

# RELATIONSHIP BETWEEN SAFE TO SEAS AND INVESTORS/OWNERS

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## **QUALITY SYSTEM**

It is the Safe To Seas Shipping Inc. (STS) policy that its quality system is central to the management process and to thereby ensure, that each part or function meets the investors requirements.

The quality system is designed to:

- (1) Satisfy the STS's objectives to attain and maintain the desired quality and safety standards at optimum cost, and;
- (2) Ensure that the requirements of the management contract signed with the investors/owners or their representative are fulfilled completely.
- (2) Meet the investors' needs for confidence in the ability of management to deliver the agreed profit as well as the consistent maintenance of that quality in a safe manner.
- (3) Include the STS Management System for the high profitable operation of the ships. This is achieved by the implementation of a documented system which provides objective evidence that the quality system is operating effectively.

Any vessels which become part of the STS managed vessels, affect the quality therefore STS Policy that close working relationships are established and maintained with the STS's Owners/Investors.

## **CONTRACT REVIEW**

It is of paramount importance that the Owners/Investors requirements are correctly and clearly understood defined and communicated to all relevant parties and the appropriate Company resources applied in order to deliver the agreed services together with net benefit/profit to clients.

Safe To Seas Shipping Inc. policy is to ensure that all owners'/investors' requirements are adequately documented. The object is to gain a clear understanding of requirements of owners'/investors to consider whether these can be met and to negotiate terms.

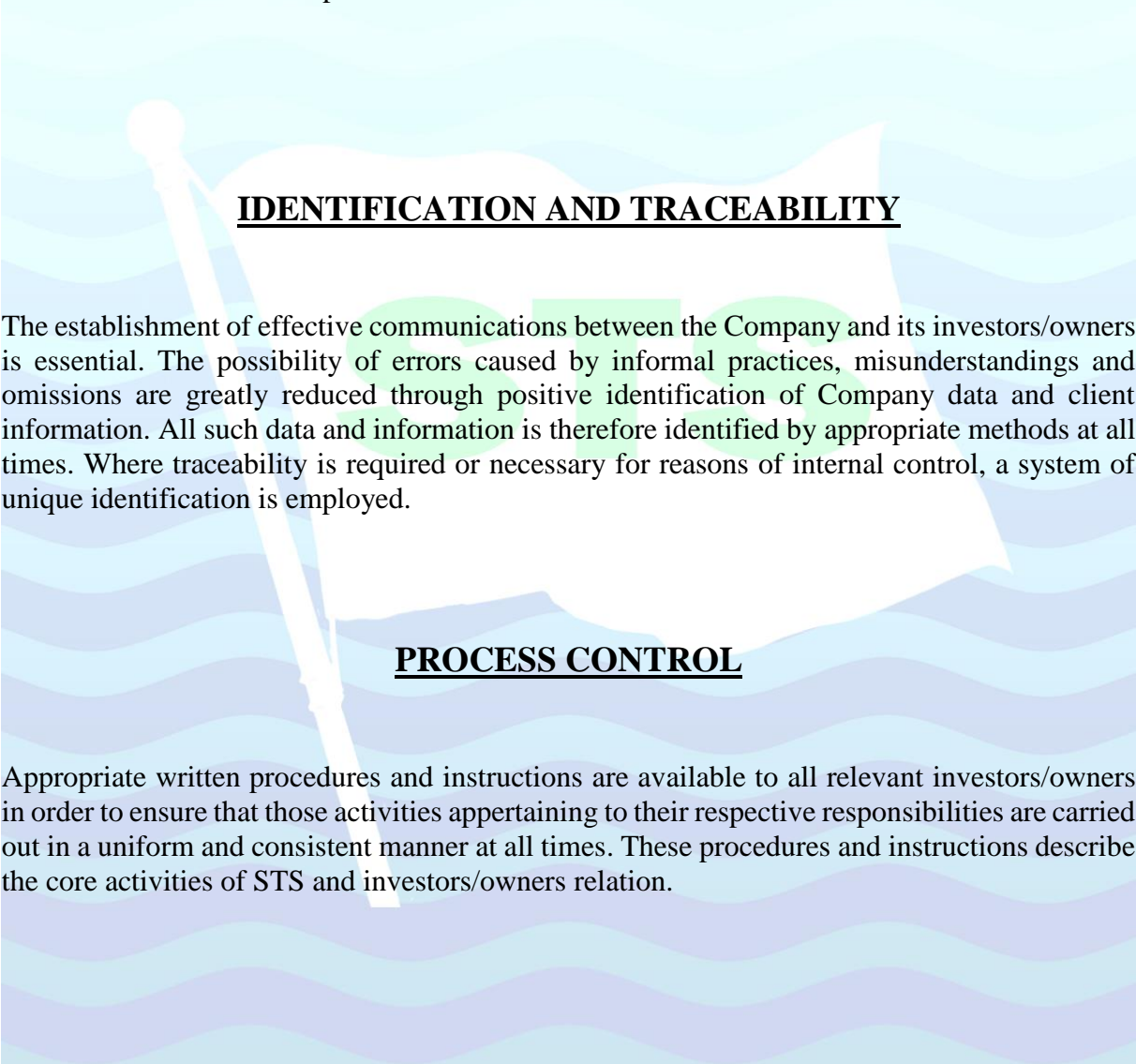
Procedures are prescribed and are followed which ensure that any vessel supplied by and being the property of an investors/owners are safeguarded at all times.

