



RIGHTSHIP



RIGHTSHIP  
STANDARD

# Petroleum, Gas and Chemical Vessel Vetting Baseline Criteria

 THINK BEFORE  
YOU PRINT

## Confidentiality

This document contains information, which is confidential to RightShip Pty Ltd (“RightShip”). Accordingly, this information is provided to RightShip and their employees in confidence and may not be reproduced in any form or communicated to any other person, firm, or company without the prior written approval of RightShip.

## 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 - OCIMF Third Party Vetting Contractor (TPVC)

All nominated tanker vessels must have a current SIRE inspection report available for review as a condition of recommendation. The currency of a SIRE report depends on a number of factors including vessel age and performance and is further addressed in the Vetting Criteria table.

The management – access and handling – of Ship Inspection Reports (SIRE) will be in full compliance with the most recent:

- > Composite guidelines for the OCIMF SIRE Programme Encompassing Collection and Distribution of Ship Inspection Reports
- > OCIMF SIRE Programme – Conditions for Participation as a Third Party Vetting Contractor
- > OCIMF Programme Recipient Members – Conditions for using Third Party Vetting Contractors

## 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 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:

- > Missing Port State Control data from Paris, Riyadh & Abuja MOU's is captured and uploaded to allow for recalculation of the Safety Score.
- > Search for missing defects, adverse reports, incidents not yet captured by the Safety Score
- > Full review of the Safety Score including assessment of the veracity of data contributing to its calculated value.
- > Assessment of Port State Control performance beyond that illustrated by the Safety Score, including status and severity of deficiencies.
- > 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.
- > Review of SIRE inspection report, crew matrix and HVPQ information.

- > Review of onboard Crew Experience and length of service.
- > 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 SIRE Inspection.
- > Vessels which are non-IACS
- > Vessels flagged and/or Classed with flags and Class Societies on the Paris MoU Blacklist.
- > Vessels with non-International Group P&I cover

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.



- > Vessels with overdue SIRE inspection and unwillingness to undergo a new SIRE Inspection
- > 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.
- > Unacceptable SIRE inspection reports where lack of Safety awareness and effective Maintenance control are evident.
- > 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.
- > Officer Matrix not matching RightShip minimum requirements.
- > 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 status<sup>1</sup> 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 status<sup>1</sup> 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.
- > Observations from SIRE inspection report that need additional scrutiny before acceptance.
- > 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.

<sup>1</sup> 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 – Tankers

## Port State Control (PSC)

	BASELINE CRITERIA	RULES
1	<p>Any vessel with 3 or more PSC detentions in the last 24 months.</p> <p><b>Note – new – Binary</b></p>	Not Acceptable.
2	<p>Any vessel with 2 PSC detentions in the last 24 months.</p> <p><b>Note - new</b></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, coupled with the latest SIRE report review, this will result in either the vessel being recommended 'Not Acceptable' or will require the vessel to be submitted for a new SIRE inspection.
3	<p>Any vessel with 1 PSC detention in the last 12 months with otherwise good PSC performance.</p>	<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.</p> <p>The vessel can be deemed 'Acceptable' when a post-detention SIRE report has been reviewed as satisfactory.</p>
4	<p>Any vessel with a PSC Deficiency / Inspection Ratio of 3 or more over the last 24 months.</p> <p><b>Note – new</b></p>	<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.</p> <p>For the vessel to be deemed 'Acceptable' a new SIRE inspection may be required depending on the nature and recurrence of PSC deficiencies.</p>

<p>5 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><b>Note – amended period from 12 months to 24 months. Reduced total no. of PSC def</b></p>	<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, coupled with latest SIRE report review, this will result in either the vessel being deemed ‘Not Acceptable’ or will require the vessel to be submitted for a new SIRE inspection and subsequently be found to be satisfactory.</p>
<p>6 Any vessel with no PSC records in the last 24 months.</p> <p><b>Note - new</b></p>	<p>Copy of last Flag Inspection Report is 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><b>Note - new</b></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><b>Note – new – Binary</b></p>	<p>Not Acceptable.</p>
<p>9 Any vessel submitted for vetting with PSC deficiencies recorded in the last 12 months.</p> <p><b>Note - new</b></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
10	<p>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><b>Note – new - Binary</b></p>	Not Acceptable.
11	<p>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><b>Note - new</b></p>	Most recent SIRE inspection report must be clear of observations that could potentially highlight recurrence in previous incidents.
12	<p>Any vessel with recurring type incidents regardless of category over the last 36 months.</p> <p><b>Note - new</b></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 most recent SIRE inspection report to be reviewed as satisfactory and be clear of any observations that could potentially highlight recurrence in previous incidents.
13	<p>Any vessel submitted for vetting with any incidents in the last 24 months.</p> <p><b>Note – amended period from 12 to 24 months</b></p>	Incidents in the last 24 months to be closed out by way of acceptable RCA Investigation reviews by RightShip.

