



RIGHTSHIP



RIGHTSHIP
STANDARD

Dry Bulk Standard Vetting Criteria

 THINK BEFORE
YOU PRINT

Confidentiality

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Purpose

The purpose of this document is to provide the RightShip Baseline Criteria applicable to due diligence performed by RightShip. Our criteria are provided to address the baseline requirements, that may be complimented by optional additional criteria agreed and specific to a customer’s needs and risk profile, to form the rules applied within the vetting process for that customer. The outcome from our due diligence process provides for recommendations to customers on vessel selection, considering safety, environment, and wellbeing.

RightShip Vetting Policy

- > There is no RightShip minimum Safety Score. Any vessel may be vetted with a Safety Score between 1 and 5 and could be recommended by RightShip provided that the baseline requirements are met.
- > Vessels with a lower Safety Score require greater due diligence checks, which may include completion of a RightShip Inspection, before we can consider a recommendation to our customers.
- > Vessels with a 0/5 Safety Score are unlikely to be recommended until the reason for the score has been investigated and resolved to the satisfaction of RightShip.
- > Vessels with a N/A Safety Score are not covered by our normal due diligence vessel screening service and may require additional checks if a customer requires RightShip to vet a Vessel with N/A Safety Score.

Checks performed within the vetting process

Checks performed during the vetting process include but are not limited to the following:

- > Full review of the Safety Score including assessment of the veracity of data contributing to its calculated value.
- > Search for missing defects, adverse reports, incidents not yet captured by the Safety Score
- > Assessment of Port State Control performance beyond that illustrated by the Safety Score, including status and severity of deficiencies.
- > Any missing Port State Control data, for example from Paris, Riyadh, Abuja MOU's is captured and uploaded to allow for recalculation of the Safety Score.
- > Assessment of Incident performance beyond that illustrated by the Safety Score, including the status and severity of incidents.
- > Assessment of the DOC holder / Technical Managers performance beyond that illustrated by the Safety Score.
- > Verification of the vessels current Class Status, including the status and validity of key Certificates, Surveys and most importantly the presence of any Conditions of Class or significant Memoranda which signify a major defect or reveal an unreported incident.
- > Open Abandonment of Seafarer cases involving the subject vessel, or it's associated owning or managing entities.
- > Requirement for a RightShip Inspection due to vessel age and/or performance.
- > Vessel or Company Restrictions set by RightShip and the vetting customer.
- > Details of recent changes of management or new delivery.
- > Current trading status of the vessel, including (but not limited to) In Casualty/Repairing, Laid Up.
- > Previous vetting history.

Conditions that always lead to a vessel being recommended as Unacceptable

Binary outcome based on RightShip Baseline Criteria:

- > Vessel age exceeds the RightShip Standard (system rule exists)
- > Open abandonment of seafarer cases involving the subject vessel. (System rule exists)
- > Vessels subject to Sanctions Restrictions. (0/5)
- > Vessels banned by a Port State Control MoU. (Visible in Platform)
- > Vessels or Companies restricted by RightShip due to ongoing concerns. (0/5)
- > Incidents of extreme significance – likely to be those Category A incidents that cause multiple fatalities, very high environmental impact or attract major media attention. (Visible in Activities Timeline & Indicative Score)
- > Vessels with an “Unacceptable” last RightShip Inspection. (0/5)
- > Vessels flagged and/or Classed with flags and Class Societies on the Paris MoU Blacklist.

Subject to clarification through the Vetting Process:

- > Vessels which have been Dis-Classed or Class Suspended as a result of performance and failure to complete Class requirements.
- > Vessels falsely presenting themselves.
- > Vessel Operators demonstrate an unwillingness to respond to RightShip during the screening process.
- > Vessels with overdue Class and Statutory surveys and overdue Conditions of Class.
- > Vessel Operators demonstrate an unwillingness to undergo a RightShip Inspection due to vessel age and/or performance.
- > Unable to verify the vessels Class, Flag, P&I or Ownership Details.

