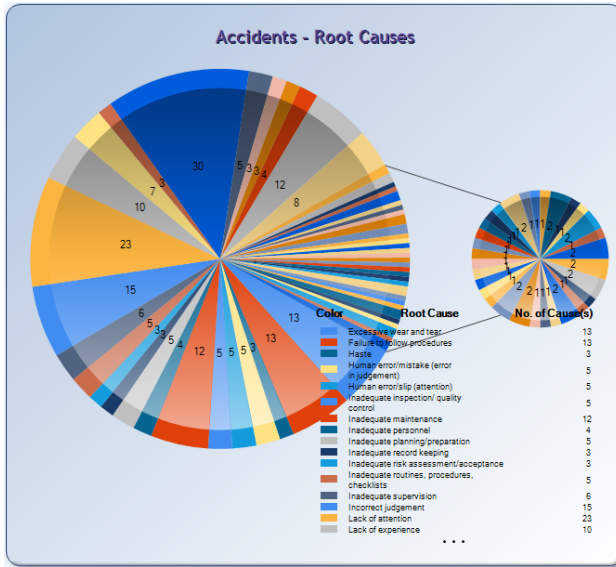


The top four **Immediate causes** of Incidents include:

- 10% Procedural Error
- 10% Machinery and Equipment Failure
- 8.3% Defective tools, equipment
- 8.3% Machinery or equipment malfunction

In summary - 26% Immediate causes of incidents is directly attributable machinery malfunctions or failures.

Incidents – Immediate Causes



Incidents – Root Causes

The top four **Root causes** of Incidents include:

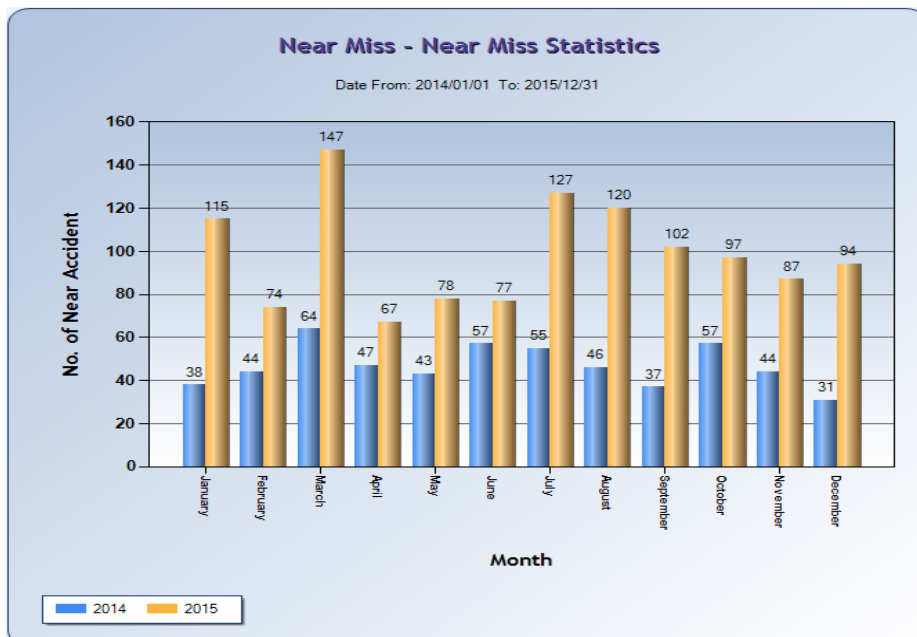
- 12.3% Lack of situational awareness
- 9.3% Lack of attention
- 6% Incorrect judgment
- 5.4% excessive wear and tear

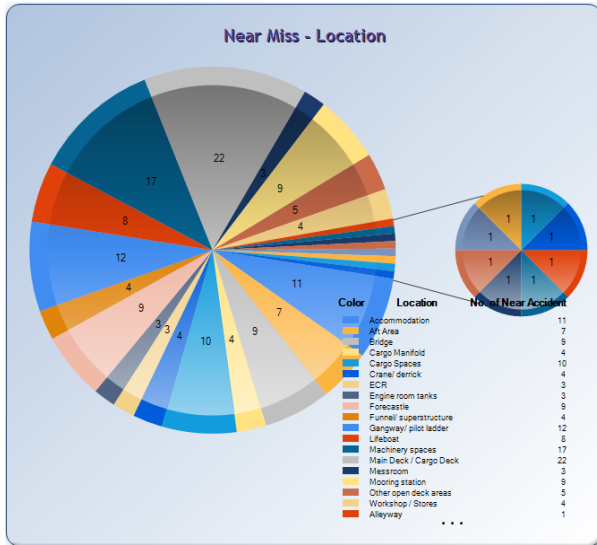
In summary – 27.6% Root causes of incidents is directly attributable to human error which may have its origins in lack of thorough and proper training. Hence the need for good role models within the Senior Management team onboard which will guide and nurture the next generation of officers.

