

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

UNITED STATES OF AMERICA

v.

CASE NO. 8:10-cr-116-T-26TGW

AKSAY DENIZCILIK VE TICARET A.S.

Defendant.

PLEA AGREEMENT

Pursuant to Fed. R. Crim. P. 11(c), the United States of America, by A. Brian Albritton, United States Attorney for the Middle District of Florida, and the Environmental Crimes Section of the United States Department of Justice, and the defendant, AKSAY DENIZCILIK VE TICARET A.S., and the attorneys for the defendant, Thomas Russo and Michael Fernandez, mutually agree as follows:

A. Particularized Terms

1. Counts Pleading To

The defendant shall enter a plea of guilty to Counts One and Two of the Information. Count One charges the defendant with failure to accurately maintain an Oil Record Book, in violation of 33 U.S.C. § 1908(a). Count Two charges the defendant with making a false statement, in violation of 18 U.S.C. § 1001.

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AF Approval

N/A

2. Maximum Penalties

Defendant understands and agrees that the statutory penalties applicable to a corporate defendant for each felony count to which it is entering a plea of guilty are a maximum fine of either Five Hundred Thousand Dollars (\$500,000.00), or twice the gross gain or loss resulting from the unlawful conduct, pursuant to 18 U.S.C. § 3571(c) and (d); a term of probation of five (5) years, pursuant to 18 U.S.C. § 3561(c)(1); and a special assessment of Four Hundred Dollars (\$400.00), pursuant to 18 U.S.C. § 3013(a)(2)(B). With respect to certain offenses, the Court shall order the defendant to make restitution to any victim of the offense(s), and with respect to other offenses, the Court may order the defendant to make restitution to any victim of the offense(s), or to the community, as set forth below.

3. Elements of the Offenses

The defendant acknowledges understanding the nature and elements of the offenses with which defendant has been charged and to which defendant is pleading guilty. Under well-established principles of corporate liability and respondeat superior, as these principles apply in this case, the corporate defendant is liable for the actions of its agents and employees acting within the scope of their employment and for the benefit of the corporation.

The elements of Count One (APPS) are:

First: That the Motor Tanker ("M/T") Kerim was a ship of more than 400 gross tons, was not an oil tanker, and was registered in a country other than the United States;

Second: At least one of the defendant's agents or employees acted as the person in charge of oil transfer and disposal

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operations and was the person responsible for maintaining the Oil Record Book on the M/T Kerim;

- Third: The defendant, through its agents or employees, knowingly failed to fully and accurately maintain an Oil Record Book in which the required operations involving oil, oily mixtures, oily residues, or disposals of bilge waste that had accumulated in machinery spaces were recorded without delay; and
- Fourth: The failure to maintain an accurate Oil Record Book occurred while the M/T Kerim was in or at a port or terminal of the United States.

The elements of Count Two (False Statement) are:

- First: That the defendant, through the acts of its agents or employees, made and used a document, as charged;
- Second: That the document was false;
- Third: That the falsity related to a material matter;
- Fourth: That the defendant, through the acts of its agents or employees, acted willfully and with knowledge of the falsity; and,
- Fifth: That the false document was made or used in relation to a matter within the jurisdiction of the United States Coast Guard, a federal agency of the Department of Homeland Security, as charged.

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4. Indictment Waiver

Defendant will waive the right to be charged by way of indictment before a federal grand jury.

5. No Further Charges

If the Court accepts this plea agreement, the United States Attorney's Office for the Middle District of Florida and the Environmental Crimes Section of the United States Department of Justice agree not to charge defendant with committing any other federal criminal offenses arising out of the investigation leading to the charges set forth herein, based on facts known by these offices at the time of defendant's entry of a plea of guilty pursuant to this agreement.

6. Mandatory Restitution to Victim of Offense of Conviction

Pursuant to 18 U.S.C. § 3663A(a), defendant agrees to make full restitution. At this time the parties are unaware of any identifiable victims.

7. Applicability of Sentencing Guidelines

Defendant understands and acknowledges that, at sentencing, the Court is required to consider the United States Sentencing Guidelines, together with the other sentencing goals set forth in Title 18, United States Code, Section 3553(a). The parties agree that Chapter 8 of the United States Sentencing Guidelines Manual governs the case with regard to any payment of restitution, community service, and probation. Regarding determinations of an appropriate fine, however, pursuant to Commentary for U.S.S.G. § 8C2.1, the provisions of § 8C2.2 and § 8C2.9 do not apply to counts for which the applicable guideline offense level is determined under Chapter Two, Part Q (Offenses involving the Environment). For such cases, § 8C2.10 (Determining the Fine

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for Other Counts) is applicable on an advisory basis. U.S.S.G. § 8C2.10, in turn, directs the Court to apply the provisions of Title 18, United States Code, Sections 3553 and 3572 to determine the appropriate fine.

8. Joint Sentencing Recommendation

Pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure, the United States and defendant agree to jointly recommend that the sentence to be imposed by the Court shall include the following components. The parties understand that such a recommendation is not binding on the Court and that, if not accepted by this Court, neither the United States nor the defendant will be allowed to withdraw from the plea agreement.

A. **Monetary Penalty:** Defendant agrees to pay a total monetary penalty of Seven Hundred and Twenty-Five Thousand Dollars (\$725,000). The United States shall make a recommendation to the Court that the monetary penalty be allocated as follows: Five Hundred Thousand dollars (\$500,000) to Count One of the Information and Two Hundred and Twenty-Five Thousand dollars (\$225,000) to Count Two of the Information. The defendant agrees not to object to the United States' recommendation.

B. **Mandatory Special Assessment:** Defendant shall pay a special assessment for each count of conviction for a total aggregate special penalty amount of \$800.00.

C. **Payments:** Defendant agrees that to pay the monetary penalty specified above, if the Court should so impose that penalty, including the special

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assessments, on the day of sentencing. Payment is to be made in the form of a check payable to "United States District Court Clerk."

D. **Probation:** The parties jointly recommend that the defendant be placed on organizational probation for a period of three (3) years from the date of sentencing pursuant to 18 U.S.C. § 3561(c)(1) and USSG §§ 8D1.1 and 8D1.2. The parties recommend that the terms of probation be as follows:

(1) **No Further Violations.** Defendant agrees that it shall commit no further violations of MARPOL 73/78, federal, state or local law, including those laws and regulations for which primary enforcement has been delegated to the state authorities, and shall conduct all its operations in accordance with environmental laws of the United States.

(2) **Payments.** Payment in full of the monetary amounts set forth herein including all special assessments, fines and restitution, and community service.

(3) **Environmental Compliance Plan.** Defendant agrees to fund and implement the environmental remedial measures set forth in the Environmental Compliance Plan ("ECP"), attached hereto as Attachment A, during its term of probation, consistent with sentencing policies set forth in USSG §8D1.4.

(4) **No Retaliation.** Defendant agrees that it will not take any adverse action against the officers and crew members who cooperated with the investigation for their participation in the events leading to this investigation and prosecution or for their role in testifying before the Grand Jury. Prohibited adverse actions include, but are not limited to, dismissal from service, refusal to offer future work assignments, if available, and negative performance review. This provision does not

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apply to any crew member who is charged for criminal conduct related to this investigation.

