



Management Review

2018

Brett McElligott, HSEQ Manager
Grindrod Shipping

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Date of Review

Date: 03 June 2019

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

Quentin Foyle

Hilton Stroebe

Rajaraman Krishnamoorthy

Rodney Holmes

Denver Mariano

Per Fabricius

Henry Dayo

Richard Navo

Joey Baluyot

James Requilme

Brett McElligott

Review of previous Management Review (2017)

Report of previous Management Review (2017) was reviewed and found satisfactory. No outstanding issues were noted.

Review of the Action Plan for year 2018

Refer to attached sheet for action plan

S.NO	Item	PIC	Target date	Status
1	Compliance with Data collection system for fuel oil consumption of ships	Brett	01 Mar 2018	Complete
2	Compliance with revised Garbage management plan	Rajaraman	15 Feb 2018	Complete
3	Prepare new biofouling management plan to meet California and New Zealand requirements	Rajaraman	01 Apr 2018	Complete
4	Singapore office Management Review	Quentin / Hilton	19 Apr 2018	Complete
5	Safe manning review	Hilton/ Randy/ Gavin	01 May 2018	Complete
6	Crew conference at Manila	Hilton/ Randy/ Gavin	23 MAY 2018	Complete
7	Prepare new SEEMP to include Fuel oil monitoring requirements	Brett	31 May 2018	Complete
8	Integration of BASSNet & DNV NAVIGATOR with Q88	Subu/ Marine supt	01 June 2018	Not Complete
9	Install TEST KIT on board for testing potable water so as to avoid using bottled water	Rodney	31 Dec 2018	Complete
10	Training of Technical staff on Entries into the ORB	Hilton	31 Dec 2018	Complete
11	G Wave to be rolled out to the Office and to the Fleet	Gavin	31 Dec 2018	Complete
12	Vendor list to be reviewed	Rodney/Debbie	31 Dec 2018	Complete
13	Quarterly stores list to be formatted and rolled out to the fleet	Rodney	31 Dec 2018	Complete

Regarding item 8, company is liaising with Q88 for integration, the original project not feasible.

Vision and Mission Statement

VISION STATEMENT

To continue to be a significant and profitable international ship-owner and operator with a growing fleet of modern and flexible ships.

MISSION STATEMENT

To provide high quality shipping services across the sectors in which the division participates and be the carrier and partner of choice for Blue Chip customers.

Safety & Environmental Protection Policy and Objectives

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.*

Senior Management Message to the Fleet

Good Day

As part of the Company's management system, an annual review is conducted to verify of structure /policy's and forward vision is in line with the markets and competitors

Over the last 12 months, we performed well, and have dealt with some challenges.

- The tanker market has been poor (despite a few good months) and continues to have a subdued earning forecast going forward.
- The bulk carrier market has been impacted by the China/USA trade war, but the forecast for our sector looks a little more promising.
- In the Tanker division we saw the sale of BERG and LAVELA, as part of the dissolving of the ENGEN/Unicorn joint venture.
- In the Dry we saw the sale of IVS KANDA and IVS KAWANA. This was due to their age.

On the positive note

- The Company listed on the New York Stock Exchange in June. This resulted in the head office being re located to Singapore.
- We will welcome new builds IVS PRESTWITCK and IVS OKUDOGO later in the year.

As we look forward, into 2020, we need to see how we can perform more efficiently.

As the old saying goes:

If you do things the way you have always done them...you will get the result you have always got!

We all agree that, with the pace at which our Industry is evolving, we cannot sit on our laurels, and expect to remain relevant and competitive. We need to innovate, embrace technology, understand market developments, and lead in the industry.

During this year we participated in a bench marking exercise, to understand how competitive we were in the cost of managing our fleet.

This bench marking was carried by an internationally recognised consultant organisation, which inputs all the ship management costs into a computer model. The costs are carefully grouped into sections to ensure we are comparing "apples with apples" with peer companies.

Our chosen peer companies are well known international brands and are our direct competitors, in each sector we operate in.

The sectors we bench marked in were, MR tankers, Small tankers, Handy size bulk carriers and Supermax bulk carriers.

We can report that we fared reasonably well in most sections of the sectors, but it did identify some very serious discrepancies in our cost structures which need addressing by management as soon as possible.

We also need to address our long-term planning requirements, to ensure we keep abreast of changes in our industry, as well as keep ahead of the very competitive opposition.

Presently the management team ashore is reviewing and discussing options that need to be implemented to deliver the support and services that will be required by Grindrod Shipping, in the medium to long term.

We need to be proactive, rather than reactive in this regard.

To this end there will be some changes made in the way we manage our fleets. We need to streamline our processes and ensure we are directly controlling and managing our major cost centres.

We will need to look to technology, integrated systems and redeployment of resources, to ensure our strong work ethic and staff commitment, are utilised to their full extent.

I ask you all to relook at the way we do things going forward, and embrace changes to ensure our professional, safety, moral and ethical compass remains true to our core values.

Changes will be implemented in steps to ensure the least amount of disruption to the daily running of our fleet and to ensure everyone has time to adapt to new procedures.

Making changes on an operational SMS, is similar to doing heart surgery on a live patient. We need to integrate change without causing catastrophic stoppages of failures!

The first new system to be introduced was Bluetracker that is in phase 1, of a number of phases. This particular change is being driven by regulatory requirements and the realisation that we need big data, to be able understand the most economic conditions under which to operate our ships. The end result will be a data collection system that will comply with NO_x and SO_x regulations, while supplying historic vessel performance and voyage data, to ensure we can defend any charterer speed and performance claims. We will also be able to plan optimal hull cleaning and dry dock planning, including best coating for individual vessels.

We look ahead into 2019 with a clear vision that change is required to keep pace with the changing world.

Persons adverse to change, both aboard, and in the office, will be facing a difficult year ahead.

People who want to grow professionally, and want to be part of the future of Ship Management are going to be in for a bountiful year.

Let us take the challenge on head first and build a better, stronger and more efficient Ship Management company.

Captain *Hilton Stroebel*

Marine Manager Grindrod Shipping Pte. Ltd.

Review of Vessel Feedback to Safety Management System and updating of the SMS.

Company circulars review

All Company circulars issued in 2018 were reviewed and incorporated in our SMS system if the SMS required updating. A few circulars are reissued with new 2019 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. The Master's review has been the subject of separate correspondence between the Office and the Fleet.

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 2018

External Audit Type	No. Of Audits	No. of NCR	No. Observations
ISM + ISPS + MLC	14	1	2
ISO9001	-	-	-
ISO14001	-	-	-
DOC (MPA)	1	0	0

The following **internal** audits were completed onboard the vessels during 2018

Internal Audit Type	No. Of Audits	No. of NCR	No. Observations
ISPS + ISM	34	106	296
Navigation	21	21	85

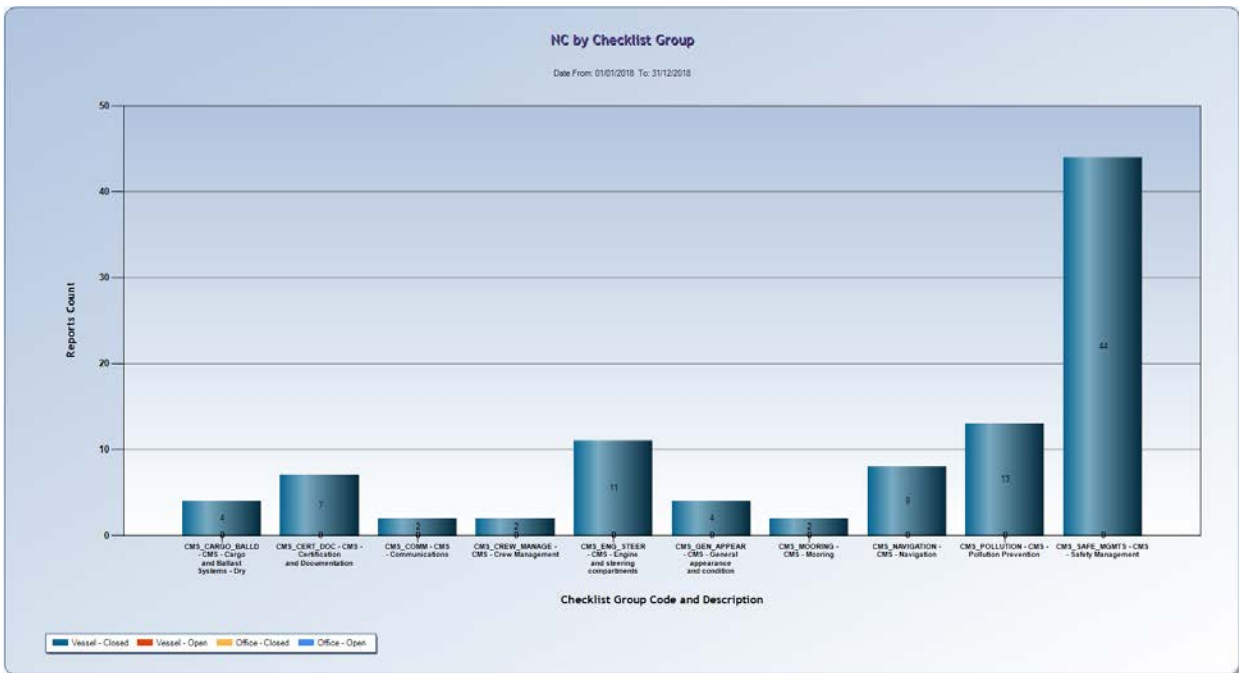
Analysis of Internal Audits

The following analysis of the audits was completed. Please note that for analysis purposes the audit findings are usually entered in BASSNet.