Near Miss

A total of 1185 near misses were raised during 2015 for both fleets. This is a 210% increase in the amount of near misses raised in 2014 (563 near misses). Further education in the use of the “Fast track wizard” in BASSNet for the ease of reporting has led to increased reporting of near misses. Near misses are being reported from the Dry Fleet, however these only account for 39% of the total near misses reported in 2015. Issues such as the slow and delayed roll-out of BASSNet to the new build fleet has led to the slow uptake in Near Miss reporting in the Dry fleet.

Where applicable the “Lessons learned” in BASSNet are being distributed to both fleets. These are then being read out during the Safety Management Committee meetings held onboard.

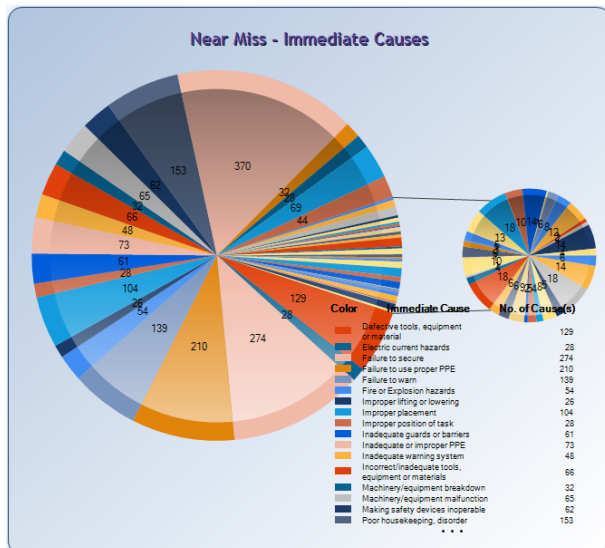




The top four **locations** of Near Misses include:

- 14.5% Main Deck
- 11.2% Engine Room
- 7.9% Gangway
- 7.2% Accommodation

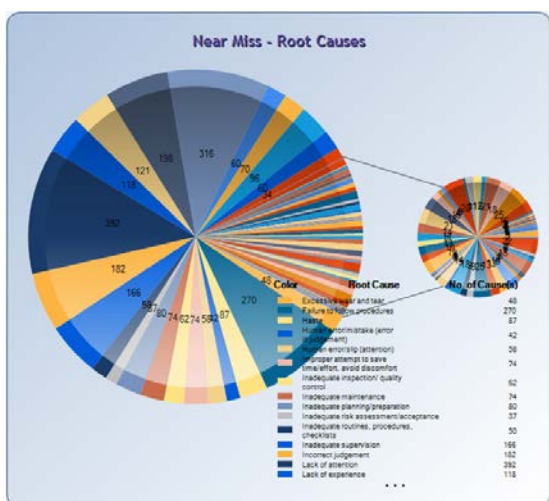
Again near misses are high in the Engine Room and Main deck spaces.



The top four **Immediate causes** of Near Misses include:

- 15.9% Procedural error
- 11.7% Failure to secure
- 9% Failure to use proper PPE
- 6.5% Poor housekeeping, disorder

In summary – 43.2% Intermediate causes of incidents is directly attributable to human error which may have its origins in lack of thorough and proper training. Hence as previously stated, the need for good role models within the Senior Management team onboard which will guide and nurture the next generation of officers. This is also an increase on 2014 (35.7%)



The top six **Root causes** of Near Misses include:

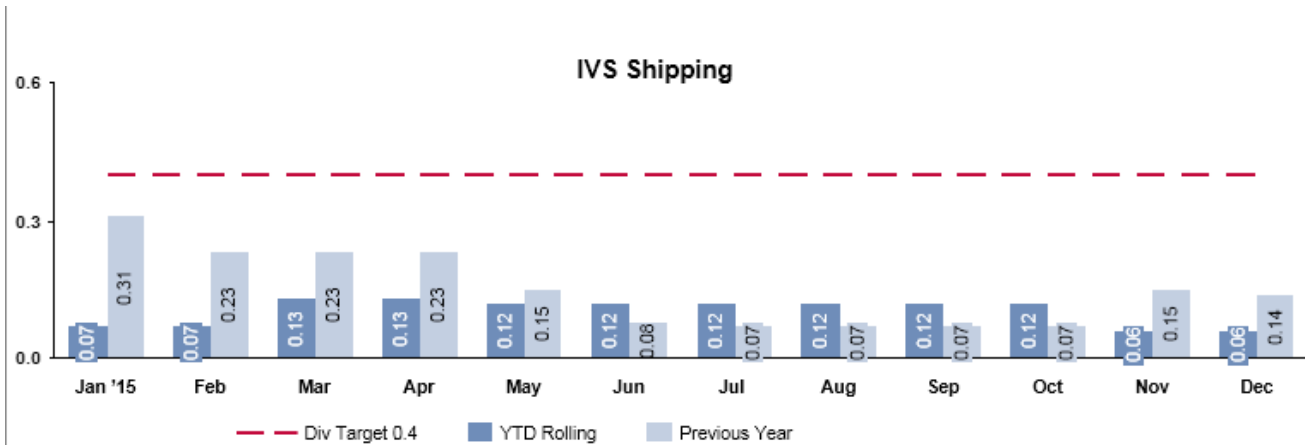
- 12.2% Lack attention
- 9.8% Lack of situational awareness
- 8.4% Failure to follow procedures
- 6.1% lack of knowledge
- 5.6% Incorrect judgment
- 5.1% Inadequate supervision

These are all put down to human error. Reinforcement and Monitoring of procedures by the SMT onboard is essential for the reduction in human error through proper policing and education of the crew onboard.

Near Miss – Root Causes

Safety Performance

LTIFR



Overall safety performance

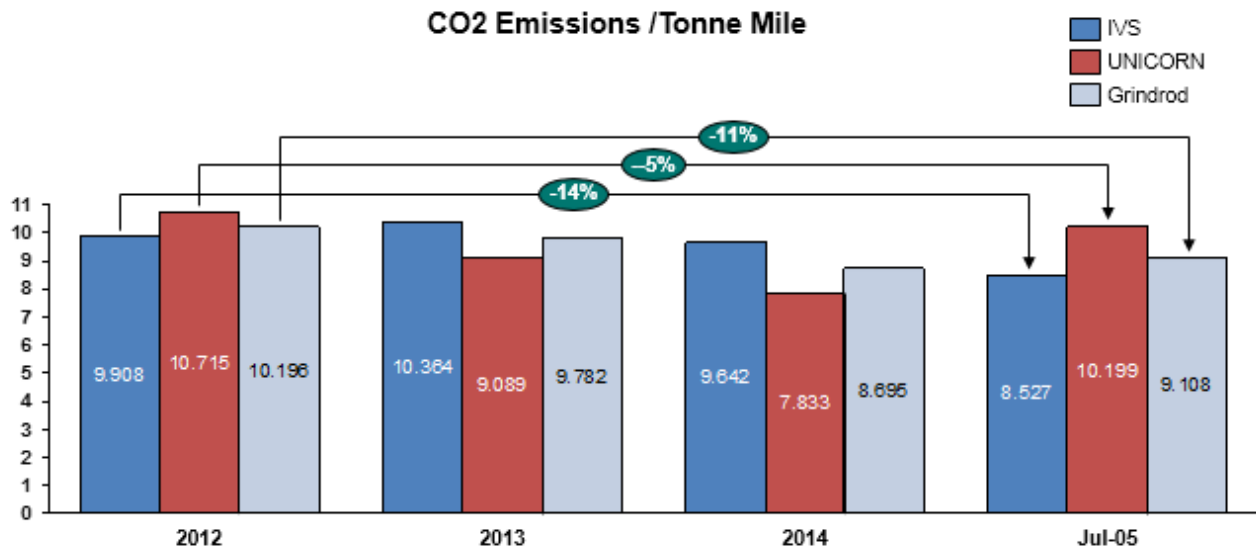
KPI	Period	Jan '15	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Fatality <i>(YTD per calendar)</i>	Actual	-	-	-	-	-	-	-	-	-	-	-	-	
	PY	-	-	-	-	-	-	-	-	-	-	-	-	
LTIFR <i>(YTD rolling average)</i>	Actual	0.07	0.07	0.13	0.13	0.12	0.12	0.12	0.12	0.12	0.12	0.06	0.06	
	Target	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	
	PY	0.31	0.23	0.23	0.23	0.15	0.08	0.07	0.07	0.07	0.07	0.15	0.14	
	vs. target (%)	83	83	68	68	70	70	70	70	70	70	70	85	85
	vs. PY (%)	77	70	43	43	20	50	71	71	71	71	71	60	57