## Age, CAP, Type & Inspection Requirements

	BASELINE CRITERIA	RULES
14	<p>Any vessel over the following Maximum Age Requirements:</p> <ul style="list-style-type: none"> <li>- 25 years for tankers</li> <li>- 25 years for LPG</li> <li>- 35 years for LNG</li> </ul>	<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><b>Binary</b></p>	
<p>15 Any tanker / LPG carrier over 20,000 dtw and 15 years or over.</p> <p>Any LNG over 20 years old.</p> <p><b>Amended to CAP 2 for Hull, Machinery and Cargo, max validity specified to 36 months</b></p>	<p>CAP 2 Minimum for Hull Structure, Machinery and Cargo Systems.</p> <p>Issued by an IACS member, with Level 2 FDA – Fatigue Design Analysis (or equivalent)</p> <p>Max validity 36 months from last date of survey.</p>
<p>16 Any vessel requires valid Inspection Requirements.</p> <p><b>Binary</b></p>	<p>If the vessel is less than 15 years old then it shall have physical examination within the past 12 months available in the SIRE / CDI Database.</p> <p>If the vessel is 15 years old or older then it shall have a physical examination available within the last six months.</p>
<p>17 Any vessel with an ‘Unacceptable’ last SIRE / CDI Inspection</p>	<p>Not Acceptable.</p> <p>Request for a new SIRE / CDI inspection will be considered on a case-by-case basis.</p>
<p>18 Any vessel with an unsatisfactory Officer Matrix (see Annex 1)</p> <p><b>Binary</b></p>	<p>Not Acceptable, refer to RightShip crew matrix criteria</p>
<p>19 Any vessel having HVPQ not updated in the last 30 days</p> <p><b>Note - new</b></p>	<p>A HVPQ updated copy to be requested.</p>
<p>20 CABU (Caustic Bulker)</p>	<p>If the vessel is a CABU (Caustic Bulker) being vetted for Caustic Soda, then inspection requirements apply as per criteria item 17 and 19.</p>
<p>21 OBO (Oil Bulk Ore Carrier)</p>	<p>If the vessel is an OBO (including its variants) being vetted for petroleum product, latest SIRE must be in WET mode and last voyage in WET mode.</p>

## Flag, Class & Regulatory Compliance

BASELINE CRITERIA	RULES
22 Any vessel flagged with a Paris MoU scored flag which is Medium to High or High Risk (of the Blacklist)  <b>Note - new - Binary</b>	Not Acceptable.
23 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.  <b>Note - new - Binary</b>	Not Acceptable.
24 Any vessel with currently overdue Class or Statutory Conditions, Certificates or Surveys.	Not Acceptable until remedied and reasons found acceptable.
25 Any vessel with 'in-date' Class and Statutory Conditions.  <b>Note - new</b>	To be examined on a case-by-case basis to assess their impact on a proposed vetting request.
26 Any vessel with Classification Status other than In-Service. This would include (but not be limited to) Laid Up, In Casualty, Repairing etc.  <b>Note – Enhanced screening review</b>	To be examined on a case-by-case basis to assess their impact on a proposed vetting request.
27 Any vessel which has been DisClassed, Class Suspended, Class Withdrawn for whatever reason in the last 24 months.  <b>Note - new</b>	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'.
28 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.  <b>Note – Enhanced screening review</b>	Not Acceptable.  Until such time as RightShip are satisfied that the necessary corrective and preventative measures are in place.

<p>29 Any vessel found to be fraudulently flying the flag of a country to which it has no entitlement.</p> <p><b>Note – Enhanced screening review - Binary</b></p>	<p>Not Acceptable.</p>
<p>30 Any vessel without Class or Flag.</p> <p><b>Binary</b></p>	<p>Not Acceptable.</p>
<p>31 Any vessel which has been found to deliberately contravene International Standards, Conventions and Laws.</p> <p><b>Note – Enhanced screening review</b></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 which deliberately provides RightShip with information found to be untrue.</p> <p><b>Note – Enhanced screening review</b></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>33 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><b>Note – Criteria clarified - Binary</b></p>	<p>Not Acceptable.</p>
<p>34 Any vessel found to have committed Human Rights abuses.</p> <p><b>Note - new</b></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>35 Any vessel found with poor living standards, poor working standards and gross failings of Seafarers rights and terms and conditions of employment.</p> <p><b>Note - new</b></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>36 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><b>Note – new - Binary</b></p>	<p>Not Acceptable.</p>

## Sanctions

BASELINE CRITERIA	RULES
<p>37 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><b>Note – new - Binary</b></p>	<p>Not Acceptable.</p>
<p>38 Any vessel that is unable or refuses to provide full details of all associated owning and managing entities.</p> <p><b>Note – Requirement strengthened - Binary</b></p>	<p>Not Acceptable.</p>