9. Application of the Agreement

This Agreement shall bind the defendant and its subsidiaries, including all subsidiaries that technically manage and/or man vessels, including but not limited to Aksay Denizcilik Ve Ticaret A.S., and all successors-in-interest, if applicable, and all successors and assigns. Defendant shall provide immediate notice to the Environmental Crimes Section, the United States Attorney's Office and the United States Coast Guard of any of the following: any corporate name changes; any purchase or sale of vessels; any purchase, sale or reorganization or divestiture; or any other change impacting upon or affecting this Plea Agreement or the ECP. No change in name, change in corporate or individual control, business reorganization, change in ownership, merger change in legal status, sale or purchase of assets, or similar action shall alter the defendant's responsibilities under this Plea Agreement or the ECP. Defendant understands and agrees that it shall not engage in any action to seek to avoid the obligations and conditions set forth in this Plea Agreement. This Agreement does not apply to any vessel managed or owned by the defendant which is subsequently sold in an arms length transaction to an unrelated purchaser, or taken out of defendant's management by the registered owner of such vessel.

10. Cooperation

As part of this Plea Agreement, the defendant agrees that it will continue to comply with the terms of the Surety Agreement entered into on March 31 - April 1, 2009, with the United States Coast Guard to fully provide salary, room and board, and

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travel expenses for its seafarer crew members until the defendant has entered its plea in Court, or the crews are cleared to return to their home countries, whichever is earlier. To date the defendant has complied with all terms of the Surety Agreement.

11. Corporate Defendant

The undersigned corporate officer or representative of the defendant hereby certifies that he is authorized by the defendant corporation to act on its behalf, to plead guilty to the charge alleged in the Information, and to enter into this plea agreement, and that a corporate resolution so empowering said officer or representative has been duly made and approved by said corporation, and will be produced to the government. Said defendant corporation has agreed to implement an Environmental Compliance Plan ("ECP"), as set forth in Attachment A. The defendant corporation further agrees that such a program may be made a condition of probation, should the Court determine that a sentence of probation is appropriate.

B. Standard Terms and Conditions

1. Restitution, Special Assessment and Fine

The defendant understands and agrees that the Court, in addition to or in lieu of any other penalty, shall order the defendant to make restitution to any victim of the offense(s), pursuant to 18 U.S.C. § 3663A, for all offenses described in 18 U.S.C. § 3663A(c)(1) (limited to offenses committed on or after April 24, 1996); and the Court may order the defendant to make restitution to any victim of the offense(s), pursuant to 18 U.S.C. § 3663 (limited to offenses committed on or after November 1, 1987), including restitution as to all counts charged, whether or not the defendant enters a plea of guilty to such counts, and whether or not such counts are dismissed pursuant to this

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agreement. On each count to which a plea of guilty is entered, the Court shall impose a special assessment, to be payable to the Clerk's Office, United States District Court, and due on date of sentencing.

2. Sentencing Information

The United States reserves its right and obligation to report to the Court and the United States Probation Office all information concerning the background, character, and conduct of the defendant, to provide relevant factual information, including the totality of the defendant's criminal activities, if any, not limited to the count(s) to which defendant pleads, to respond to comments made by the defendant or defendant's counsel, and to correct any misstatements or inaccuracies. The United States further reserves its right to make any recommendations it deems appropriate regarding the disposition of this case, subject to any limitations set forth herein, if any. In lieu of providing financial information and a completed financial affidavit, the defendant agrees to transfer to its counsel, on or before the date it enters its plea of guilty, sufficient funds to pay the amounts for the criminal fine, and special assessment set forth in this Plea Agreement.

3. Sentencing Recommendations

It is understood by the parties that the Court is neither a party to nor bound by this agreement. The Court may accept or reject the agreement, or defer a decision until it has had an opportunity to consider the presentence report prepared by the United States Probation Office. The defendant understands and acknowledges that, although the parties are permitted to make recommendations and present arguments to the Court, the sentence will be determined solely by the Court, with the assistance of

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the United States Probation Office. Defendant further understands and acknowledges that any discussions between defendant or defendant's attorney and the attorney or other agents for the government regarding any recommendations by the government are not binding on the Court and that, should any recommendations be rejected, defendant will not be permitted to withdraw defendant's plea pursuant to this plea agreement. The government expressly reserves the right to support and defend any decision that the Court may make with regard to the defendant's sentence, whether or not such decision is consistent with the government's recommendations contained herein.

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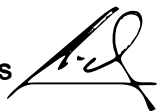
4. Defendant's Waiver of Right to Appeal and Right to Collaterally Challenge the Sentence

The defendant agrees that this Court has jurisdiction and authority to impose any sentence up to the statutory maximum and expressly waives the right to appeal defendant's sentence or to challenge it collaterally on any ground, including the ground that the Court erred in determining the applicable guidelines range pursuant to the United States Sentencing Guidelines, except (a) the ground that the sentence exceeds the defendant's applicable guidelines range as determined by the Court pursuant to the United States Sentencing Guidelines; (b) the ground that the sentence exceeds the statutory maximum penalty; or (c) the ground that the sentence violates the Eighth Amendment to the Constitution; provided, however, that if the government exercises its right to appeal the sentence imposed, as authorized by 18 U.S.C. § 3742(b), then the defendant is released from his waiver and may appeal the sentence as authorized by 18 U.S.C. § 3742(a).

5. Middle District of Florida and Environmental Crimes Section Agreement

It is further understood that this agreement is limited to the Office of the United States Attorney for the Middle District of Florida and the Environmental Crimes Section of the Department of Justice and cannot bind other federal, state, or local prosecuting authorities, although this office will bring defendant's cooperation, if any, to the attention of other prosecuting officers or others, if requested.

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6. Filing of Agreement

This agreement shall be presented to the Court, in open court or in camera, in whole or in part, upon a showing of good cause, and filed in this cause, at the time of defendant's entry of a plea of guilty pursuant hereto.

7. Voluntariness

The defendant acknowledges that defendant is entering into this agreement and is pleading guilty freely and voluntarily without reliance upon any discussions between the attorney for the government and the defendant and defendant's attorney and without promise of benefit of any kind (other than the concessions contained herein), and without threats, force, intimidation, or coercion of any kind. The defendant further acknowledges defendant's understanding of the nature of the offense or offenses to which defendant is pleading guilty and the elements thereof, including the penalties provided by law, and defendant's complete satisfaction with the representation and advice received from defendant's undersigned counsel. The defendant also understands that defendant has the right to plead not guilty or to persist in that plea if it has already been made, and that defendant has the right to be tried by a jury with the assistance of counsel, the right to confront and cross-examine the witnesses against defendant, the right against compulsory self-incrimination, and the right to compulsory process for the attendance of witnesses to testify in defendant's defense; but, by pleading guilty, defendant waives or gives up those rights and there will be no trial. The defendant further understands that if defendant pleads guilty, the Court may ask defendant questions about the offense or offenses to which defendant pleaded, and if defendant answers those questions under oath, on the record, and in

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the presence of counsel, defendant's answers may later be used against defendant in a prosecution for perjury or false statement.

8. Factual Basis

Defendant is pleading guilty because defendant is in fact guilty. The defendant certifies that defendant does hereby admit that the facts set forth below are true, and were this case to go to trial, the United States would be able to prove those specific facts and others beyond a reasonable doubt:

FACTS

A. The M/T Kerim, a 9,544 gross registered ton vessel, registered under the flag administration of the Marshall Islands and bearing the International Maritime Organization number 9121754, was operated by defendant pursuant to a contract between defendant and the vessel's owners. The M/T Kerim was engaged in international commercial maritime operations and transported bulk chemical products from and to various ports in the United States of America and elsewhere.