Conditions that may lead to a vessel being recommended as Unacceptable

In most cases the recommendation of unacceptable will be a result of an accumulation of the risk factors shown below as opposed to one of the items being observed in isolation.

- > Recurrent issues highlighting failures in safety management system
- > Lack of acceptable response to satisfactory close out an incident/adverse report

- > Open abandonment of seafarer cases involving the subject Operators or vessel or operators still under review after a closed abandonment of seafarer case(s).
- > Vessels or Companies under review by RightShip due to ongoing concerns.
- > Vessel Flagged with a Targeted or High-Risk Flag as designated by the USCG, Tokyo and Paris MOU.
- > Excessive number of incidents of any category in a particular time frame.
- > Multiple PSC Detentions over a timeframe – typically 3 such events over 24 months.
- > Excessively high ratios of Deficiencies/PSC Inspection over a period – typically 24 to 36 months – port averaging taken into consideration.
- > Consistently unacceptable close-outs.
- > Crew Experience and/or length of service does not meet RightShip standard and operator's response suggests a crew change is not imminent.
- > Non-International Association of Classification Societies (IACS) which have consistently been rated as High Risk in published Lists by recognised authorities or bodies.
- > Vessels banned by any Port State Control MoU.
- > Vessel or Company Restrictions set by the vetting customer.

What would trigger additional Marine Expert Review?

- > Port State Control Inspections with deficiencies with an open status¹ in the RightShip Platform within a given time frame (typically the last 12 months).
- > Port State Control Inspections presenting elevated risk factors regardless of status and/or time frame.
- > Incidents with an open status¹ in the RightShip Platform within a given time frame (typically the last 12 months).
- > Incidents presenting elevated risk factors regardless of status and/or time frame.
- > Class Status Report not updated, expired or expiring Certificates/Surveys, investigation into the reason for issuance of Short-Term Certification, Conditions of Class for major defects.
- > Vessels exhibiting unknown details in key areas - Class, Flag, P&I and Ownership details.

- > Recent change of management or new delivery will necessitate completion of a RightShip MOC Questionnaire for review during the vessel screening.
- > Dry Docking or Repair periods require investigation to ascertain the circumstances, particularly if unscheduled.

¹ Open Status = RightShip Marine Experts have not yet received the vessel operator's Incident Investigation Report and / or Root Cause Analysis, Corrective Action and Preventative Action Plan

Vetting Baseline Criteria & Responsibility

Port State Control (PSC)

	BASELINE CRITERIA	RULES
1	<p>Any vessel with 3 or more PSC detentions in the last 24 months.</p> <p>Note – new – Binary</p>	Not Acceptable.
2	<p>Any vessel with 2 PSC detentions in the last 24 months.</p> <p>Note - new</p>	The number and severity of deficiencies (along with the calibre of the DoC holder’s investigation and corrective and preventative measures) will be assessed and this will result in either the vessel being recommended ‘Not Acceptable’ or will require the vessel to be submitted for a RightShip inspection and subsequently be found to be satisfactory.
3	<p>Any vessel with 1 PSC detention in the last 12 months with otherwise good PSC performance.</p>	The number and severity of deficiencies (along with the calibre of the DoC holder’s investigation and corrective and preventative measures) will be assessed and this will result in either the vessel being deemed ‘Acceptable’ for this hurdle or will require the vessel to be submitted for a RightShip Inspection and subsequently be found to be satisfactory.
4	<p>Any vessel with a PSC Deficiency / Inspection Ratio of 3 or more over the last 24 months.</p> <p>Note – new</p>	The number and severity of deficiencies (along with the calibre of the DoC holder’s investigation and corrective and preventative measures over this period) will be assessed along with a trend review and this will result in either the vessel being deemed ‘Acceptable’ for this hurdle or will require the vessel to be submitted for a RightShip Inspection and subsequently be found to be satisfactory.
5	<p>Any vessel with excessively high numbers of PSC deficiencies over a period of 24 months which show no signs of an improving trend.</p> <p>Note – amended period from 12 months to 24 months. Reduced total no. of PSC def</p>	The number and severity of deficiencies (generally taken as 25 deficiencies per 12 months, along with the calibre of the DoC holder’s investigation and corrective and preventative measures) will be assessed and this will result in either the vessel being deemed ‘Not Acceptable’ or will require the vessel to be submitted for a RightShip Inspection and subsequently be found to be satisfactory.