## Structures, Machinery & Operations

BASELINE CRITERIA	RULES
<p>39 Any vessel which has undergone a Class re-assessment of scantlings in an attempt to avoid steel renewals.</p> <p><b>Note – Enhanced screening review - Binary</b></p>	<p>Not Acceptable.</p>
<p>40 Any vessel known to have overloaded without subsequent acceptable structural surveys being carried out by class.</p> <p><b>Note – Enhanced screening review</b></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>41 Any vessel found to be a poor structural condition with poor maintenance standards both locally and generally.</p> <p><b>Note – Enhanced screening review - Binary</b></p>	<p>Not Acceptable.</p>
<p>42 Any vessel which has recently undergone substantial alteration or modification or extensive repair.</p> <p><b>Note – Criteria strengthened</b></p>	<p>Structural Review by RightShip required.</p>
<p>43 Any vessel found to have no effective Planned Maintenance System.</p> <p><b>Note – new - Binary</b></p>	<p>Not Acceptable.</p>
<p>44 Any vessel found to have no (or missing) effective Key Shipboard Operations procedures or instructions.</p> <p><b>Note – new - Binary</b></p>	<p>Not Acceptable.</p>



## P&I

	BASELINE CRITERIA	RULES
45	P&I	All vessels to be entered with a P&I Club which is a member of The International Group of P&I Clubs.

## Environment

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

## Management of Change

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

## Financial Stability

	BASELINE CRITERIA	RULES
49	<p>Any vessel associated with an owning or DoC managing entity reported to be in financial difficulty.</p> <p><b>Note - new</b></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
50	<p>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
51	<p>Any vessel that fails any of the non-binary Baseline Criteria in this document due to cumulative performance considered to be well below acceptable.</p>	<p>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, coupled with latest SIRE report review, this will result in either the vessel being deemed 'Not Acceptable' or will require the vessel to be submitted for a new SIRE inspection.</p>
52	<p>DoC Managers found to be generally poor in terms of overall operational and safety performance.</p> <p><b>Note – Criteria strengthened</b></p>	<p>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.</p>

<p>53 Vessels found to be generally poor in terms of operational and safety performance.</p> <p><b>Note – Criteria strengthened</b></p>	<p>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.</p>
---	---

## Vetting Baseline Criteria & Responsibility – Tugs & Barges

BASELINE CRITERIA	RULES
<p>1 Tug SIRE / Barge BIRE Inspection in the last 12 months</p>	<p>Compulsory if unavailable.</p> <p>EBIS can be substituted for BIRE as customer vessel inspection criteria.</p>
<p>2 Unsatisfactory Tug SIRE / BIRE Report</p>	<p>Vessel will be evaluated on the basis of the severity of observations, number of observation and calibre of owner's responses.</p> <p>New inspection required for future consideration.</p>
<p>3 Maximum age 30 years</p> <ul style="list-style-type: none"> <li>- Inland barges</li> <li>- Ocean going barges</li> <li>- Tugs</li> </ul>	<p>Mandatory for the duration of the voyage.</p> <p>RightShip to verify on the basis of the information contained in RightShip Qi / the RightShip platform and the typical voyage duration for the journey specified in the vetting nomination (from the date of the vetting request unless otherwise specified).</p>
<p>4 Incidents &amp; detention reports</p>	<p>Evidence of appropriate corrective actions will be sought.</p> <p>Post event SIRE / BIRE may be required based on event severity at RightShip's discretion.</p>

5	Double Hulled (only for Barges)	Mandatory.
6	IACS Class	European Inland Barges only.  Mandatory.
7	P&I Insurance	European Inland Barges Only.  International Group Mandatory – USD1B
8	Certificate of Approval	European Inland Barges.  Valid Certificate of Approval basis EBIS report. If unavailable, comments to be provided in vetting response – no impact on vetting outcome.
9	Tug – Barge has valid US Coast Guard report (COI / COD) & no outstanding PSIX incidents / PSC	For US Barges only basis USCG PSIX.  New Barges will need to have Operational Approval from USCG Mandatory.  If unavailable, comments to be provided in vetting response – no impact on vetting outcome.
10	Owner / operator is a member of AWO (American Waterways Operators).  Company certified under Responsible Carrier Program OR other certification confirming Sub-chapter M compliance	US Barges only  RightShip to verify from AWO website at <a href="http://www.americanwaterways.com/rcp-status">http://www.americanwaterways.com/rcp-status</a> OR Class certification website / certificate copies for Sub-chapter M compliance.

## Annex 1 – Tanker Officer Matrix

<b>RANK</b>	<b>CALENDAR TIME WITH COMPANY</b>	<b>SEA TIME IN RANK</b>	<b>SEA TIME ON THIS TYPE OF TANKER</b>	<b>SEA TIME ON ALL TYPES OF TANKERS</b>
<b>Master &amp; Chief Officer</b>	Aggregate not less than 2 years	Aggregate not less than 3 years	Aggregate not less than 6 years	
<b>2<sup>nd</sup> Officer &amp; 3<sup>rd</sup> Officer or / and other Junior Officers</b>		Aggregate not less than 1 years		Aggregate not less than 1.5 years
<b>Chief Engineer &amp; 2<sup>nd</sup> Engineer</b>	Aggregate not less than 2 years	Aggregate not less than 3 years	Aggregate not less than 6 years	
<b>3<sup>rd</sup> Engineer &amp; 4<sup>th</sup> Engineer or / and other Junior Engineers (including Electrical)</b>		Aggregate not less than 1 year		Aggregate not less than 1.5 years