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.

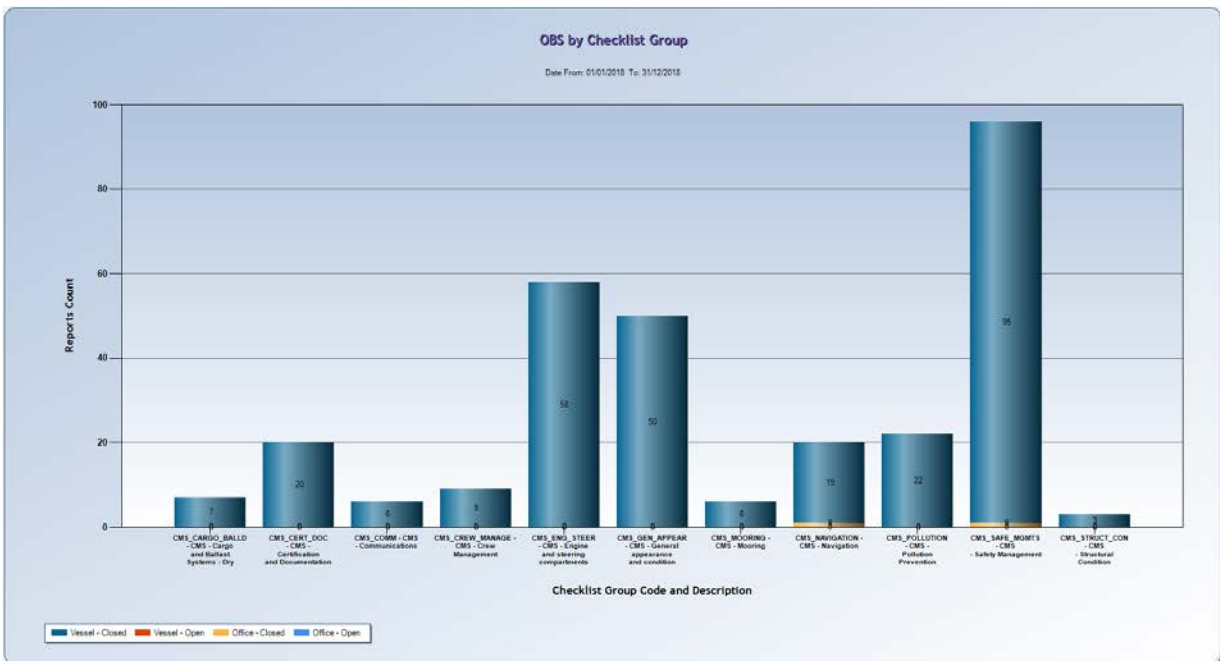
Of concern in the analysis is the limited knowledge and use of the ECDIS equipment and software. This has been clearly identified during audits. The Office has taken appropriate action by having senior masters attend the vessel whilst sailing. An extensive navigation audit has been completed and associated mentoring completed thereafter. Other issues include permit to work forms not filled in or incorrectly filled in. Documentation in general needs to be reviewed and the SMT are to ensure the accuracy thereof.

Internal ISM Audits:



An analysis of the **Internal Non-Compliances** identified the following areas of improvement for 2018:

1. Pollution Prevention: Verify garbage collection and storage area receptacles are leak proof with lid in place (5 NcNs).
2. Certification: Do the procedures Manuals comply with ISM Code. (3 NcNs)
3. Documentation: Company Standard forms not being used (3 NcNs).
4. Navigation: Are Navigation pre arrival, watch handover etc checklists being used (3 NcNs).
5. Safety Management: Enclosed space and hot wok permits not correctly filled in (3 NcNs).
6. Safety Management: are drills being completed as per the drill schedule (3 NcNs).



An analysis of the **Internal Observations** identified the following areas of improvement for 2018:

1. Engine Department Is the planned maintenance being followed and is it up to date (1st in 2017 - 9 Obs)
2. Safety Management: Are fire mains, pumps, hoses and nozzles in good order and available for immediate use? (7 Obs)
3. Safety Management: Are lifeboats, including their equipment and launching mechanisms, in good order? (6 Obs)
4. Safety Management: Are lifebuoys, lights, buoyant lines, quick release mechanisms and self-activating smoke floats in good order? (5 Obs)
5. Pollution: The Ballast Water Record Book not correctly filled in. (5 Obs)
6. Documentation: Are ships network and PC's set up as per Company Policy? (5 Obs)

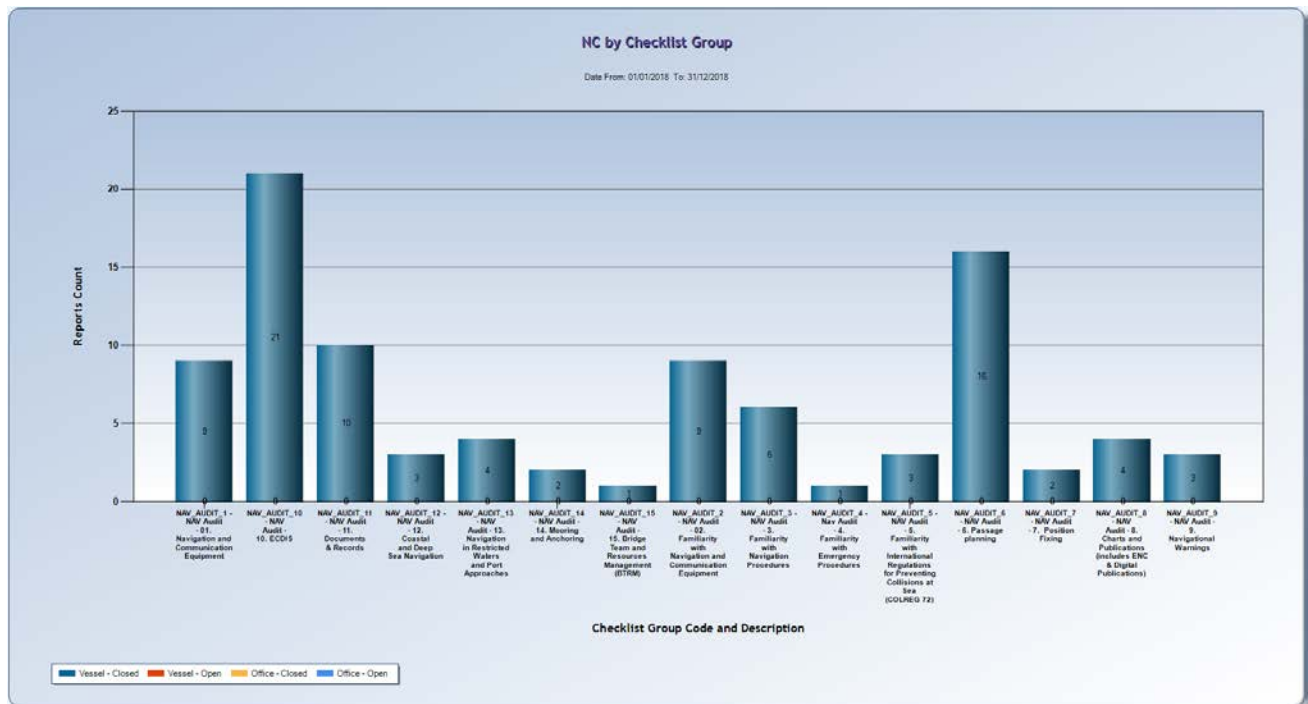
Corrective Action Plan for Internal Audits:

An analysis of the **Internal Observations** identified the following areas of improvement for 2019:

Safety items are not being adequately maintained. This is of real concern because this is also PSC and directly affects the safety of all onboard. The Master is to ensure that all LSA and Fire Fighting equipment is correctly maintained.