B. Defendant was a private limited company incorporated under the laws of Turkey, the company was engaged in the business of technical management of vessels, including the M/T Kerim, which was engaged in international commerce, and the operating address of the company was Kat 14, Nida Kule Is Merkezi, Degirmen, Sokak 12, Kozyatagi Mah, Kadikoy, 34742 Istanbul, Turkey.

C. Defendant, acting through its employees and agents, who acted within the scope of their employment and/or acting for the benefit of defendant, including the senior engineers and other crew members on board the M/T Kerim who acted on behalf of and for the intended benefit of defendant, was responsible for the

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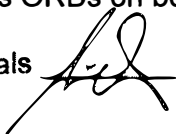
operation and supervision of the Engine Department on board the M/T Kerim, including the management, treatment, storage, and disposal of oil residue, oily mixtures and machinery space operations.

D. The senior engineers on board the M/T Kerim were also responsible for recording the movement, discharge, and disposal of oil residue, oily mixtures, and machinery space bilge water, including any non-accidental overboard discharges of oily waste, in the vessel's machinery space Oil Record Book (hereinafter "ORB").

E. Defendant was responsible for the implementation and certification of the International Safety Management Code within the company's shore-side management operations and on board the vessels it operated to ensure that company policies and procedures were designed to ensure compliance with international safety and environmental requirements.

F. The United States is a party to an international treaty, the International Convention for the Prevention of Pollution from Ships (hereinafter "MARPOL"). MARPOL was implemented in the United States by the Act to Prevent Pollution from Ships (APPS), 33 U.S.C. § 1908, et. seq. APPS regulations require that vessels of more than 400 gross tons, such as the M/T Kerim, maintain an ORB. The ORB must fully reflect transfers of oil, tank to tank, the disposal of sludge and waste oil, discharges of water from slop tanks, and overboard discharges of bilge water that has accumulated in machinery spaces, and thus may be contaminated with oil. MARPOL, Annex I Regulation 20 and 33 CFR § 151.25(h). The United States Coast Guard routinely inspects ORBs on board vessels to determine whether the vessel has been

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discharging any oil or oily mixtures in violation of MARPOL and APPS. 33 CFR § 151.23. The ORB must be maintained on board the vessel for three (3) years and be readily available for inspection at all times. MARPOL, Annex I, Regulation 20.

G. On at least one occasion between on or about March 25, 2006 and on or about March 24, 2009, engineering officer(s) and/or other crew member(s) aboard the M/T Kerim, acting on behalf of and for the intended benefit of defendant, installed and used a bypass pipe, also referred to as a "magic pipe" consisting of a large section of metal pipe, specially crafted to precisely fit between the sludge discharge line and the blow down valve to the vessel's boiler (otherwise known as a "boiler blow down valve") to bypass pollution prevention equipment on board the M/T Kerim. In order for sludge to be discharged through the "magic pipe," the ship's engineer(s) crafted a special coupling that fit into the removed "bonnet" on a valve on the sludge line.

H. On at least one occasion between on or about March 25, 2006 and on or about March 24, 2009, the engineering officer(s) and/or other crew member(s) on board the M/T Kerim, connected the so-called "magic pipe" and deliberately discharged sludge, which contains oil and oil residues, directly into the sea.

I. On at least one occasion between on or about March 25, 2006 and on or about March 24, 2009, the senior engineer(s) on board the M/T Kerim knowingly failed to make a required entry in the vessel's ORB, including the fact that sludge containing oil and oil residue was discharged through the bypass pipe directly into the ocean, circumventing the pollution prevention equipment required by MARPOL.

J. On or about March 24, 2009, the United States Coast Guard conducted a Port State Control boarding and inspection of the M/T Kerim after the

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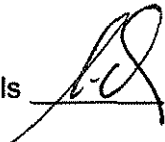
vessel arrived at the Port of Tampa, Florida, within the Middle District of Florida and a port or terminal of the United States.

K. On or about March 24, 2009, during the course of the Port State Control boarding, senior engineer(s) on board the M/T Kerim, who acted on behalf of and for the intended benefit of defendant, knowingly caused the vessel's inaccurate ORB to be presented to representatives of the United States Coast Guard.

9. Entire Agreement

This plea agreement and the associated Environmental Compliance Plan constitutes the entire agreement between the government and the defendant with respect to the aforementioned guilty plea and no other promises, agreements, or representations exist or have been made to the defendant or defendant's attorney with regard to such guilty plea.

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A handwritten signature in black ink, appearing to be the initials 'B-C' with a stylized flourish extending from the end.

10. Certification

The defendant and defendant's counsel certify that this plea agreement has been read in its entirety by (or has been read to) the defendant and that defendant fully understands its terms.

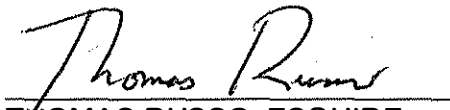
DATED this 19 day of February, 2010.

A. BRIAN ALBRITTON
United States Attorney

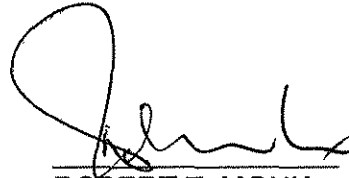


Corporate Officer or Authorized
Representative of AKSAY
DENIZCILIK VE TICARET A.S.
Defendant

By: 
TERRY A. ZITEK
Assistant United States Attorney



THOMAS RUSSO, ESQUIRE
Attorney for Defendant




ROBERT T. MONK
Assistant United States Attorney
Deputy Chief, Economic Crimes Section



MICHAEL FERNANDEZ
Attorney for Defendant

IGNACIA S. MORENO
Assistant Attorney General
Environment and Natural Resources Division
U.S. Department of Justice

By: 
KENNETH E. NELSON
Trial Attorney
Environmental Crimes Section
Environment and Natural Resources Division
U.S. Department of Justice

Attachment A

**UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF
FLORIDA**

UNITED STATES OF AMERICA

NO. _____

v.

AKSAY DENIZCILIK VE TICARET A.S.

Defendant.

Environmental Compliance Plan

The following standards and requirements for an Environmental Compliance Plan ("ECP") have been prepared pursuant to the Plea Agreement dated this same date between Defendant Aksay Denizcilik Ve Ticaret A.S. ("AKSAY" or "Defendant") and the United States Attorney's Office for the Middle District of Florida and the Environmental Crimes Section of the United States Department of Justice ("United States" or "the Government") and are a condition of Defendant's probation. Compliance with all of the terms and standards of the ECP is a requirement of the Plea Agreement. This ECP applies to AKSAY and any subsidiaries or assigns.

The ECP is subject to approval by the Court and the United States Probation Office for the Middle District of Florida.

I. APPLICABILITY AND PURPOSE

This Environmental Compliance Plan (ECP) shall cover and apply to all oceangoing vessels that are technically managed and/or manned by AKSAY and will call at any Port in the United States during a period of three years after the effective date of the Plea Agreement. The vessels that are technically managed and/or manned by AKSAY as of the date of execution of this ECP and which are subject to the requirements of this ECP are listed in Attachment 1. Vessels for which AKSAY has relinquished technical management or manning responsibilities shall be excluded from the requirements of this ECP on the date AKSAY relinquishes such responsibilities. Vessels that AKSAY declares will no longer trade to the United States will be excluded from this ECP. Notification of such relinquishment shall be made in accordance with the requirements of Section XII.

The ECP shall also apply to all shore side employees and crews of AKSAY involved in the technical management and/or manning of the vessels listed in Attachment 1.