KPI	Comment by exception
Fatality	None
LTIFR	Remains below target and under control. Education measures regarding working with mechanical tools being completed onboard.

Safety incidents and injuries have been reported by e-mail to the Ship manager and crewing department. However on occasion the same has not been reported into BASSNet. The Ship

Managers are to ensure that all incidents and near misses which are reported in e-mails, Safety Committee minutes or other reports are also reported in BASSNet.

Environmental Performance

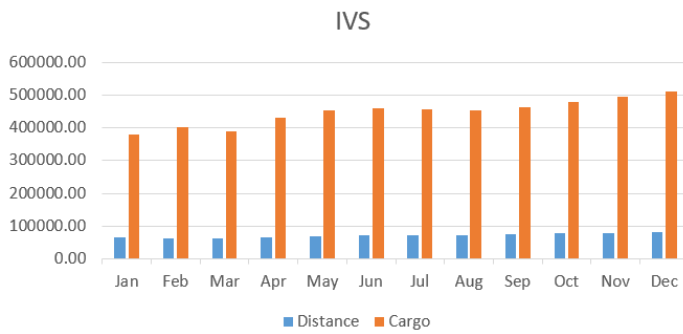


The decrease in CO2 Emissions / Tone Mile for **IVS Fleet** has shown a significant decrease (-14%) compared to the 2012 figures. There are a number of factors which have attributed to this. The first factor is the reduction of the length of ballast voyages and the increase in the amount of cargo being transported. This can be clearly illustrated in the graph below:

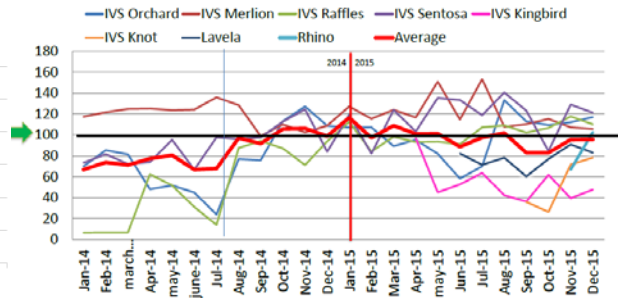
The increase in efficiencies is a result of two factors:

The new tonnage that has been delivered over the last 12 months with the vessels ECO friendly design and the selling of some of the older tonnage in 2015. Secondly, the additional installation of the variable frequency drives has also had a significant increase in the efficiencies. As of December 2015 six IVS vessels have been outfitted with the drives. On average 14 tons of HFO is being saved per vessel per month or 387 tons of CO2 per month. Sox – 6 tons per month and NOx 9.9 tons per month.

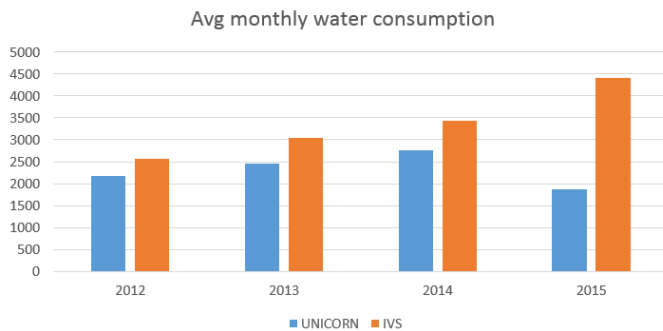
Ship Managers have also been educating the Engineering Crew during their visits to the vessels. Questions have been asked as to why the Main Engine remains on standby when it should be shut down. It is a process of education of the seafarers on conservation of energy but correct shutdown of propulsion machinery etc. which has helped save fuel.