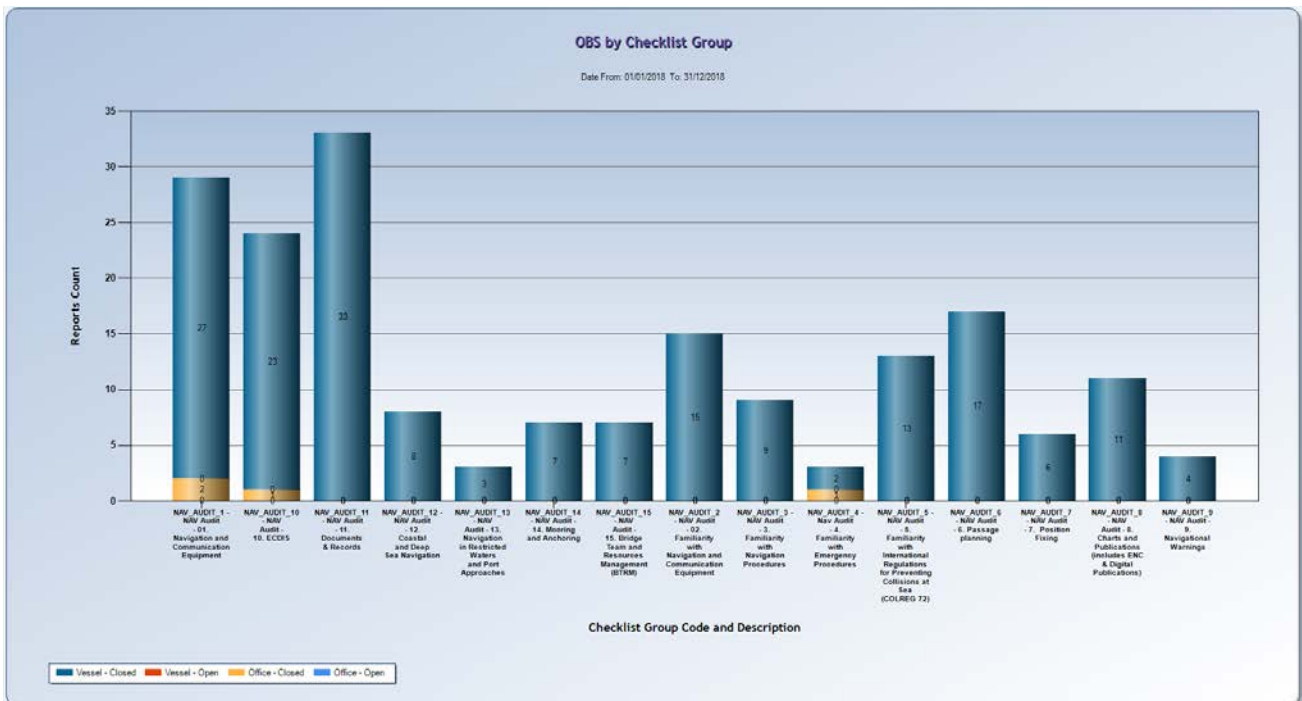
Marine Superintendents and the SHEQ department representatives who will contribute to additional shipboard audits and training on board during their ship visits in 2019 to ensure that LSA and Fire Fighting appliances are in good order.

Internal Navigation Audits:



An analysis of the **Internal Non-Compliances** identified the following areas of improvement required for 2019:

1. ECDIS: ECDIS safety parameters settings (Safety Depth, Safety Contour, Shallow Contour, Deep Contour, "Look Ahead") are in compliance with Company requirements for different stages of the voyage. ECDIS Passage Planning Checklist B is properly completed and all Officers are acquainted with alarm settings. (3 Obs)
2. ECDIS: Is a risk assessment for ECDIS as primary means of navigation on board and are all officers familiar with its contents? (3 Obs)
3. ECDIS: Check officers' familiarity with ECDIS using ECDIS Familiarization checklist Nav-B4. (3 Obs)
4. Equipment: Speed and distance measuring device. (3 Obs)
5. Passage plan: Comprehensive passage plan drawn up from berth to berth and approved by Master prior to ship's departure. (3 Obs)



An analysis of the **Internal Observations** identified the following areas of improvement required for 2019:

1. Documentation: Radar performance verified once a watch when in use and recorded in deck log book. The Officer is to understand the parameters to confirm the Radar's suitability. (6 Obs)
2. Navigation: radar plotting equipment. (4 Obs)
3. ECDIS: ECDIS safety parameters settings (Safety Depth, Safety Contour, Shallow Contour, Deep Contour, "Look Ahead") are in compliance with Company requirements for different stages of the voyage. ECDIS Passage Planning Checklist B is properly completed and all Officers are acquainted with alarm settings. (4 Obs)
4. Documentation: Following posters are displayed on bridge- (4 Obs)
5. Documentation: Nautical Manual and Contingency Plan Manual readily available for OOW. (4 Obs)

Corrective Action Plan for Internal Audits:

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 2019.

Technical 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 – BASSNet.

Periodic review of Internal Audits for compliance with the ISM Code

Company has verified all those undertaking delegated ISM-related tasks are acting in conformance with the Company's responsibilities. Verification was done through review of internal audits, technical inspections, Navigation audits, Reviews by the Office on Colligo, incident and near miss analysis, deficiencies from PSC inspections, external audit non-conformance etc.

It was observed that each individual effectively implements and acts in conformance with company's SHEQ Management System. Each individual ensures that they are familiar with their responsibilities, authority and interrelationships.

Analysis of Incidents and Near misses

Incidents

There were 184 incidents for the Grindrod Fleet in 2018 (87 in 2015; 110 in 2016; 104 in 2017), 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 2018 for the IVS Fleet.

Spills:

NTR

Losses:

IVS RAFFLES July

When hauling the anchor home after being at anchorage, the fluke was noted missing. The anchor was replaced.

IVS NORTH BERWICK July

Whilst subject vessel was berthed and discharging, another vessel tried to berth in front of the IVS NORTH BERWICK. The current within the port was misjudged by the manoeuvring vessel and the port bow and bulbous area of the IVS NORTH BERWICK received a glancing blow from the other vessel.

IVS SWINLEY FOREST October

Vessel let go stbd anchor at Port Louis Mauritius anchorage where depth was 55m. As soon as the anchor was released, the cable began paying out. The ship staff were unable to control the anchor chain using the brake mechanism resulting in all the cables being paid out till the bitter end. This resulted in structural damage to chain locker and bitter end.

Additional Noteworthy Event:

KANDA April

Whilst cleaning the sea water coolers a seal burst and sea water entered the Engine Room Bilge. This water was pumped to the Aft Peak tank due to the Engine Room Bilge Tank not having enough capacity. However, at a later stage the Aft Peak tank content was pumped overboard. An investigation confirmed there was a transgression of SOLAS/MARPOL Codes. Singapore flag was informed and the Engineer responsible lost his Singaporean Licence.

LTI's and MTC's:

IVS BOSCH HOEK March (LTI)

Messman sustained a small cut to his finger whilst washing dishes and utensils and then continued working without taking any further precautions. The injury went septic and had to be treated in hospital.

IVS KANDA July (LTI)

During overhauling of the Main Engine Exhaust valve the Engineer managed to get his finger pinched by the valve, causing a laceration to the finger. The cut was stitched up by the shore doctor.

IVS KINGBIRD July (LTI)

The Engineer attempted to remove the HFO supply line to the boiler, however the heated fuel sprayed onto his thumb, causing a burn to the thumb. Shore doctor treated the burn.

IVS GLENEAGLES September (LTI)

Whilst manoeuvring a liferaft out of it's cradle the crewmember lost his grip on the liferaft housing. The liferaft fell back into the cradle. Unfortunately the crew member's crown jewels were caught in between the liferaft and cradle. Injuries included cuts and bruising. He has since made a full recovery.

IVS KANDA October (LTI)

The crew member was moving to secure the hatch cover stopper as the hatch was being opened. He tripped over a pad eye and accidentally placed his left hand on the hatch cover resting pad as the hatch cover was opening. This resulted in three fingers being squashed. All three finger tips were amputated.

IVS TEMBE October (LTI)

On his way down to upper deck, Oiler one hand was holding a copper tube & the other was holding a radio. After their conversation, he didn't notice that his one foot is already on the edge of stair causing him to slip from deck - A to upper deck.