The purpose of the ECP is to ensure that all vessels technically managed by AKSAY fully comply with all applicable marine environmental protection requirements established under applicable international, flag state, port state and coastal state law, and United States laws including, but not limited to, the International Convention for Prevention of Pollution from Ships (MARPOL), and all applicable Federal and state statutes and regulations including, but not limited to the Ports and Waterways Safety Act (PWSA), the Act to Prevent Pollution from Ships (APPS), the Clean Water Act (CWA) and the Oil Pollution Act (OPA), hereinafter *marine environmental protection requirements*, and to the additional requirements and policies established by this plan itself. In the case of a conflict between this ECP and any of the aforementioned requirements such that the ECP is less restrictive, then the more restrictive authority shall govern.

This ECP shall be incorporated into the Plea Agreement by reference and compliance with the terms of the ECP will be a special condition of probation. Failure to comply with any part of this ECP, including but not limited to, refusal to pay valid charges for the Court Appointed Monitor ("CAM"), the External Audit Group (EAG) or Third Party Auditor ("TPA") and failure to provide these or other personnel, auditors or inspectors needed to achieve the objectives of this agreement, or failure to provide complete unrestricted access to vessels, facilities, personnel or documents, may be a basis on which the Government may move to revoke or modify Defendant's probation.

In the course of implementing this ECP, should inadequacies in the size and capabilities of vessel crews be proven as a contributing factor to their inability to manage waste streams, AKSAY will consider supplementing crew sizes as needed, consistent with the vessel's lifesaving arrangements. Additional shore side resources may also be required. If no agreement can be reached it shall be left up to the Court to decide.

AKSAY shall take appropriate action, up to and including dismissal, against any employee who obstructs, hinders or presents false information or makes false statements during any inspection, monitoring, or auditing, or inspection function required by this ECP or to any U.S. authority performing an inspection or Port State Control activity.

Any modifications to this ECP must be made in writing and signed by AKSAY. Modifications proposed by the Defendant will be submitted to the Court Appointed Monitor and the Government. The Government shall have thirty business days to provide written comments on the proposed modification. If no comments are provided

within the thirty day period the modification will become effective. If the Government objects and the parties are unable to resolve the issue, either party may file a motion before the United States District Court with responsibility to supervise probation as designated at the time of sentencing.

Audits, reports, and any other documents required by this ECP shall be provided to the Government, the CAM as appropriate, the United States Probation Office (USPO), Seventh Coast Guard District (dp & dl), U.S. Coast Guard Commandant, Office of Vessel Activities (CG-543)(E-mail: HQS-PF-flr-CG-543@uscg.mil), and the Environmental Crimes Section. These shall be collectively referred to herein as "the Government," as also further set forth below.

During the probationary period, a copy of the ECP and EMS must be kept at all times in pre-designated locations within the ship where it can be readily accessed by senior shipboard personnel. Such locations must include the quarters of the Master and Chief Engineer, as well as in the engine control room and on the bridge.

AKSAY understands that representatives of the United States Coast Guard may board, audit, or inspect vessels managed under this ECP at any time they are found within the jurisdiction of the United States consistent with US law and regulations.

II. CORPORATE COMPLIANCE MANAGER (CCM)

Within sixty (60) days after the entry of the Plea Agreement, the Defendant shall designate a senior corporate officer as the Corporate Compliance Manager (hereinafter "Corporate Compliance Manager" or CCM) who shall report directly to the Chief Executive Officer of the Defendant. The Corporate Compliance Manager position must be filled by an individual with significant maritime vessel operational background, who possesses the authority to ensure full implementation of this ECP, and who is thoroughly familiar with the requirements of this ECP, domestic and international maritime environmental laws and regulations. The Defendant shall provide the name of and means of communicating with the Corporate Compliance Manager to the Court Appointed Monitor and the Government.

The Corporate Compliance Manager shall be authorized to access all records, documents and facilities and vessels throughout the Defendant's organization for the purpose of implementing this ECP.

The Corporate Compliance Manager shall be responsible for ensuring that observations and any recommendations resulting from any audit under this ECP are appropriately documented, tracked, and resolved and that such resolutions are thoroughly documented in a format that can be readily audited. This documentation shall be made available to any personnel performing audit functions under this ECP, and the Government.

The Corporate Compliance Manager is responsible for developing a tracking mechanism and ensuring that corrective action takes place on recommendations made by the EAG, within a time frame of 30-60 days.

OPERATIONAL COMPLIANCE OFFICER (OCO)

AKSAY shall designate an Operational Compliance Officer (OCO), who reports directly to the CEO and the Board of Directors.¹ The CCM may also serve as the OCO. The OCO shall have no ownership of operational procedures and serves purely in an oversight/external auditor role. The Operational Compliance Officer shall be authorized to access all records, documents, facilities and vessels throughout AKSAY's operational organization for the purpose of monitoring compliance with the ECP. This includes oversight of compliance with the ECP as implemented by AKSAY staff. The OCO shall be responsible for the EAG and will ensure that the audits performed by the EAG, the Operational Integrity Department, and the Third Party Auditor under this plan are carried out. The Defendant shall provide the name and means of communicating with the OCO to the Court Appointed Monitor and the Government.

The OCO is responsible for annually certifying in writing the adequacy of vessel operating budgets, including costs related to operation, maintenance and repair of pollution prevention equipment, use of shore side reception facilities, labor costs relating to maintenance of machinery spaces and other related costs necessary to meet the objectives of the ECP. The certification shall include a narrative summary in the aforementioned areas and explain the analysis used to determine if such budgets are adequate or not.

OPERATIONAL INTEGRITY DEPARTMENT (OI)

AKSAY shall establish an Operational Integrity Department.² This department shall report directly to AKSAY's Head of Shipping Operations. This department shall:

1. Conduct environmental, safety and other audits of vessels
2. Investigate Open Reports, as directed by the Head of Shipping Operations
3. Investigate vessel casualties and oil pollution incidents as directed by the Head of Shipping Operations

¹ To the extent that AKSAY currently has a high-level corporate officer that performs the functions and duties of an Environmental Compliance Officer as detailed in this ECP, such officer may be identified without assignment of the title "Environmental Compliance Officer".

² The Operational Compliance Officer, or the corporate officer responsible for its duties, may serve the function of the Operational Integrity Department, so long as the below-enumerated responsibilities are sufficiently performed.

4. Make recommendations to the Head of Shipping Operations regarding improvements to the EMS

Environmental Management System (EMS)

The Corporate Compliance Manager shall be responsible for ensuring the full development, implementation and documentation of AKSAY's Environmental Management System (EMS).

The EMS will include and address the following:

- Environmental policy
- Environmental requirements and voluntary undertakings
- Objectives and targets
- Structure, responsibility and resources
- Operational controls
- Corrective, preventative action and emergency procedures
- Training, awareness and competence
- Organizational decision making and planning
- Document control
- Continuous evaluation and improvement

Additional details and requirements of the EMS and the responsibilities of the Corporate Compliance Manager in establishing the system are provided in Attachment 2.