Amount of cargo being transported (orange) vs Distance travelled in Ballast (blue) in 2015.



Variable frequency drives are closely monitored for performance and on average are working 95% of their optimum performance capabilities.



Water consumption has increased significantly over previous years. It should be noted however this is very dependent on cargoes carried and how much tank washing is required for consecutive dissimilar cargoes. Active measures and education is in force for the domestic consumption of water.

Port State Control

PSC deficiencies have been reviewed from all vessels.

Significant findings have been promulgated to all ships through circulars to prevent recurrence.

Exhaustive checklists (country specific) were sent on ships for better preparation.

In US ports, Company's Qualified Individual was requested to prepare vessels for better familiarization with US requirements.

All PSC inspection reports are uploaded in BASSNet from Dec 2015

There were no detentions on GSM managed vessel during this period.

Average number of deficiencies per vessel per inspection found about 0.7.

Closer interaction to be developed between the vessels and the office during the course of Port state inspection, as it would avoid quite a few PSC observations which have given due to misunderstanding.

IVS vessels continue to be the subject Port state control inspections. Largely these have not been an issue, with the exception of three PSC Inspections:

IVS MERLION Algeciras 02/02/2015. 5 PSC deficiencies:

IVS SPARROWHAWK Kwinana 11/03/2015: 5 PSC deficiencies:

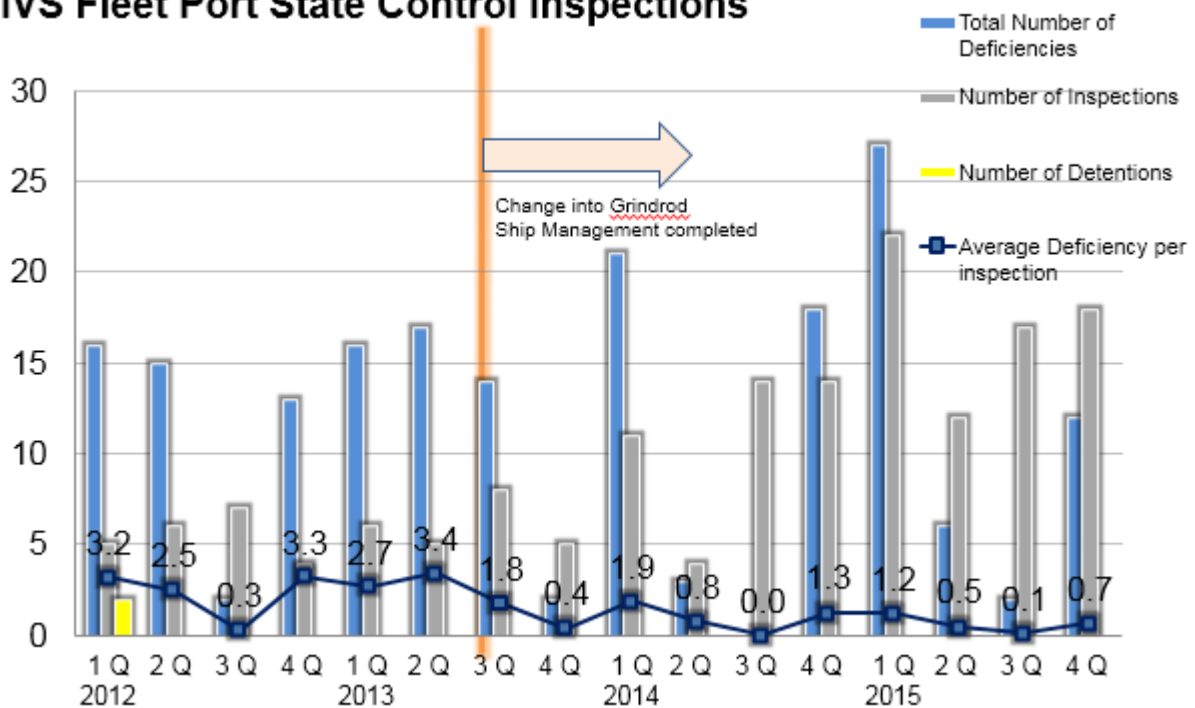
IVS SENTOSA Lianyungang 14/05/15. 5 PSC deficiencies:

The above issues have highlighted the importance of the port state control and not getting any remarks. Furthermore the Ship Manager is to ensure that all PSC remarks are to be closed out timeously. Verification can only be done by means of a second PSC where the close outs are verified. Again this invites yet more scrutiny and possible further remarks from PSC representatives.