IVS KANDA March (MTC)

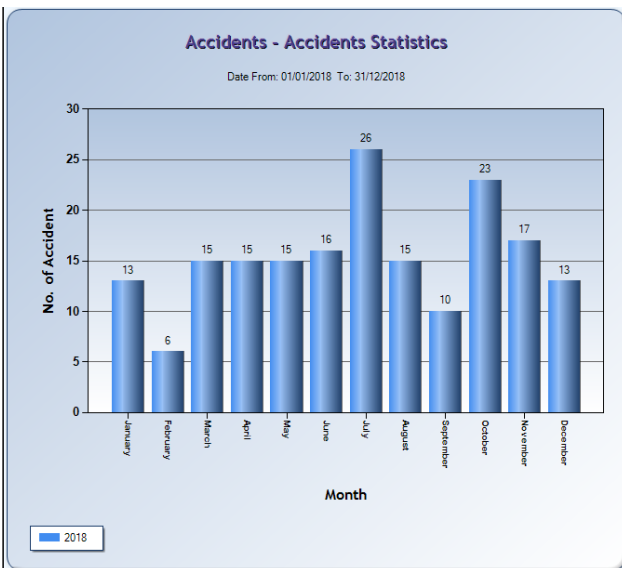
Engineer injured his pinkie during lapping of M/E Exhaust v/v. The Spindle fell down and squashed his 5th finger during maintenance.

IVS Raffles April (MTC)

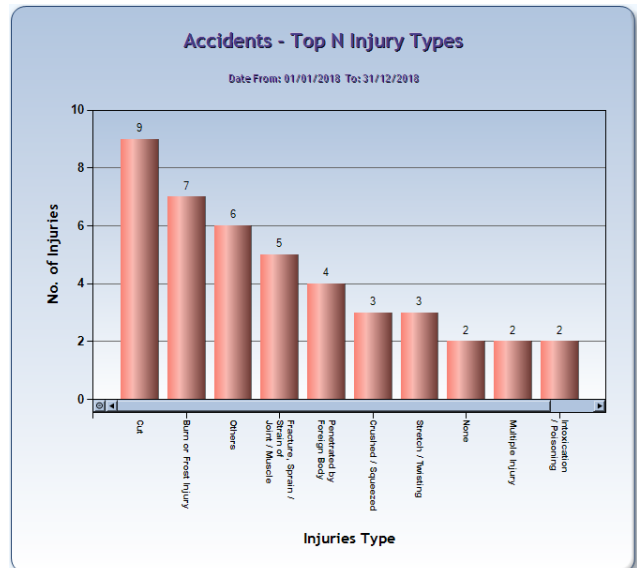
The crewmember was using a orbital polisher to buff the lifeboat. He lost grip of the polisher which hit him in the face, chipping a tooth and cutting his lip.

IVS SPARROWHAWK October (MTC)

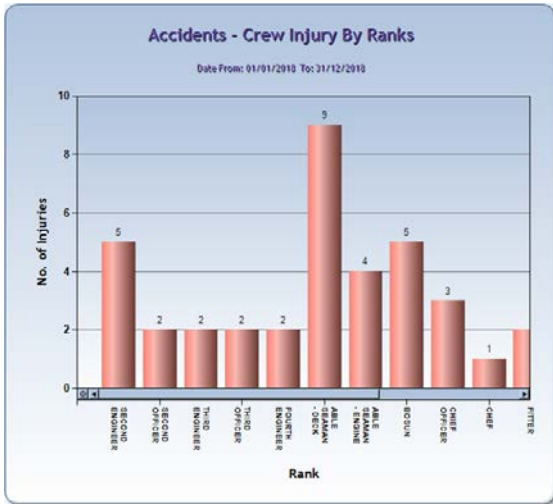
During maintenance of No.3 Hatch cover roller starboard side, while climbing onto coaming to assist with greasing of roller wheel the 2EO tripped over the HC track, bruised and wounded his right leg in the shin area. Despite receiving medication onboard, infection set in and the scrape had to be treated by the local doctor.



Grindrod: Incidents by month

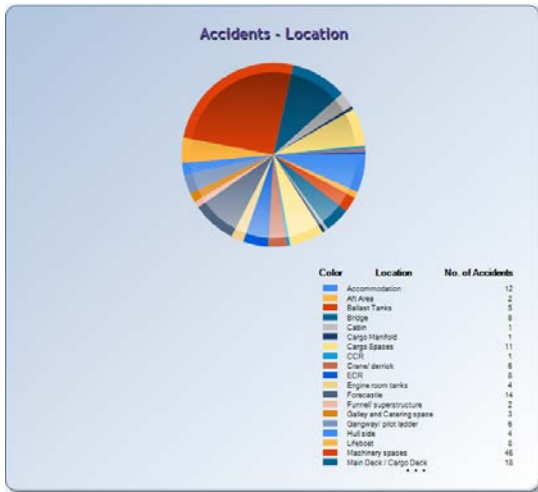


Incidents by Injury type



Incidents – Crew injuries by Ranks

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

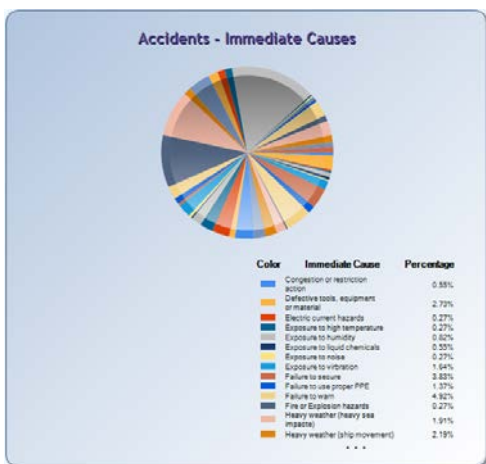


Incidents – Root Causes

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

- 25.5% Engine Room
- 9.9% Cargo Deck
- 7.7% Forecastle

In summary - 26% of incidents occurred in the Engine Room spaces.

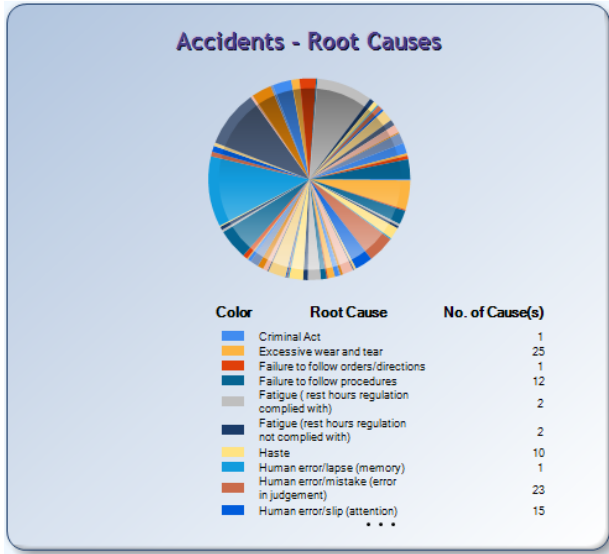


Incidents – Immediate Causes

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

- 16.2% Procedural Error
- 9.8% Machinery Breakdown
- 8.7% Malfunction tools or equipment

In summary - 16% Immediate causes of incidents are directly attributable to human error and lax practices on the crew's behalf. In 2015 it was 24%. This result is a little less than 2017.