<p>6 Any vessel with no PSC records in the last 24 months.</p> <p>Note - new</p>	<p>RightShip Inspection Required.</p>
<p>7 Any vessel regardless of having been PSC detained or not with deficiencies in the last 36 months deemed to present a High Risk such as (but not limited to) structural or mechanical defects that can only be corrected by modification / repair which has not been carried out.</p> <p>Note - new</p>	<p>Not Acceptable.</p> <p>Until such time as RightShip are satisfied that the necessary corrective and preventative measures are in place.</p>
<p>8 Any vessel (or associated with a DoC Manager) which has "Jumped" a PSC Detention.</p> <p>Note – new – Binary</p>	<p>Not Acceptable.</p>
<p>9 Any vessel submitted for vetting with PSC deficiencies recorded in the last 12 months.</p> <p>Note - new</p>	<p>Any PSC deficiencies in the last 12 months to be closed out by way of acceptable RCA Investigation reviews by RightShip.</p>

Incidents

BASELINE CRITERIA	RULES
<p>10 Any vessel which has been involved in 2 or more Category A Incidents within the last 24 months unless there is clear and proven non-fault.</p> <p>Note – new - Binary</p>	<p>Not Acceptable.</p>
<p>11 Any vessel which has been involved in a Category A or Category B Incident within the last 24 months where fault is proven.</p> <p>Note - new</p>	<p>RightShip Inspection required.</p>

<p>12 Any vessel with recurring type incidents regardless of category over the last 36 months.</p> <p>Note - new</p>	<p>The number and severity of incidents (along with the calibre of the DoC holder’s investigation and corrective and preventative measures) will be assessed and this will result in either the vessel being deemed ‘Not Acceptable’ or will require the vessel to be submitted for a RightShip Inspection and subsequently to be found to be satisfactory.</p>
<p>13 Any vessel submitted for vetting with any incidents in the last 24 months.</p> <p>Note – amended period from 12 to 24 months</p>	<p>Incidents in the last 24 months to be closed out by way of acceptable RCA Investigation reviews by RightShip.</p>

Age, CAP & Inspection Requirements

BASELINE CRITERIA	RULES
<p>14 Any vessel over the age of 30 years.</p> <p>Binary</p>	<p>Not Acceptable.</p> <p>Exceptions can be considered for specific trading areas where the pool of available vessels is over 30 years and strictly on a case-by-case basis as agreed with a specific customer, for example Great Lakes.</p>
<p>15 Any bulk carrier over 90,000 dwt and 25 years old or over.</p>	<p>RightShip assigned CAP rating of 2/5 to be eligible for positive recommendation over 25 years of age up to a maximum of 30 years of age.</p> <p>RightShip assigned CAP rating of 2/3 to be eligible for positive recommendation over 25 years of age up to a maximum of 28 years of age.</p>
<p>16 All vessels of 8,000 dwt and above.</p>	<p>Annual RightShip Inspection required from 14 years of age.</p>
<p>17 All vessels below 8,000 dtw.</p>	<p>Annual RightShip Inspection required from 25 years of age.</p>
<p>18 Any vessel with an “Unacceptable” last RightShip Inspection</p> <p>Binary</p>	<p>Not Acceptable.</p> <p>Re-Inspection will be considered on a case-by-case basis.</p>