Reporting of Non-Compliance by Employees and Crew Members (OPEN REPORTING)

AKSAY shall maintain an Open Reporting System by which shore side and vessel employees may anonymously report issues of non-compliance with this ECP, the EMS, and other marine environmental protection requirements via email, or toll-free phone number or web submission. AKSAY must provide crew members with information about AKSAY's Open Reporting System prior to each term of employment. The Open Reporting System policy shall include provisions that prohibit retaliation against those who report non-compliance and shall include a written policy that makes failure to notify regarding any violation of the EMS or other maritime environmental protection requirements grounds for discipline or dismissal. It shall be the responsibility of the CCM to maintain this system. Arrangements shall be made to ensure anonymity of such reporting when desired by the individual making the report. AKSAY informs its employees of the availability of this reporting system by posting notices in lounge spaces of officers and crewmembers, the engine control room, common areas of the vessels, as well as through company publications and organization-wide announcements issued on at least a quarterly basis.

The Corporate Compliance Manager and the OCO shall be informed of each such Open Report. The OCO shall ensure that a copy of each such report containing an allegation of environmental noncompliance is provided to the Court Appointed Monitor. The Open Reporting System shall contain a report to the Fleet on a half-yearly basis to the fleet to demonstrate that the system is working.

The Corporate Compliance Manager shall review, investigate, and document reports of non-compliance by employees in a timely fashion and shall initiate, monitor, and document all actions taken as a result of the reporting. The Corporate Compliance Manager shall maintain these records and make them available for review. The Corporate Compliance Manager shall develop and communicate AKSAY's policy that AKSAY will not tolerate retaliation against those who report non-compliance and will develop and communicate a policy that makes failure to notify regarding any violation of this ECP, the EMS, or other maritime environmental protection requirements grounds for discipline or dismissal.

Corporate Accountability

The OCO shall make quarterly reports to AKSAY's Chief Executive Officer concerning compliance with and implementation of this ECP, the EMS, and other maritime environmental protection requirements. Annually, the OCO shall provide a summary of the reports to AKSAY's Board of Directors. All issues of non-compliance will be communicated, along with any corrective action taken. Copies of these reports will be provided to the Court Appointed Monitor and the Government.

The Corporate Compliance Manager shall ensure immediate notification to the Court Appointed Monitor and the Government of all circumstances whereby AKSAY fails to fully support and finance AKSAY's objectives in implementing all the requirements of this Environmental Compliance Program and EMS as it pertains to equipment, system improvements, and any other requirements of this plan.

The Corporate Compliance Manager shall be responsible for developing a comprehensive budget process to ensure on an annual basis that each vessel is provided adequate funding for shore side disposal of wastes, including bilge water, slops, sludge disposal, the minimization and management of waste streams, the maintenance and technical upgrades of environmental equipment and funding necessary to meet all the other requirements of this plan. Budgets shall account for bilge water, slop and sludge disposal and include a documented methodology on the determination of quantities estimated to be sent ashore and or processed by the vessel.

Full Company-Wide Cooperation

AKSAY shall communicate to its shipboard and shore staff its commitment to environmental compliance and to all terms in this ECP.

In the first quarter of every year Senior Management of AKSAY shall communicate to the Sea and Shore staff by DVD their commitment to the environment, safety and quality.

The Corporate Compliance Manager shall take all necessary steps to ensure the full cooperation of all employees during all activities required by this ECP and EMS. Cooperation is to be provided to all persons performing audits and inspections, regardless of location. The Corporate Compliance Manager shall ensure that the EAG, Third Party Auditor and any other inspection, auditing, or monitoring personnel involved in the auditing of any vessel have complete unrestricted access to all vessel areas, documentation, personnel, and material equipment. Private locations for one-on-one interviews between employees and various inspection, auditing or monitoring personnel shall be provided.

The Corporate Compliance Manager shall be responsible for ensuring that each new employee, or hire, is trained that environmental policy compliance, as well as accurate and truthful records, are extremely important and that AKSAY will take appropriate actions for violations.

The Corporate Compliance Manager shall be responsible for developing the Training Requirements detailed in Attachment 3.

The Corporate Compliance Manager shall be responsible for fully implementing the Engineering Requirements established in Section X of this ECP.

The Corporate Compliance Manager shall be responsible for developing and maintaining a system to track each vessel's machinery space waste quantities and capacities.

III. CHIEF ENGINEER

Chief Engineers on board all vessels subject to this ECP:

- Will exercise reasonable efforts to ensure complete compliance with the Engineering Requirements established in Section X of this plan (as applicable to his/her vessel).
- Will assist in the audit process to ensure complete compliance with the various requirements, polices and procedures addressed in Section VII.

- Will each day record, measure, monitor and manage shipboard machinery space generated wastes and the conditions of any equipment having oil to sea interfaces.
- Will timely resolve (through repairs and/or applicable EMS procedure) engine room, machinery space, or pump room related environmental concerns, such as inoperative or ineffective pollution prevention equipment, waste handling or monitoring equipment, leakages (except those necessary for packing cooling) stemming from pump seals, packing glands or line breaks, or due to any other causes contributing to the accumulations of bilge fluids, oily mixtures and sludge type wastes.
- Will ensure that all wastes that are subject to special handling requirements are properly managed.
- Will ensure that all shipboard engine room personnel have appropriate training on environmental policies and procedures, including but not limited to training on the operation and use of pollution prevention equipment, bilge pumps, bilge and ballast pumps, incinerator, Oil Water Separator and the making of entries in the Oil Record Books, Garbage Record Book or any other logs required by this ECP or other maritime environmental protection requirements.
- Will ensure that the Chief Engineer's handover notes shall include an environmental component and description of the current status of operation, maintenance, and repair, for the Incinerator, Oily Water Separator, Oil Content Meter, Oil Discharge Monitor, and other pollution prevention procedures or equipment, the status of spare parts for the aforementioned equipment, and an estimation of the day-to-day bilge loads and accumulations.
- Will ensure and certify under penalty of perjury, to the individual's best belief and understanding, that the Engine Room records, the various soundings and tank and other measurements required under this plan are accurate and represent truthful values for dates and times in which the measurement was taken.
- Will be required to report immediately and directly to the Corporate Compliance Manager all instances where inadequate response from other defendant employees cause conditions leading to abnormal waste stream development. (For example: the slow response from the purchasing department in responding to replacement of a pump shaft seal causing the development of excessive bilge water.)

IV. MASTER

In addition to any other existing statutory and regulatory requirements, the Master of each AKSAY vessel subject to this ECP shall ensure that prompt reports are made to the United States Coast Guard of any equipment malfunction related to marine environmental protection requirements in its 96 hour Advance Notice of Arrival into a US Port. Additionally, such reports shall be copied to the U.S. Coast Guard Captain of the Port of the next port of call in the United States. In addition to his regular duties, the Master shall:

- Exercise all reasonable efforts to ensure employee's compliance with the ECP, the EMS, MARPOL, and all applicable maritime pollution protection requirements. Employee compliance with such requirements will be incorporated as a positive factor in performance evaluations. Failure to comply with such requirements will be incorporated as a negative factor in performance evaluations and may lead to dismissal.
- Maintain on board the vessel all records required by international conventions and treaties including SOLAS, the ISM Code, and MARPOL and applicable State and Federal statutes and regulations and any additional documents or records required under this ECP and EMS. Additionally the Master will make these records available to the EAG, Third Party Auditor, and the Government upon request.
- Ensure that every crewmember has received appropriate training necessary to ensure compliance with this ECP, the EMS, and other maritime pollution prevention requirements and that the proper records of all training on environmental matters are maintained.
- Maintain replacement Environmental Tags and used Environmental Tags as set forth in Section X of this agreement in the vessel's safe and shall inspect each damaged Environmental Tag number to ensure Environmental Tags having identical numbers are never used. An inventory of the unused Environmental Tags shall be a required component of the master's handover notes.
- Ensure the use of and review handover notes for the four senior officers. The notes shall have an environmental component and include information related to the status, handling and discharge of any vessel generated wastes or slops and the operation of the OWS, OCM, ODME and Incinerator.
- Maintain on board the vessel all records required by international conventions and treaties including SOLAS, the ISM Code, and MARPOL,

applicable State and Federal statutes and regulations, and any additional documents or records required under this ECP and EMS. Additionally, the Master will make these records available to the Third Party Auditor, and the Government upon request.