Incidents – Root Causes

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

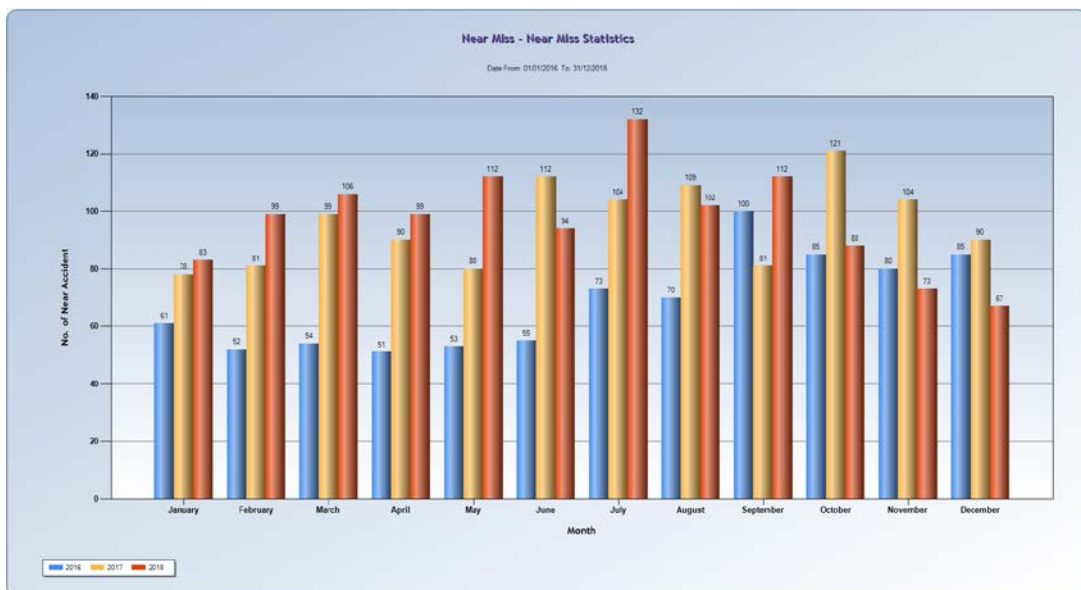
- 11.3% Error in Judgement
- 9.2% Lack of attention
- 9.1% Lack of situational awareness
- 4.9% Inadequate supervision

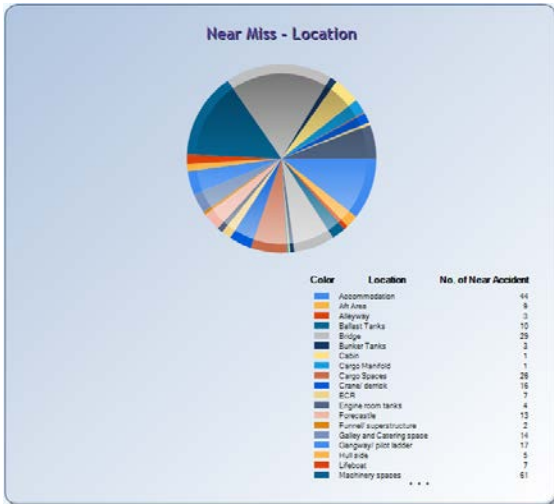
In summary – 29.6% Root causes of incidents is directly attributable to human error which may have its origins haste and not assessing the complete picture prior to commencement of the job. Hence the need for the Senior Management team onboard to oversee the jobs being performed onboard and enforce that “speed can kill”.

Near Miss

A total of 1700 near misses were raised during 2018 for both fleets. This is a 6.2% increase in the number of near misses raised in 2017 (1600 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 IVS Fleet, these account for 69% of the total near misses reported in 2018, down from 74% in 2017. These numbers continue to show commitment by the IVS 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.

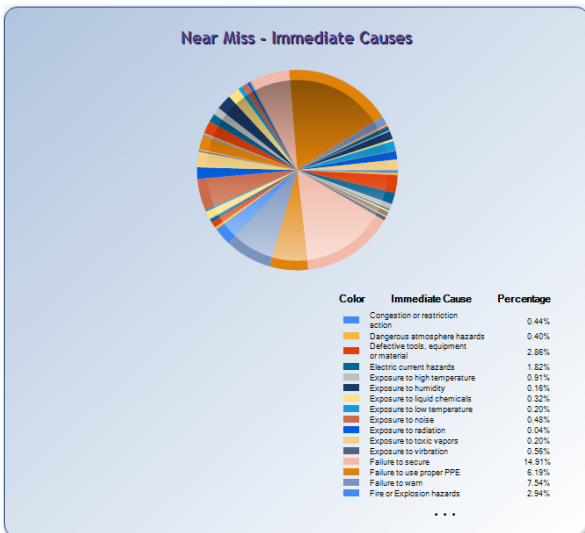




Near Miss – Location

The top four locations of Near Misses include:

- 18% Main Deck
- 15% Machinery spaces
- 10% Accommodation
- 7% Bridge

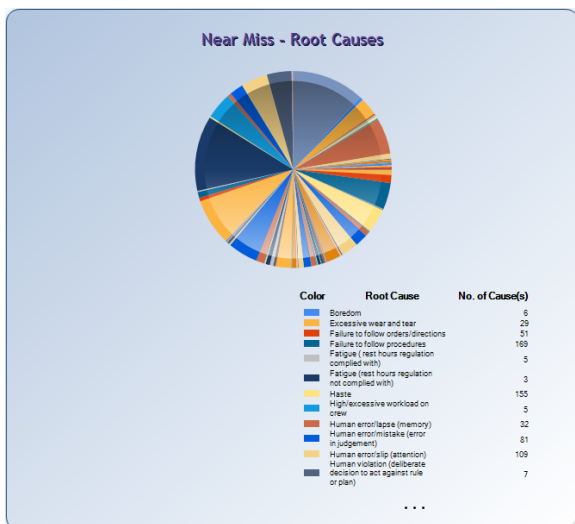


Near Miss – Intermediate Causes

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

- 17% Procedural error
- 15% Failure to secure
- 8% Failure to warn
- 6% Poor housekeeping

In summary – 37% Intermediate causes of incidents are 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 the same as 2017



Near Miss – Root Causes

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

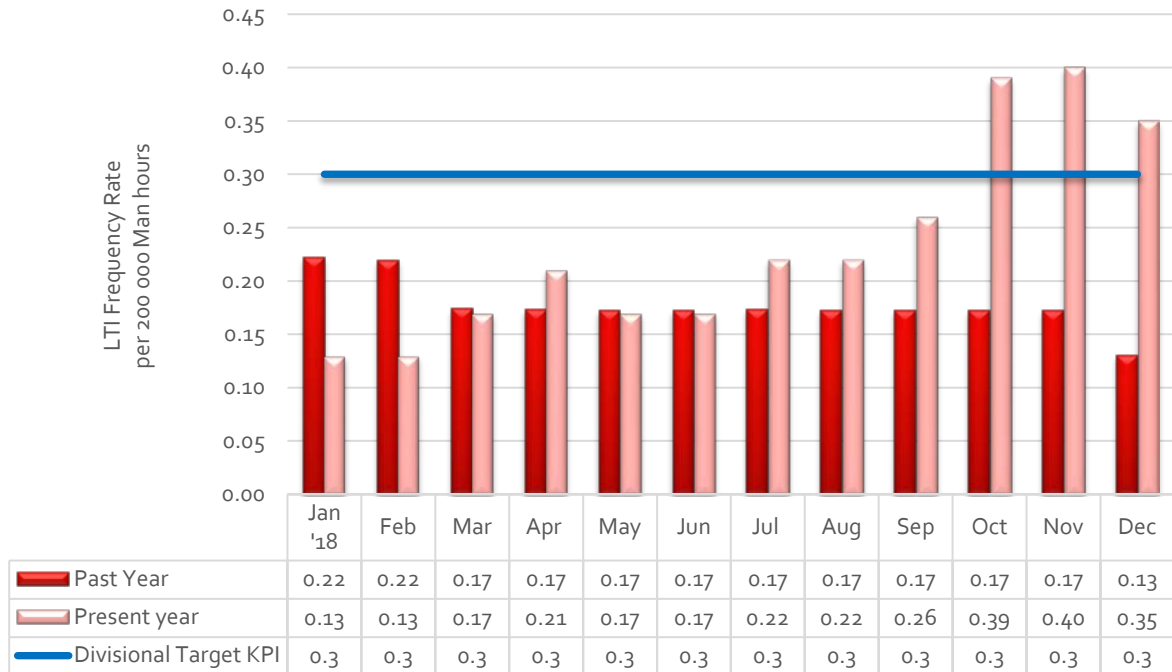
- 12.3% Lack attention
- 12% Lack of situational awareness
- 7.7% Incorrect judgment
- 5.8% Over confidence
- 5% Inadequate supervision

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.

Safety Performance

LTIFR

IVS Shipping



KPI	Comment by exception
Fatality	-
LTIFR	The Division has decreased the LTIFR target rate by 14.5% to 0.30 per 200 000 man-hours (rolling average) Remains below target and under control. Education measures regarding working with mechanical tools being completed onboard.