Please find below the PSC completed on a quarterly basis. As can be seen the graph indicates a general downward trend with regard to remarks on PSC inspections.

Year:	2013	2014	2015
Average no observations per inspection	1.5	0.9	0.7

IVS Fleet Port State Control Inspections



Review of International and Country Specific statutory requirements

Both International Legal and local requirements like EU directives / CARB / ECA /VGP-NPDES , Restrictions on vessels in US & Canada with AGM , US biofouling management plan , prohibition of asbestos containing materials were complied with.

Masters are requested to obtain local requirement for each port well in advance. DNV Navigator Software was commissioned to help the Master with Local Regulations

All statutory requirements as per class / flag / IMO complied with.

New Regulations review

Company has taken initiative to keep track of the New Regulations coming into force and have taken sufficient measures for implementation of these regulations. New regulations were reviewed and incorporated in company SMS where required. Company has provided REG4SHIPS where all IMO publications and flag state circulars as per new regulations are automatically updated.

The following New regulations were promulgated to fleet and complied with:

- Enclosed space entry drills ,
- Hong Kong fuel Sulphur requirements,
- Gas meter requirement on Singapore flag vessels,
- PSC campaign on enclosed apace entry / navigation,
- New ECA requirements (0.1 % SULPHUR),
- Installation of ballast water treatment system,
- Annual Reporting of VGP to EPA, USA
- ECDIS is being installed on vessels and will be completed on all vessels prior phase-in dates.

All new regulations were reviewed and found effectively implemented.

Customer Feedback / Complaints

Nothing to report for the IVS fleet.

Risk Assessments

The Risk Assessments continue within BASSNet. The quality of risk assessments received from the Fleet remain poor. Therefore the Office representatives are reminded to complete the training of the crew whilst completing their inspections. The Office will continue to prepare Master templates of Risk Assessments for the fleet to use as the basis for their Review of the job description.

Management of change

Management of change was initiated for several operations during this period.

Same reviewed and found effective

Security

All Grindrod vessels comply with International Ship and Port Security (“ISPS”) Code. Furthermore when transiting in a high risk area, anti-piracy measures as described in the Best Management Practices 4 booklet remain in force. This is a requirement of the vessel’s insurance provider. Both Unicorn and IVS Vessels regularly enter into High Risk Areas (HRA) and are employing additional security protection to enhance security on board. When entering the HRA, Singapore Flag is notified and approves the use of security personnel on board.

EBOLA and Malaria remain an issue with vessels travelling to West Africa. A risk assessment has been completed and additional countermeasures put in place. It should be noted that since the commencement of the EBOLA outbreak, our vessels have only visited Lagos Nigeria. At this time the outbreak in Nigeria has been contained and no recorded new cases in Nigeria from December 2014. The situation is monitored and the vessels advised should there be any relevant information made available.

Stowaways: P&I have informed the Office that the incidents of stowaways in the Southern African ports is on the increase and the cost of repatriation now according to the South African Government falls on the Ship Owner. The fleet is to be reminded that they are to remain vigilant and take additional precautions such as shore based security when visiting South Africa. The requirements of the Ship Security Plan is to be followed to the letter, with no exceptions to the review of stevedore ID’s etc.

Company and ship resource levels review

Company Resourcing Levels

A new DPA and ship manager were recruited to meet the expansion and to meet the requirements of audits and for effective implementation of HSQE management system on board.

Change of DPA and alternate DPA from 01 Sep 2015.

DPA- Capt Rajaraman

ADPA- Capt Rajesh Sharma

To stay competitive in today's marketplace, it has been company's senior management commitment to develop Human Capital and provide adequate Human Resource whether it is at sea or ashore from its inception.

With company's long term goal in mind, company has developed world class infrastructure and work place conducive to develop talent which can support the business and deliver performance and expectations of our client we serve.

In our effort to continually improve quality of ship's staff as well as shore staff, we have well adapted systems for training and strategy to monitor and retain the manpower across the organization by means of the Induction program and the Seagull/NVod CBT training systems.