- Require that each vessel crewmember certify in writing whether and to what extent they are aware of any violation or breaches of this ECP, the EMS or other marine environmental protection requirements at each turnover when they relinquish their duties. It shall include a statement regarding the performance of any pollution prevention equipment of which they may operate, maintain or repair. Such equipment may include but not be limited to oil discharge monitoring equipment, oily water separators, incinerators or oil content meters.
- Ensure the use of anonymous reporting forms described in Section II. Forms will be provided at sign on. The form is designed to allow a crewmember to identify violations and to write in specific observations. The Master will forward these anonymous reports in their unopened envelopes directly to the Corporate Compliance Manager.

V. SHORESIDE PERSONNEL SERVING IN ANY CAPACITY.

All shore side employees of AKSAY having routine involvement with any aspect of the operation, maintenance and repair of covered vessels shall be required to report in writing any information related to the vessel or crew's inability to comply with this ECP and any other marine environmental protection requirement. This may include, but not be limited to, any information learned from reviewing, ordering or purchasing lubrication oils, spare parts ordered for pollution prevention equipment, equipment having oil to sea interfaces, the need for additional cleaning crews, the need for machinery space piping replacement, discussions with shipboard personnel or employment of divers for underwater surveys. It may also include information and knowledge obtained during ship visits, audits or inspection regardless of the particular focus. All notifications, in addition to any corrective actions taken, will be made to and tracked by the Corporate Compliance Manager.

Shore side engineering personnel under the direction and guidance of the Corporate Compliance Manager shall develop and implement an identification system of all critical components such as pump seals, flange gaskets, etc., that require rapid replacement in order to minimize leakages and reduce waste stream development in every machinery space. Such critical components like pump seals may be associated with any other system found onboard AKSAY vessels but can contribute to waste development.

A spare parts identification and rapid replacement program will be required for all pollution prevention equipment. AKSAY agrees to maintain a centralized system for managing critical equipment spare part ordering and distribution. To the extent possible, AKSAY agrees to harmonize its pollution prevention equipment onboard all of its vessels to minimize fleet wide difficulties associated with the operation, maintenance, training and repair of the equipment or replacement of various components.

VI. COURT APPOINTED MONITOR

As part of the ECP, the Defendant agrees to pay for a Court Appointed Monitor that will be appointed by and report to the Court during the entire period of probation. Within thirty (30) days from the entry of the imposition of sentence the Defendant will submit a list of three qualified candidates for the Court Appointed Monitor from which the Government will appoint one of the candidates. The CAM, at the option of Aksay, can serve concurrently in the additional capacity of Third Party/Final Auditor under the terms of this ECP. In the event that the Government does not find one of the candidates satisfactory, or if it does not find the work of the Court Appointed Monitor satisfactory, at any time they may request the Defendant to supply additional candidates. Further, if an agreement cannot be reached regarding the selection, the decision shall be left up to the Court. The Government reserves the right to automatically reject a proposed Court Appointed Monitor based on a review and analysis of past performance, work products, and other documents such as audit reports even if work was performed for defendants not listed in this agreement. The Court Appointed Monitor must have staff with the following experience:

- a. expertise and competence in the regulatory programs under United States and international marine safety and environmental laws;
- b. expertise and competence to assess whether AKSAY has adequate management systems in place to ensure regulatory compliance, correct non-compliance, and prevent future non-compliance; and
- c. demonstrated capability to evaluate AKSAY required effort and commitment in satisfying the requirements of this ECP and the AKSAY Management System, including the EMS.

AKSAY shall ensure that the Court Appointed Monitor is provided all reports and notifications as established in this plan. The Court Appointed Monitor shall be assigned the following tasks and responsibilities and provide written submissions to the Court as follows:

- Review the relationship between AKSAY and the EAG and Third Party Auditor and evaluate the adequacy of measures taken to ensure that the EAG and Third Party Auditor act with independence.
- Conduct a review and submit an annual report to the Government, regarding the rounds of audits conducted by the EAG and Third Party Auditor pursuant to the Plea Agreement and the ECP. The Court Appointed Monitor's reports shall provide a summary of the findings regarding the adequacy of the Ongoing Audits, and Final Audit required by this ECP and adequacy of recommendations for change, as found necessary.
- The annual report shall also include and address any other information that the Court Appointed Monitor is aware of which pertains to AKSAY's capabilities to meet the objectives of this ECP or any other marine environmental protection requirements, including, but not limited to, all known inadequacies of the EAG, or with respect to AKSAY's performance whether personnel based or related to any of its vessels, systems, equipment, or components shall be reported in the annual report.
- If the Court Appointed Monitor receives information regarding a direct violation of any existing marine environmental protection requirement or requirement of this ECP, or a failure on AKSAY to act upon a recommendation of the EAG, the Court Appointed Monitor must immediately report the occurrence to the USPO and to the United States. At any time during the probationary period the Court Appointed Monitor may inspect or investigate any aspect of the EAG or Third Party Auditor activities as they relate to the requirements of this plan or with respect to AKSAY's operations, and shall be provided full access to all records, audit personnel, vessels and shore side facilities as is necessary to perform its duties.
- Provide any additional reports, in both electronic and hard copy form to the Government, as requested by the Court or as appropriate and to include inadequacies in the audit process, violations of the terms and conditions of the ECP and EMS, as well as any other findings of significant problems or deficiencies.

VII. AUDITING PROCESSES – DOING IT RIGHT

This ECP requires three phases of audits and inspections:

- Initial Audit
- Ongoing Audit
- Final Audit

Initial Audit

An initial audit will be performed by the EAG on all vessels to which this ECP applies to ascertain and evaluate all areas including their systems, equipment and components and current practices whether documented or not, the knowledge, skills, and abilities of ship and shore side personnel as they relate to the requirements of this ECP, the EMS, and maritime environmental protection requirements. The initial audit may be considered a discovery action or an investigation, in that its purpose is to review all areas of operation that can impact various elements of pollution prevention and environmental protection. Exceeding a typical SMS audit or vetting process, it is used to determine practices, procedures and equipment conditions not typically documented during a routine inspection by class society, port or flag state inspection. The results of the Initial Audits are used to shape and revise as needed the Management System established by this ECP.

Each initial audit shall:

a) Be performed while the vessels are underway, when systems are in operation and when personnel are performing their normal routines unless otherwise authorized by the government for good reason shown.

b) Assess all waste streams developed from any system, equipment and components found in any engine room, machinery space or pump room onboard the AKSAY vessels. This will include observation and documentation describing the leakages apparent on every system that can contribute to bilge loading. The audit will determine the status and quantify leakages stemming from:

- all pump and valve seals and glands during operation,
- all piping systems, flanges, gaskets, fittings and joints,
- all equipment casings such as main and auxiliary engines, reduction gears,
- operation of engines, boilers, incinerators, evaporators and,
- every other mechanical component found aboard AKSAY vessels;

c) Assess the adequacy and performance of the Oily Water Separator, Oil Content Meter, Incinerator, Sewage System and any other pollution prevention equipment to handle the quantities and types of wastes developed during normal operations. This assessment shall include an evaluation of the capacities for all tanks or containers associated with the management of sludge, bilges and oily wastes or other wastes. It shall include an evaluation of documentation tracking, maintenance and repair, modifications of all pollution prevention equipment, and notifications of equipment failure to shore side personnel.