The STS provides operating ship as technical and commercial management services for owners/investors in accordance with management agreements. The ship management agreements, either for a single vessel or a group of vessels, are assessed and reviewed periodically and stipulate the necessity of complying with national, international and

Classification Society rules and regulations. These periodic contract reviews are to ensure the contract requirements can still be met and evidence of these reviews are retained with the contracts.

Reviews are conducted at prescribed stages to ensure that

- a) STS is able to continue to service the Client's requirements; and
- b) All aspects of each contract or order have been fulfilled as far as the Company's involvement is concerned. Any failure or non-conformity of the Owner's/Investor's requirements are considered and a record kept of what decisions were made and how these were resolved.



**IDENTIFICATION AND TRACEABILITY**

The establishment of effective communications between the Company and its investors/owners is essential. The possibility of errors caused by informal practices, misunderstandings and omissions are greatly reduced through positive identification of Company data and client information. All such data and information is therefore identified by appropriate methods at all times. Where traceability is required or necessary for reasons of internal control, a system of unique identification is employed.

**PROCESS CONTROL**

Appropriate written procedures and instructions are available to all relevant investors/owners in order to ensure that those activities appertaining to their respective responsibilities are carried out in a uniform and consistent manner at all times. These procedures and instructions describe the core activities of STS and investors/owners relation.

**INSPECTION AND VERIFICATION**

The STS has established measures for the verification of system condition, information, data and other contributory items by the checking of the quality of these upon receipt and during incorporation into the range of services provided.

Regular inspection and monitoring of charter parties, management agreement details are carried out by the Maritime Service Executive Board (MSEB) and Investment Management Board (IMB) who may on occasion seek advice from the Management Board (MB)

Particular areas of consideration are as follows but not limited to :

1. Contract and charter party requirements.
2. Contract/charter party commencement time and date.
3. Management agreement with investors/owners
4. Distribute the profit in accordance with agreed procedures
5. Control of the necessity and timing of all expenditure.
6. Cargo and port details.
7. Safety and Environment compliance.
8. Hull and Machinery.

The inspection status of “fixing” negotiations, owners/investors agreements, fixtures, charter parties and associated agreements is available by reference to mail messages, faxes, “recaps”, charter parties and post fixtures documentation in Maritime Service Executive Board (MSEB) files.

### **CORRECTIVE AND PREVENTIVE ACTION**

The STS has high quality documented procedures which are designed to eliminate non-conformance by removing the root cause of each problem.

For any cause of incident or non-conformance shall take the form of a two-phase activity.

(a) First line action - The immediate action taken to restore a service or make good a deficiency.

(b) Long term action - A longer term strategy is then applied which depends on the recording and analyzing of the possible contributing factors and detection of trends including procedural changes which are considered necessary to prevent recurrence of the problem.

The aim is to eliminate potential causes regarding time and amount of investor payment before it occur.

### **HANDLING OF VESSELS**

The suitability and capability of vessels to transport cargo safely in order to pay owners/investors shares is verified through the operational activities of the STS.

The vessel, and its equipment, are maintained and controlled with a view to adequate care of the cargoes during the handling, stowage and delivery stages of the voyage.

Ship's personnel are responsible for controlling the handling, stowage and protection of cargoes in accordance with approved formal procedures, operating instructions and established shipping practice.

## **CONTROL OF RECORDS**

It is STS policy to maintain records which ensure the following:

- (1) The service provided meets contractual requirements.
- (2) STS will issue quarterly (3-month) financial reports for each ship.
- (3) STS will issue quarterly financial reports for all body.
- (4) STS will issue monthly performance report for each vessel.
- (5) STS will issue annual report for each vessel and for all body.
- (6) Audit and review of the quality and safety management system is carried out in line with procedures.
- (7) STS will send reports to owners/investors every 3 months. All records are clearly identified, filed and stored to facilitate ease of retrieval and retained according to procedures.