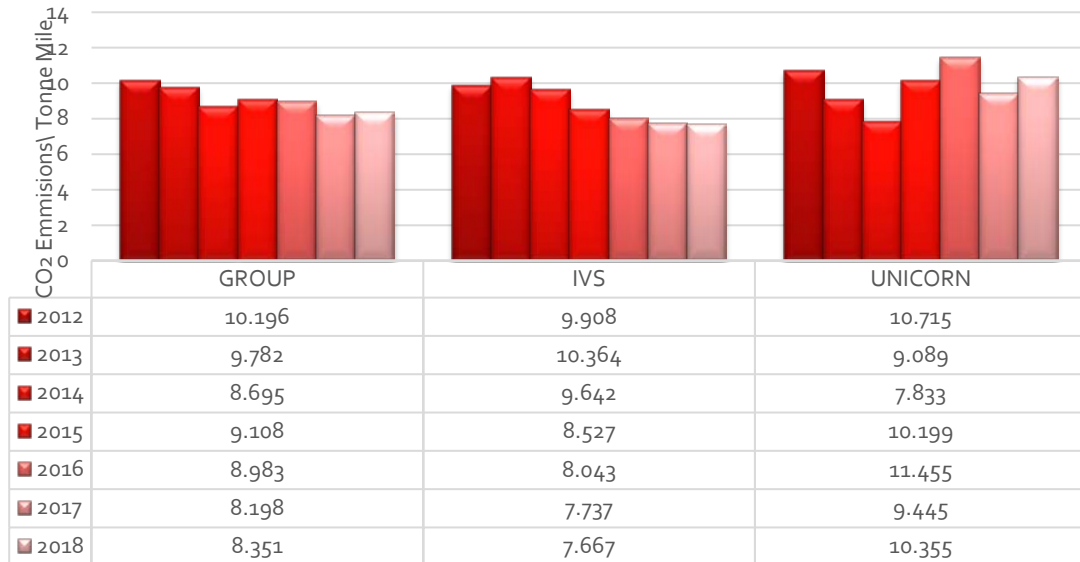
Safety incidents and injuries have been reported by e-mail to the Ship manager and crewing department. However, on occasion the same has not been reported into BASSNet. The Ship Managers are to ensure that all incidents and near misses which are reported in e-mails, Safety Committee minutes or other reports are also reported in BASSNet.

The IVS Fleet are now recording incidents and injuries far more accurately over 2018. This has been backed up by the Office reviewing the Medical reports of crew received for payment by the Office. The IVS Fleet have made good strides with regard to the reporting of injuries during work. The Masters are encouraged to keep on the good work and not only to have a safe vessel but when injuries occur, to report them so that the rest of the fleet can learn from these injuries.

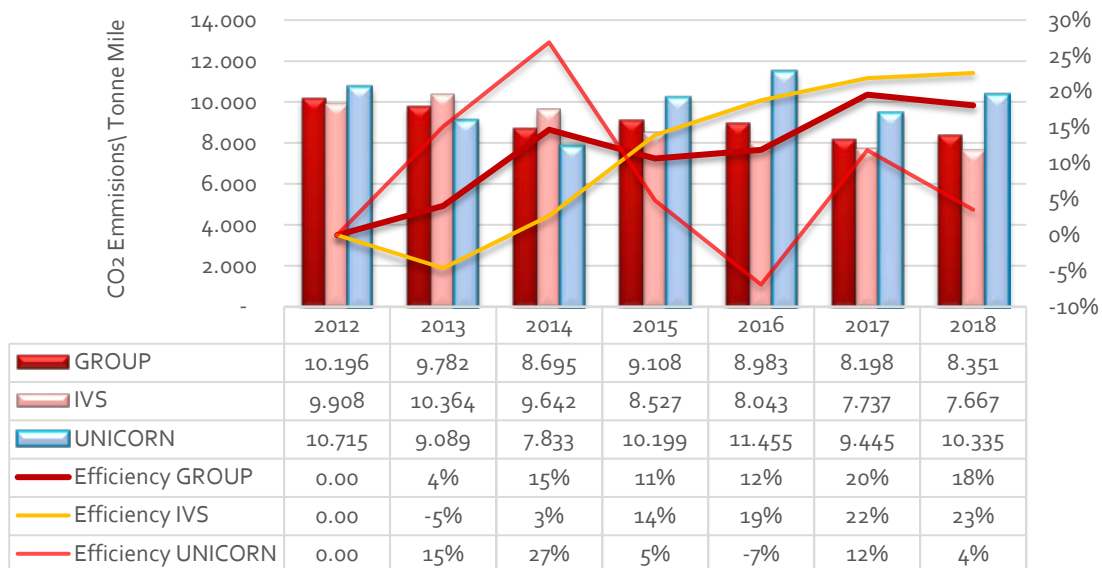
As seen above the LTI's have had an increase due to 1 incident in September and 2 incidents in October. This has pushed the LTI Frequency Graph above the set KPI. (please see **Incident** Section within this report pg.15)

Environmental Performance

EEOI for Grindrod Shipping



Efficiency of Fleet (2012 Base line)



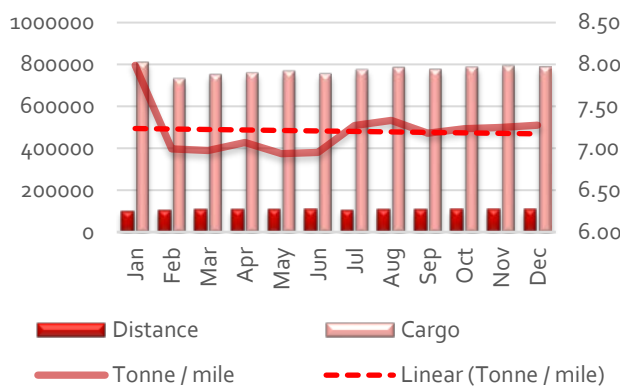
EEOI for Unicorn and IVS

EEOI refers to the Energy Efficiency Operational Indicator, which takes fuel type, cargo and distance into consideration. Over all Grindrod Shipping EEOI has increased by 18% compared to 2012.

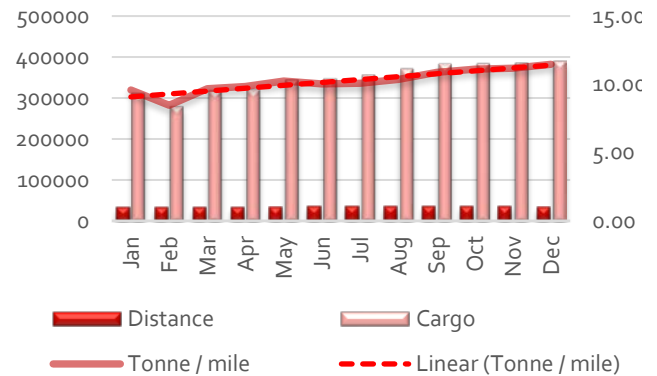
In an effort to increase the efficiency of vessels, Grindrod has been pursuing an active policy of environmentally efficient designs with regard to new-build projects.

Variable frequency drives are now starting to show positive results with vessels on average being able to save 15 tons of fuel oil per month per vessel. This can be seen in the increased efficiencies now being realised in the IVS Fleet. The three Unicorn Tankers are also contributing significantly and are saving on average around 25 Tonnes of fuel per vessel per month. In total 2206 tonnes of fuel were saved in 2018 or \$1 486 000 saved in fuel bills for the fleet.

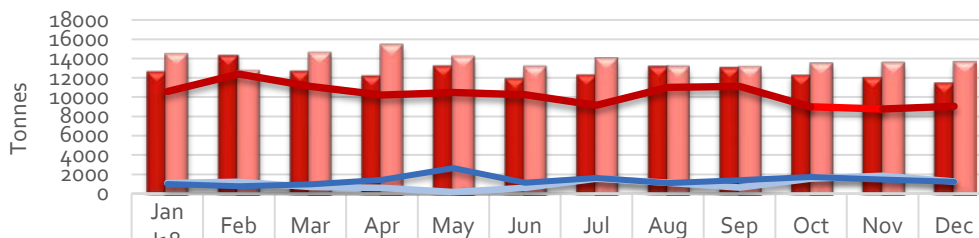
IVS Shipping Cargo vs Distance Travelled