The assessment of the adequacy and performance of the Oily Water Separator and Oil Content Meter will specifically include an operational test of the system under actual operational conditions, with consideration of the manufacturer's recommendations. This test shall include one (1) hour of continuous processing of the contents of the Bilge Holding Tank without dilution, conducted in the presence of the auditor(s), Chief Engineer, First Engineer, and any other engine room personnel assigned responsibility for the operation and/or maintenance of the Oily Water Separator. If an actual discharge is not feasible due to the location of the vessel, then the discharge shall be through the recirculation line in accordance with procedures approved by Class. Soundings of the Bilge Holding Tank shall be made before and after the test and made a part of the audit record. All alarms shall be recorded and made a part of the audit record. All of the above shall be recorded in the Oil Record Book. In the event that the assessment determines that the Oily Water Separator is not adequate, then an immediate report shall be made to the Corporate Compliance Manager, Operational Compliance Officer, and the Government. A copy of the engine room alarm printout and Environmental Logging System tape (if applicable) shall be retained and appended to the Oil Record Book page documenting this test;

d) Assess the performance of the ODME in the presence of the Chief Mate. Ensure that members of the Deck department who operate the ODME are proficient in its operation and record keeping. The assessment of the ODME shall be recorded in the Deck Oil Record Book. In the event that the assessment determines that the ODME is not adequate then an immediate report shall be made to the Government;

e) Assess each vessel's crew and their ability to handle the operational, maintenance and repair workloads in maintaining all systems, equipment and components onboard in an effort to minimize waste stream development and to determine if the size of the engineering crew is adequate for workloads;

f) Assess the adequacy of the EMS, procedures, current practices and equipment, including storage capabilities used to manage shipboard solid wastes generated in all areas of the vessel and the effectiveness of garbage management plans;

g) Assess the adequacy of the EMS, current practices and equipment associated with cargo wastes and slop management developed during all evolutions of cargo operations;

h) Assess the ability of the vessel's crewmembers to create, devise or implement unauthorized processes and equipment to dispose of shipboard waste including regular garbage, machinery space and cargo generated solid, liquid or sludge-like wastes;

i) Assess the adequacy of the vessel crewmembers to maintain the following records, including a complete comparative analysis of recorded values (against each other where possible) of the following records:

- Oil Record Book
- Engine Room Alarms
- Tank sounding sheets
- Personnel work records and lists
- Maintenance records
- Vendor service records
- Bilge waste and sludge receipts
- Deck Log
- Garbage Record Book
- Oil to Sea Equipment Interface records
- Hazardous waste manifests
- Solid waste discharge receipts
- Oil Content Monitor (OCM) calibration records
- Training records
- Vetting documents
- Inspection Documents
- EMS or SQE Audit documents

j) Assess the adequacy of the policy, procedures, and current practices used to store and dispose of the following, if applicable:

- Solvents
- Degreasers Cleaning wastes
- Batteries
- Paints
- Oily rags
- Fluorescent and incandescent bulbs
- Expired boiler and engine chemicals
- Used boiler and engine chemicals
- Galley greases
- Pyrotechnics
- Medical supplies
- Contaminated bunkers
- Used Oils and greases
- Incinerator ash
- Transformer oils
- Contaminated refrigerants
- Hazardous materials

k) Assess and evaluate documentation that all vessel officers understand the requirements of the EMS;

l) Assess the EMS and current practices and procedures associated with the Master and Chief Engineer's capability to communicate regarding issues relating to the EMS with shore side personnel including the Corporate Compliance Manager and other appropriate managers as required under the AKSAY Management System, and review such communications;

m) Assess the frequency and adequacy, through interviews of crewmembers, of shipboard pollution prevention and environmental protection meetings and training;

n) Assess the EMS, and current practices and procedures used on vessels and ashore to track crewmember environmental training, as well as the availability of and access to training resources;

o) Assess the adequacy of reference materials related to each environmental procedure required by this ECP, the EMS and the maritime environmental protection requirements;

p) Assess the adequacy of existing reporting methods to report environmental concerns and evaluate the capability of a reporting individual to remain anonymous, and review processes for handling environmental concerns from crewmembers and shore side personnel. Evaluate the adequacy of signage and instructional material relevant to use of the existing reporting methods;

q) Assess the EMS to ensure that vessel vendors, technicians, and other non-crewmembers follow AKSAY's requirements regarding pollution prevention and environmental protection;

r) Assess the EMS to manage any existing Environmental Tag System tracking and valve locking program including the storage of Environmental Tags, preventing the use of duplicate Environmental Tags;

s) Assess the EMS and equipment related to Oil Transfer Procedures, including slops, bilges and sludge discharges, conditions of hoses, connections and transfer equipment, including reviews of Declarations of Inspections, and methods in place to prevent illegal discharges via the shore connections;

t) Assess the EMS and equipment used to handle emergency releases of hazardous fluids or pollutants on deck or within machinery spaces of vessels, includes a review of the Shipboard Oil Pollution Emergency Plan and including evaluation of personnel performing such duties;

u) Assess all records related to any failure of existing safety or other management systems, including a review of nonconformities and respective corrective actions;

Ongoing audits

Ongoing audits will consist of all the elements of the initial audit and any additional requirements created during the development and implementation of the EMS. Where deficiencies are noted during audits, AKSAY must manage an auditable feedback loop.

Final audit

The final audit shall be performed by the Third Party Auditor to assess AKSAY's full implementation of the EMS and to evaluate, for the Government, AKSAY's capability to ensure and sustain complete compliance with the requirements of this ECP, the EMS, and other maritime environmental protection requirements. The use of the Third Party Auditor shall provide independent verification of the status of compliance with the ECP. In the event that the Court Appointed Monitor performs the functions of the Third Party Auditor, the final audit shall also be performed by the Court Appointed Monitor.

Deficiencies

A deficiency is any violation of marine environmental protection requirements (see para I, above) and the additional requirements and policies established by this plan itself. Audit reports shall identify and explain in narrative form all deficiencies noted during the audit process. If appropriate a recommendation may be developed by the EAG or Third Party Auditor for each deficiency noted.

Major Non-Conformities

In the context of this ECP and the work of the EAG or Third Party Auditor a Major Non-Conformity is a violation of marine environmental protection requirements (see para I, above) or requirements and policies established by this plan itself that consists of or contributes to the discharge of prohibited wastes, oil or oily wastes. It may also include the discoveries whereby pollution prevention equipment is determined to be inadequate in terms of processing and monitoring capabilities, or inadequate with respect to the quantities of wastes it is required to process. The EAG or Third Party auditor shall make immediate notifications to AKSAY, the Court Appointed Monitor and Government when such discoveries are made. The notifications may include a recommended course of action.

The CCM shall establish a corrective action plan for all deficiencies taking into account any recommendations. Major non-conformities must be addressed immediately. For deficiencies, the plan shall, at a minimum, require corrective action within 30-60 days from notification. The CCM shall report annually on the status of implementation of each corrective action to the Court Appointed Monitor, the Government, and to AKSAY's Board of Directors and Chief Executive Officer.