Company's fleet growth is monitored monthly so that all resources (manpower, equipment, space, etc) are adequate for current fleet and for the intended expansion.

Additional resource and shore-based support are provided to enable the designated person to carry out his functions

Ship and shore based resources were reviewed and found adequate for safe operations.

MLC / Crewing matters

Crewing matters were found satisfactory.

Health and hygiene bulletins were regularly promulgated to ship staff.

MLC effectively implemented on all vessels

Review of rest hours within the Fleet

The work and rest hours regulations are becoming more and more strict and the inspectors /auditors are scrutinizing work & rest hour and non- compliance records more and more closely and in depth. Guidance from office was provided to avoid non compliance onboard. Accordingly DNV software will be provided on board for implementing rest hours in 2016

Rest hours non compliance / violations are being reported by Master to company and monitored.

Extra manning also being provided on board (case by case basis)

Review of Surveys (certification, Existing COC, Major Memo, significant issues)

All the vessels have been adhering to Class requirements and survey schedules during the year.

Condition of class / memo monitored by ship managers and tracked to completion

Review of dry docking

Dry-docking of vessels carried out in consultation with the Owner.

Stern tube seals and oil was changed to new Bio degradable type to comply with new US VGP regulations.

COC for vessels to be closed as applicable during dry-dock.

Review of BASSNet

Company staff continued to motivate the personnel on-board to continue using BASSNet

Project Team comprising of IT and BASSNet Support) working to ensure proper implementation / follow up of the system

PSC module activated in BASSNet this year

Audit reports are uploaded in BASSNet from August 2015.

Suitability and effectiveness of the HSEQ system

The second half of 2014 has culminated with a re-write of the Safety Management System which was published to the vessels during August 2014. There were significant upgrades completed to all Manuals within the system. The next issue to be completed during the 1st Half of 2016 will be the document control and month end reporting using a more automated process.

Comments received from the Masters during their review have been reviewed on their merits and where applicable incorporated into the SMS with regular updates and references forwarded to the Fleet for their reference.

Review of training needs

Training is required on the Risk Management Module for the office staff and sea staff. This has been developed and training been conducted during the ship visits done by shore staff. The BASSNet program has also developed an Interactive training program which has been deployed to the vessels for their review.

A new onsigners Induction Program has been rolled out during the last quarter 2014. The Induction program caters for all new AND existing crew – from the SMT to the ratings. It is an Introduction to Unicorn/Grindrod and the SMS. All Crew will be obliged to complete this course prior to acceptance into Grindrod onboard the vessels. The average duration of the course is around 5 hours.

NVOD has been replaced with SEAGULL which is seen to be a more relevant and up to date training software package. Additionally Officers will be required to complete Bulker TOTS prior to promotion. It is important that the Marine Superintendent monitors the progress of the fleet to ensure that the crew takes advantage of this resource.

Training of Company Personnel:

Company staff have attended shore based training conducted by authorized training institutes to continually improve skills required for ship management.

Training of Shipboard personnel

Basis various recent changes in the industry, feedback received from vessels and vessel inspection findings, incident reports; the Office identified the gap between existing training and the requirements on board. Training resources are identified considering the increase in demand for ship staff expected in near future.

To address this gap in training and better preparation the Office is customizing new courses and updating, revising and upgrading the existing courses accordingly. There is continuous flow of information from the Ship to the Management office and to the training centres.

- All joining crew were trained for company's HSQE management system by each manning company.
- Pre joining briefing was carried for senior personnel in company prior joining a vessel.
- Company has provided Videotel / Seagull CBT and training plan to all vessels.
- All crew for new building ships were trained by DPA after selection by interview, and at the shipyard before the ship's delivery.
- Sea staff seminars were conducted by company staff.
- OJT were carried out for ship staff on navigation and HSQE matters.
- Regular HSQE campaigns were promulgated to ship staff.

Drills

Ship/shore SAFETY AND SECURITY drills were conducted regularly and found satisfactory.

Report of ship/shore drill shared with fleet.