Flag, Class & Regulatory Compliance

	BASELINE CRITERIA	RULES
19	<p>Any vessel flagged with a Paris MoU scored flag which is Medium to High or High Risk (of the Blacklist)</p> <p>Note - new - Binary</p>	Not Acceptable.
20	<p>Any vessel flagged with a Paris MoU scored flag which is on the Blacklist and combined with Low or Very Low performing Paris MoU scored Classification Society.</p> <p>Note - new - Binary</p>	Not Acceptable.
21	<p>Any vessel with currently overdue Class or Statutory Conditions, Certificates or Surveys.</p>	Not Acceptable until remedied and reasons found acceptable.
22	<p>Any vessel with 'in-date' Class and Satutory Conditions.</p> <p>Note - new</p>	To be examined on a case-by-case basis to assess their impact on a proposed vetting request.
23	<p>Any vessel with Classification Status other than In-Service. This would include (but not be limited tto) Laid Up, In Casualty, Repairing etc.</p> <p>Note – Enhanced screening review</p>	To be examined on a case-by-case basis to assess their impact on a proposed vetting request.
24	<p>Any vessel which has been DisClassed, Class Suspended, Class Withdrawn for whatever reason in the last 24 months.</p> <p>Note - new</p>	To be examined on a case-by-case basis. If the reason is for failures in maintaining Classification Standards and requirements the vessel will be deemed 'Not Acceptable'.

<p>25 A vessel found to have not informed Flag or Class being in breach of the entry and retention terms in relation to (but not limited to) Incidents, Damage, Unauthorised Repairs.</p> <p>Note – Enhanced screening review</p>	<p>Not Acceptable.</p> <p>Until such time as RightShip are satisfied that the necessary corrective and preventative measures are in place.</p>
<p>26 Any vessel found to be fraudulently flying the flag of a country to which it has no entitlement.</p> <p>Note – Enhanced screening review - Binary</p>	<p>Not Acceptable.</p>
<p>27 Any vessel without Class or Flag</p> <p>Binary</p>	<p>Not Acceptable.</p>
<p>28 Any vessel which has been found to deliberately contravene International Standards, Conventions and Laws.</p> <p>Note – Enhanced screening review</p>	<p>Not Acceptable.</p> <p>Until such time as RightShip are satisfied that the necessary corrective and preventative measures are in place.</p>
<p>29 Any vessel which deliberately provides RightShip with information found to be untrue.</p> <p>Note – Enhanced screening review</p>	<p>Not Acceptable.</p> <p>Until such time as RightShip are satisfied that the necessary corrective and preventative measures are in place.</p>

Human Rights

BASELINE CRITERIA	RULES
<p>30 Any vessel Flagged with a country that has not adopted and ratified the 2006 Maritime Labour Convention and without an equivalent level of compliance (for example a valid ITF Agreement).</p> <p>Note – Criteria clarified - Binary</p>	<p>Not Acceptable.</p>

<p>31 Any vessel found to have committed Human Rights abuses.</p> <p>Note - new</p>	<p>Not Acceptable.</p> <p>Until such time as RightShip are satisfied that the necessary corrective and preventative measures are in place.</p>
<p>32 Any vessel found with poor living standards, poor working standards and gross failings of Seafarers rights and terms and conditions of employment.</p> <p>Note - new</p>	<p>Not Acceptable.</p> <p>Until such time as RightShip are satisfied that the necessary corrective and preventative measures are in place.</p>
<p>33 Any vessel the subject of a current ILO Abandonment case or associated with an owing or managing entity of a current ILO Abandonment case.</p> <p>Note – new - Binary</p>	<p>Not Acceptable.</p>

Sanctions

BASELINE CRITERIA	RULES
<p>34 Any vessel with associations (Flag, Domicile, Entity etc) that are sanctioned or banned by (but not limited to) OFAC, AMSA, DFAT, EU and Paris PSC MoU.</p> <p>Note – new - Binary</p>	<p>Not Acceptable.</p>
<p>35 Any vessel that is unable or refuses to provide full details of all associated owning and managing entities.</p> <p>Note – Requirement strengthened - Binary</p>	<p>Not Acceptable.</p>