Unicorn Shipping Cargo vs Distance Travelled



Grindrod Shipping Fuel Usage

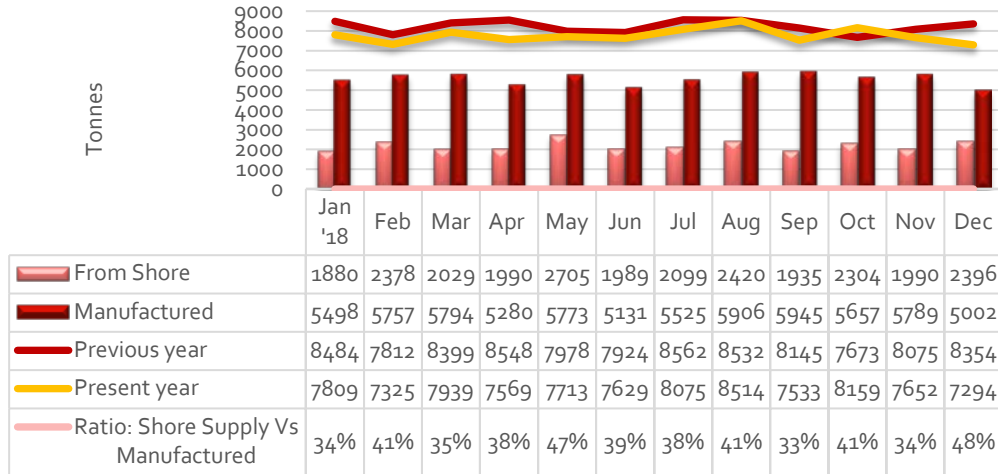


	Jan '18	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Present year	12678	14369	12743	12225	13271	11988	12326	13244	13095	12300	12072	11513
Previous year	14340	12601	14455	15279	14056	13049	13895	13039	13010	13366	13441	13514
HSFO	10595	12391	11101	10205	10470	10251	9146	11027	11096	8998	8767	9038
LSFO	1086	1218	694	603	160	603	1565	1116	610	1569	1844	1251
MDO	998	760	948	1416	2641	1134	1615	1101	1389	1733	1461	1224

KPI	Comments
Fuel	<p>1- Tracking started in June 2014.</p> <p>2- Potential tax liability for CO₂e using current thresholds, expected implementation July 2019. YTD totals shown this month, monthly totals will be displayed from July.</p> <p>The increase in Fuel Consumption is due to the increase of the size of Fleet</p>

Office management is focusing on educating the Vessel's staff regarding proactive measures available, such as switching off equipment etc. that is on standby or running for no good reason. With the increase of fleet, some of the new crew members have "bad habits" inherited from other fleets that they worked in prior to joining Grindrod.

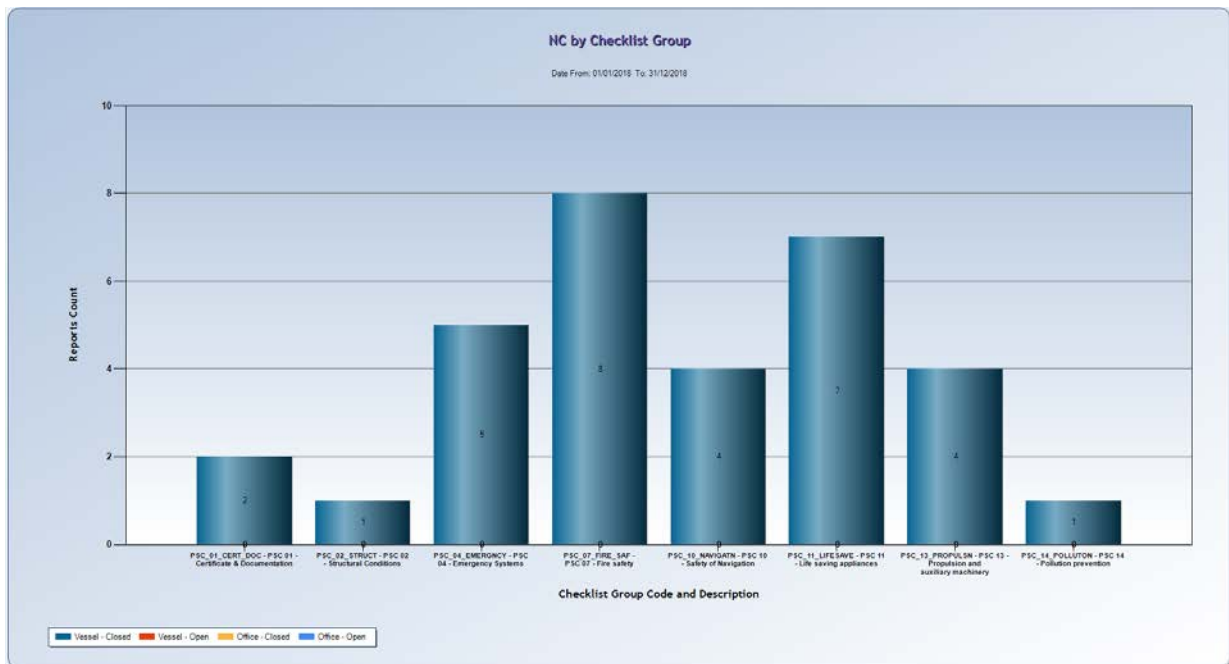
Grindrod Shipping Water Usage



Water consumption has increased moderately 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

Below is a graph of the defects found by PSC inspectors onboard the IVS vessels. LSA; Fire Fighting and Emergency systems received the most remarks. These are all high risk and have lead to detentions within the fleet.



Year:	2013	2014	2015	2016	2017	2018
Average no observations per inspection	1.5	0.9	0.7	0.65	0.60	0.51
Detentions	Nil	Nil	Nil	Nil	1	2

IVS vessels continue to be the subject Port state control inspections. In 2018 there was 65 inspections with 32 deficiencies and **2 detentions**. Overall the deficiencies as shown in the graph above shows that Fire Fighting and Life Saving appliances are the bigger issue. This was clearly identified in the analysis of the internal audits.

IVS KAWANA Kwinana 06/08/2018: 1 PSC Deficiency – detained

IVS SENTOSA Fremantle 05/11/2018: 7 PSC Deficiencies – detained

IVS KAWANA - The single deficiency pertained to the incorrect assembly of the lifeboat release mechanism by a registered service engineer in India. He mis-set the cams in the units. A service engineer was appointed to correct the setting. The solid cover was replaced by a clear Perspex cover, so future crews will be able to view the settings.

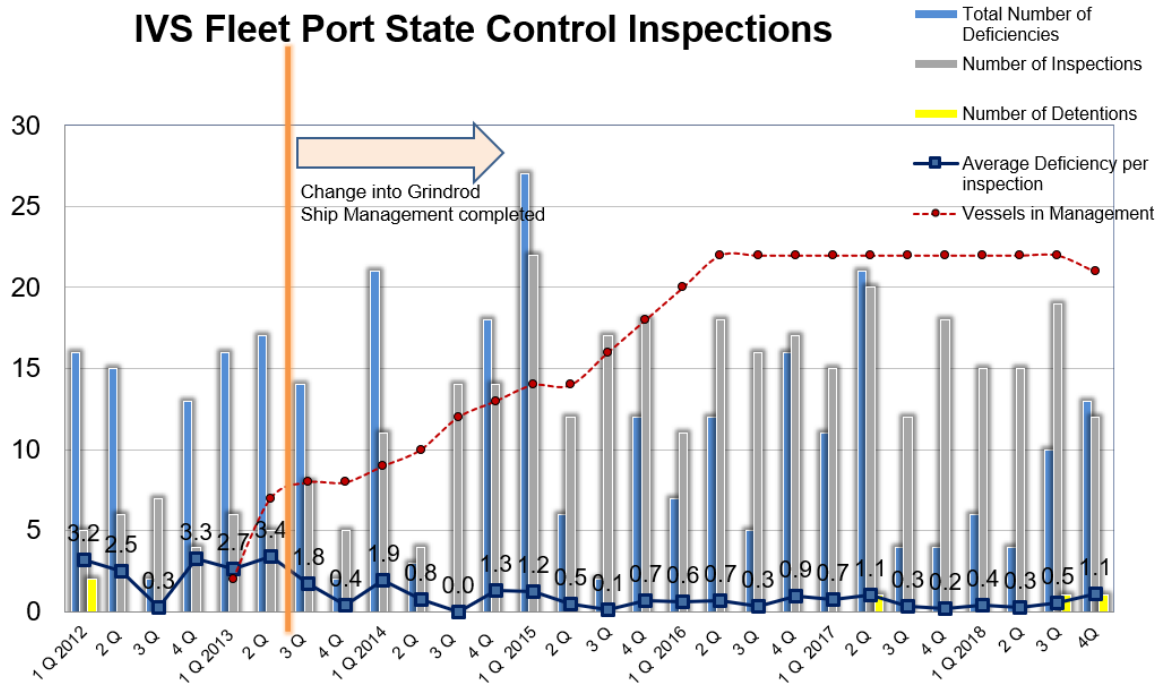
IVS SENTOSA - She had a PSC inspection in Fremantle, Australia, on 5 November where she was detained for an Emergency Generator defect. The generator started, but failed to energise the emergency switchboard. Investigation revealed a burnt-out timer in the control system. This timer was changed and the system was tested at odd intervals during the night, to ensure reliability. She was released on 6 November by PSC.