Performance Indicators

SAFETY, HEALTH, ENVIRONMENT AND QUALITY (SHEQ KPI's)

2015 HSE INCIDENT STATUS – HOW ARE WE DOING?							
INJURIES AND DEATHS	2014	Quarterly Results				2015	
	Results	1Q	2Q	3Q	4Q	Target	Actual
Deaths <i>(Unnatural or Accidental)</i>	0	0	0	0	0	0	0
Lost Time Injury <i>(Day Away From Work)</i>	2	1	0	0	1	2	2
Medical Treatment Cases <i>(External treatment/assistance req'd)</i>	2	1	0	0	2	4	3
First Aid Cases <i>(On-board treatment only)</i>	6	0	0	3	1	7	4

SPILLS AND EMISSIONS	2014	Quarterly Results				2015	
	Results	1Q	2Q	3Q	4Q	Target	Actual
Spill <i>(Into the Environment)</i>	0	0	0	0	0	0	0
Minor Spill <i>(Contained and < 1 bbl)</i>	0	0	0	0	0	0	0
Contained Spill <i>(Contained and > 1 bbl)</i>	0	0	0	0	0	0	0
Spill <i>(Any quantity into the water)</i>	0	0	0	0	0	0	0

MATERIAL LOSSES	2014	Quarterly Results				2015	
	Results	1Q	2Q	3Q	4Q	Target	Actual
Minor Damage / Loss <i>(Less than \$5000)</i>	15	0	0	0	0	7	0
Serious Damage / Loss <i>(\$5000 to \$500000)</i>	1	2	1	0	0	3	3
Massive Damage / Loss <i>(\$500 000 TO \$1000 000)</i>	1	0	0	0	0	1	1
Catastrophic Damage/Loss <i>(Greater than \$1 000 000)</i>	0	0	0	0	0	0	0

Quality and Customer Service	2014	Quarterly Results				2015	
	Results	1Q	2Q	3Q	4Q	Target	Actual
Unplanned off hire as a result of our management failure	0	0	0	0	0	0	0
Cargo Contaminations	0	0	0	0	0	0	0
Customer Complaints	1	0	0	0	0	4	0

- Items marked with an asterisk are reflected within the Un-planned off hire records, and are recorded separately for analysis purposes only

Best Practise	2014	Quarterly Results				2015	
	Results	1Q	2Q	3Q	4Q	Target	Actual
Near Miss Reports FOR IVS FLEET only	158	54	101	166	145	600	466

Review of safety culture

Safety culture on board not satisfactory and needs to be improved due to increase in number of injury incidents this year.

Strict compliance with PPE to be emphasized.

Positive outcomes during this period

Positive outcomes

- No pollution incidents
- No fire incidents
- Average PSC deficiencies per vessel per inspection is about 0.7
- No PSC detentions
- No fatality incidents
- No collision incidents
- No drug and alcohol offence on any vessel
- No permanent total disability / Permanent partial disability

Action plan for continual improvement

Refer to attached sheet for action plan

S.NO	Item	PIC	Target date	Status
1	Enhance safety culture on board through monthly campaigns and upload the same in SHEQ website	DPA	MONTHLY	Commenced and will be implemented every month
2	Promote health bulletins on monthly basis and upload the same in SHEQ website	DPA	MONTHLY	Commenced and will be implemented every month
3	Provide key arrangement for Hypermist system so that it is always in auto mode	Henry	March 2016	In progress
4	Provide DNV navigator to all vessels	Ren	March 2016	In progress
5	Provide DNV watch keeping software to all vessels for effective management of rest hours	Ren	March 2016	In progress
6	Apply extension from USCG for ballast water treatment system for all vessels	DPA	March 2016	In progress
7	ECDIS to be installed on all vessels prior compliance date	Rodney	2018	3 Vessels remaining
8	Implement audit module , PSC module and technical inspection module on Bassnet	DPA	From Jan 2016	Commenced
9	Identify on the job training needs for various shipboard activities and promulgate the same to fleet.	DPA	Occasional	Commenced
10	Provide seagull CBT for newly delivered vessels	Ren	Delivery of each vessel	Commenced
11	Takeover of 4 new buildings and increase fleet size to 22 vessels by end 2016	Quentin	Dec 2016	In progress
12	Increase office staff resource levels considering fleet size	Hilton	June 2016	In progress
13	Review manning levels of all vessels in the fleet as required by MPA circular	DPA	March 2016	In progress
14	Review chapter on critical equipment in company SMS	Rodney/Joey	March 2016	In progress
15	Ship managers to attended Internal auditors course conducted by authorized institutes	Hilton	June 2016	In progress
16	Install VFD on IVS Tembe	Per	Dec 2016	In progress