Structures, Machinery & Operations

	BASELINE CRITERIA	RULES
36	<p>Any vessel which has undergone a Class re-assessment of scantlings in an attempt to avoid steel renewals.</p> <p>Note – Enhanced screening review - Binary</p>	Not Acceptable.
37	<p>Any vessel known to have overloaded without subsequent acceptable structural surveys being carried out by class.</p> <p>Note – Enhanced screening review</p>	<p>Not Acceptable.</p> <p>Until such time as RightShip are satisfied that the necessary corrective and preventative measures are in place.</p>
38	<p>Any vessel found to be a poor structural condition with poor maintenance standards both locally and generally.</p> <p>Note – Enhanced screening review - Binary</p>	Not Acceptable.
39	<p>Any vessel which has recently undergone substantial alteration or modification or extensive repair.</p> <p>Note – Criteria strengthened</p>	Structural Review by RightShip required.
40	<p>Any vessel found to have no effective Planned Maintenance System.</p> <p>Note – new - Binary</p>	Not Acceptable.
41	<p>Any vessel found to have no (or missing) effective Key Shipboard Operations procedures or instructions.</p> <p>Note – new - Binary</p>	Not Acceptable.

P&I

BASELINE CRITERIA	RULES
42 P&I. Note – Definition clarified by ship dwt: IG P&I compulsory for all vessels above 8,000 dwt - Binary	All vessels above 8,000 dwt to be entered with a P&I Club which is a member of The International Group of P&I Clubs. All vessels of 8,000 dwt and below to be entered preferably with a P&I Club which is a member of The International Group of P&I Clubs or a reputable (based on S&P Rating) Non-International Group P&I Club (i.e. demutalised or fixed premium club).

Environment

BASELINE CRITERIA	RULES
43 GHG Rating better than F or G.	Highly preferable.

Management of Change

BASELINE CRITERIA	RULES
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<p>44 Any vessel which is a New Build Delivery.</p> <p>Note – new</p>	<p>Will be required to complete and submit a RightShip Vessel Take Over Process Questionnaire up to 12 months from the date of delivery.</p>
<p>45 Any vessel which has changed Technical or DoC Managers.</p> <p>Note – new</p>	<p>Will be required to complete and submit a RightShip Vessel Take Over Process Questionnaire up to 12 months from the date of change.</p>

Financial Stability

BASELINE CRITERIA	RULES
<p>46 Any vessel associated with an owning or DoC managing entity reported to be in financial difficulty.</p> <p>Note - new</p>	<p>Will be subject to additional measures, which may include mandating RightShip Inspections across their fleets or Blacklisting their entire managed fleets as deemed appropriate by way of addition to a RightShip High Risk Company List.</p>

RightShip & Customer Restrictions

BASELINE CRITERIA	RULES
<p>47 Any vessel listed on a RightShip or Customer Restricted List.</p>	<p>Will be subject to RightShip application of the specific RightShip or Customer restriction.</p>

Operator & Vessel Overall Performance

BASELINE CRITERIA	RULES
48 Any vessel that fails any of the non-binary Baseline Criteria in this document due to cumulative performance considered to be well below acceptable.	The number and severity of contributing factors (along with the calibre of the DoC holder’s investigation and corrective and preventative measures) will be assessed and this will result in either the vessel being deemed ‘Not Acceptable’ or will require the vessel to be submitted for a RightShip Inspection and subsequently be found to be satisfactory.
49 DoC Managers found to be generally poor in terms of overall operational and safety performance. Note – Criteria strengthened	Will be subject to additional measures, which may include mandating RightShip Inspections across their fleets or restricting their entire managed fleets as deemed appropriate by way of addition to a RightShip High Risk Company List.
50 Vessels found to be generally poor in terms of operational and safety performance. Note – Criteria strengthened	Will be subject to additional measures, which may include mandating RightShip Inspections or Blacklisting as deemed appropriate by way of addition to a RightShip High Risk Vessel List.