I draw your attention to another detention of IVS RAFFLES Dampier 02/05/2017: 14 PSC deficiencies; detained:

The Detention of IVS RAFFLES was a cause of concern. AMSA found that there had been a breach of the Load Line Code. The access hatches to 3 cargo holds could not be dogged down due to faulty closing mechanisms on the hatches.

Unfortunately all three detentions have been in Australia. It is now reasonable to assume that the IVS will be regularly and robustly visited by AMSA PSC inspectors because statistically with 3 detentions in 18 months – the IVS Fleet is medium risk.

This can be seen in the graph below where since November 2018 20% of the PSC inspections are in the AMSA ports. Going forward in 2019 it is expected that the vessels entering the Australian ports will be all the subject of PSC 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. The Company has now replaced this software with BASSNet Port software which is part of the BASSNet suite.

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:

- Chinese ports / Taiwan fuel Sulphur requirements,
- Installation of ballast water treatment system which is mandatory as of June 2017, (Now delayed for 2 years),
- Annual Reporting of VGP to EPA,

- USA USCG and Australian ballast water exchange requirements.
- EU MRV – Measurement of Fuel being used when calling within European ports. Compulsory for Vessels starting 01/01/2018.
- IMO DCS requirements starting 01/01/2019. Approval of the SEEMP Part II w.r.t the collection of relevant data.
- Chinese fuel consumption requirements for vessels visiting Chinese ports starting 2019.
- Revised bunker delivery notes with sulphur content for the Purchaser's specified limit value, starting 01/01/2019.
- Fuel sulphur requirements for all vessels starting 01/01/2020.
- Hazardous Inventory List to be compiled by end of 2020.
- MLC requirements – Harassing and bullying

All new regulations were reviewed and found effectively implemented.

Customer Feedback / Complaints

Grindrod Shipping has filed three complaints against vendors for poor performance. Subsequent meetings and communications between Grindrod and the vendor have led to a satisfactory resolution and improvement of their performance. The vendors are as follows:

- MAN Diesel for oversupply of spare parts not ordered.
- Wartsila SAM Electronics for poor performance trying to repair a Cargo System monitoring System.
- Benedict Safeware for crew rug-sacks snapping on the shoulder strap.

No Complaints against Grindrod Shipping were received in 2018.

Risk Assessments

The Risk Assessments continue within BASSNet. The quality of risk assessments received from the Fleet remain are starting to improve following Office staff providing guidance whilst sailing on the vessel. The Office representatives are reminded to continue 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 for both fleets.

However, in 2018 the Management of Change requirement was removed from the IVS SMS. The MOC requirement is not applicable for the dry fleet.

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 5 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.

Malaria remains an issue with vessels travelling to West Africa. A risk assessment has been completed and additional countermeasures put in place.

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 are to be followed to the letter, with no exceptions to the review of stevedore ID’s etc.

Although the below example occurred in the Unicorn Fleet, it should be noted that the IVS fleet regularly sails in the southern Mediterranean. A drill has been completed by both offices in order to identify how to cope with such an eventuality:

Security:

IVS Sunbird September:

A trespasser was found inside the crane housing during a routine search prior to departing Maydon Wharf Durban. He was escorted off the vessel by police and the vessel sailed.

IVS Wentworth November

Vessel was positioned on Maydon Wharf Durban. At 02h00 a group of around 15 stowaways tried to storm the vessel and gain access via the gangway. When their access was blocked they commenced throwing stones at the gangway watch and the shore side security who were trying to prevent access onto the vessel.

Company and ship resource levels review

Company Resourcing Levels

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 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.

Adequate shore-based support is provided to enable the designated person to carry out his functions

Ship resources are well above the IMO minimum safe manning requirement. However the Management is currently reviewing minimum resourcing levels and is proposing the amendment of the Safe Manning Certificate (reduction of one Engineer Watch keeper and one other deck rating/personnel) in order that the Company does not have to approach the MPA should the current manning levels be below the present Safe Manning Certificate.

Company continues recruiting and training cadets on board vessels.

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, ISF Watchkeeper software was provided on board for implementing rest hours in 2017. The Masters are required on a weekly basis to examine any transgressions and provide an explanation to the DPA regarding transgressions.

Rest hours noncompliance / violations are being reported by Master to company and monitored. The Master is to ensure that both he and the crew member is to sign the monthly work/rest hours of the crew member. This signed copy should be made available to the crew member should he want a copy.

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.

Dry-docking of vessels carried out in consultation with the Owner. A new reporting method has been introduced which makes full use of COLLIGO in the technical section.

Review of BASSNet

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

August 2017 saw the role-out of BASSNet 2.9. The appearance of 2.9 appears to be the same as 2.8 however there are numerous ‘behind the scenes’ improvements in reporting and monitoring of the functionality of BASSNet. Company staff should continue 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 BASSNet 2.9 system.

Technical inspections and Audit reports are uploaded in BASSNet. With the continued reliance on BASSNet, Modules such as Drills and Port Operations and HR Manager will see BASSNet being more central to the operation of the Fleet.

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.

COLLIGO was also rolled out to the Fleet which is a more streamlined document control and month end reporting system using a more automated process.

Due to Cyber Security related issues the Internal/External SMS has been upgraded and modernised. All can now access the SMS via Ipad's etc when at home and not onboard the vessel.

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 Unicorn onboard the vessels. The average duration of the course is around 5 hours. However due to the changes that have been completed within the Grindrod Structure, there is now a requirement to upgrade the introduction module of the Induction Program.

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 BICS 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.

In 2018 the Office concentrated a little more on “soft skills” and encouraged a Mentorship program so that the SMT can empower the junior officers to become a more skilled and complete officer.

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 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.

Suitability of Remedial action

Office representatives continue to visit the vessels to ensure that previous issues noted in Technical visits and Internal Audits of the vessels have indeed been addressed and remedial actions agreed continue to be effective.

Performance Indicators

SAFETY, HEALTH, ENVIRONMENT AND QUALITY (SHEQ)

2018 HSE INCIDENT STATUS – HOW ARE WE DOING?							
INJURIES AND DEATHS	2017	Quarterly Results				2018	
	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>	3	1	0	2	2	5	5
Medical Treatment Cases <i>(External treatment/assistance req'd)</i>	2	1	3	4	4	9	12
First Aid Cases <i>(On-board treatment only)</i>	9	1	4	1	1	12	7

SPILLS AND EMISSIONS	2017	Quarterly Results				2018	
	Results	1Q	2Q	3Q	4Q	Target	Actual
Spill <i>(Into the Environment)</i>	1	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	2017	Quarterly Results				2018	
	Results	1Q	2Q	3Q	4Q	Target	Actual
Catastrophic Damage/Loss <i>(Greater than \$1 000 000)</i>	0	0	0	0	0	0	0
Massive Damage / Loss <i>(\$500 000 TO \$1000 000)</i>	1	0	0	0	0	1	0
Serious Damage / Loss <i>(\$5000 to \$500000)</i>	5	0	0	0	1	8	1
Minor Damage / Loss <i>(Less than \$5000)</i>	3	0	0	3	0	13	3

Quality and Customer Service	2017	Quarterly Results				2018	
	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	0	0	0	0	0	0	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	2017	Quarterly Results				2018	
	Results	1Q	2Q	3Q	4Q	Target	Actual
Near Miss Reports FOR IVS FLEET only	1149	288	305	346	228		1167

Positive outcomes

- No fire incidents
- Average PSC deficiencies per vessel per inspection is about 0.51
- No permanent total disability / Permanent partial disability
- No Fatalities
- No collision incidents
- No grounding incidents

Areas which require improvement

- Navigation
- The vessel completing forms which have been supplied via the SMS
- One pollution incident (Intentional Unlawful Discharge)
- Two PSC detentions

Action plan for continual improvement 2019

Refer to attached sheet for action plan

S.NO	Item	PIC	Target date	Status
1	2020 Fuel oil compliance / SIP		October 2019	
2	Incorporating training and drills in bassnet	Subu	Mar 2019	
3	Change over of ECDIS from Furuno to E- Globe on IVS PHINDA	Raja / James / Joey	May 2019	
4	Revise SEEMP PART 1	Brett/ Tang	July 2019	
5	Submit EU MRV emission report to Thetis EU and obtain Document of compliance for vessels that called EU port in 2018	Tang / Brett	Apr 2019	
6	Collect Fuel oil consumption data for year 2019 and submit to class	Tang / Brett	DEC 2019	
7	Installation of ballast water treatment systems as per IMO / USCG requirements			
8	Prepare Inventory of Hazardous materials to comply with EU requirements			
9				
10				
11				
12				