VIII. External Audit Group (EAG)

Within thirty (30) days from the entry of the imposition of sentence AKSAY shall submit a proposed qualified candidate(s) for the External Audit Group ("EAG"). The Government shall evaluate the existing EAG candidate(s) and advise AKSAY on whether the candidate is acceptable. If the proposed candidate is not acceptable, the Government shall request the Defendant to supply an additional candidate(s). Further, if an agreement cannot be reached regarding the selection, the decision shall be left up to the Court. The Government reserves the right to automatically reject a proposed EAG based on a review and analysis of past performance, work products, and other documents such as audit reports even if work was performed for defendants not listed in this agreement. The Government also reserves the right to require a new EAG if while on probation a defendant is found guilty or pleads to additional environmental violations.

The EAG shall employ or have available on a per diem basis experienced senior level Marine Engineers (Chief, First or Second Engineers) or other personnel with engineering competence and experience to perform shipboard machinery space audits. Since the assessments and audits require a comprehensive understanding of machinery space operations, Masters, Chief Mates and other deck personnel or strict regulatory experts may be considered inadequate for performing work in the machinery space depending upon their competence and experience.

An organization that has provided auditing services to AKSAY within one year prior to the signing of this agreement may be considered by the Government and Court to serve as the EAG, only if the environmental audit criteria detailed in Section VII of this ECP are followed.

The EAG shall conduct the Initial audit described herein and issue a Report of Findings. Qualified candidates for the EAG include individuals or firms that have staff capable of applying International Standards Organization ("ISO") 19011 environmental management auditing criteria and have the following experience: experience as a shipboard Chief Engineer or sufficient engineering auditing experience; expertise and competence in the regulatory programs under United States and other marine environmental protection requirements; experience in performing environmental audits

in industrial or maritime environments, sufficient expertise and competence to assess whether AKSAY has adequate policies, procedures and equipment in place to assure compliance with the ECP and to ensure regulatory compliance, correct non-compliance, and prevent future non-compliance. The EAG shall not be filled by any individual or entity associated with the Classification Societies or Flag Administrations to which AKSAY vessels listed in Attachment 1 are classed or registered.

During the term of probation, the EAG shall not directly own any stock in AKSAY and must have no other ongoing contractual or business relationship, other than that of the EAG with AKSAY, unless expressly approved by the Government. The EAG must exercise independent judgment and ensure that the objectives of the Government as set forth in this ECP are met. AKSAY and the EAG shall disclose to the Court Appointed Monitor and the Government of any new contractual relationships or proposed contractual relationships between AKSAY and the EAG that did not exist at the time of the signing of the Plea Agreement.

The EAG shall function independently of AKSAY. The EAG shall not receive or request approval of any form from any employee of AKSAY regarding the development, clearance or evaluation of any document, report, or communication of any kind, whether draft or final required by this ECP.

The EAG must have adequate staff to perform the work required of this ECP. Due to the in-depth nature of the audit criteria, persons with specialized knowledge and experience will be required to perform the audits. The knowledge, skills and abilities of the EAG and staff must align with the criteria of the audits. Experienced personnel with extensive operational, maintenance and repair of shipboard and machinery space systems, equipment, and components is a prerequisite.

The EAG agrees to provide the Court Appointed Monitor full access to all records, personnel (including auditors) and any other information associated with its responsibilities in fulfilling the requirements of this ECP.

Audits

The EAG shall have full access to AKSAY employees and officers, company records, its vessels and shore side facilities as may be necessary to perform its auditing function.

The EAG shall perform two rounds of audits on the vessels subject to the ECP. The first round, Initial Audit, will take place during the first year after the signing of the plea agreement and will involve 100% of the AKSAY operated and managed vessels trading in the United States and subject to this ECP. The second round, Ongoing Audit, shall take place during the second year of probation and consist of 75% of the vessels subject to this ECP. The Final Audit shall take place during the third year of probation

and consist of 50% of the vessels subject to this ECP and shall be selected and performed by the Third Party Auditor. The content of the audits is described in Section VII.

In an effort to fully investigate shipboard policies, procedures, conditions and equipment the EAG may not share in advance to any AKSAY vessel its audit checklists or other materials used to perform vessel audits. Audit check list items shall include narrative statements indicating how audit determinations were made. All identified audit check list item deficiencies or major non-conformities shall be described in narrative detail.

By the end of the period of probation, all vessels subject to this ECP shall have at least one audit conducted to the same terms of reference as the EAG set out in Section VII. Vessels not audited by the EAG will be audited by the OI Department. Reports of these audits will be submitted to the OCO under the same conditions as the EAG audits.

The EAG shall have the sole discretion to select which vessels to review and evaluate consistent with scheduling and availability of those vessels. The audits may take place overseas and/or during coastwise voyages. In order to achieve the objectives of this ECP the audits shall take place while the vessel is underway unless otherwise authorized by the government for good cause shown. Audits shall include a comprehensive evaluation of AKSAY's operations onboard vessels. The content of the audit shall follow at a minimum the audit criteria addressed in Section VII of this ECP. The OCO shall ensure that the Court Appointed Monitor is notified when compliance audits are scheduled. A designated representative of the Government may participate in the compliance audits as an observer at Government expense as long as such participation will not delay or otherwise interfere with any such audit.

If during the audits it is determined by the OCO or the Government that AKSAY has inadequate policies, procedures and equipment in place to ensure ECP and regulatory compliance, to correct non-compliance, or to prevent non-compliance, AKSAY will provide all necessary funding and resources to facilitate implementation of corrective measures recommended by the OCO or the Government. Any disagreement as to the quantum of funding shall be decided by the Court. Also, if during any audit a violation of existing marine environmental protection requirements is noted, the EAG shall immediately notify the OCO. The OCO shall ensure that the necessary notifications occur as required by applicable international and/or United States laws and regulations. For violations of United States laws and regulations, the OCO shall ensure that the Government is immediately notified.

Conflicts pertaining to the interpretation of this ECP and its requirements (including timetables) or with respect to recommendations made by the EAG to AKSAY as a result of an observation, note deficiency or major non conformity must be included

in the audit report by the EAG and reported to the Office of Probation and USG (USAO/DOJ/USC) by AKSAY.

The EAG retains the right and is expected to notify the Government if they believe that AKSAY is uncooperative or unwilling to take action on recommendations. EAG reserves the right to recommend machinery space capital improvements, equipment upgrades and replacement if such equipment does not meet international or Classification standards and is determined inadequate to perform its required function or if such technology has become out-of-date.

The EAG retains the right to expand the number of vessels examined in the event that violations are discovered and if other observations are made indicating potential widespread fleet problems applicable to vessels subject to this ECP. EAG retains the right to perform follow-up audits for the basis of verifying actions taken on recommendations.

Upon request, EAG and AKSAY further agree to provide to the Government it's contractual agreement detailing the scope of work which will be performed.

An audit report shall be produced for each vessel and shore side facility. The report shall contain detailed audit findings, including the basis for each finding and identify areas of concern. EAG audit reports shall include recommendations based on observations, deficiencies, or major non-conformities identified. AKSAY shall to take action on all recommendations made by the EAG. Any corrective measures taken at the time of discovery will be included in each report. Further, each report shall contain information related to the Audit's administration and identify the following.

- Audit scope, including the time period covered by the audit.
- The date(s) the on-site portion of the audit was conducted.
- Identification of the audit team members.
- Hours spent during onboard phase of audit for each vessel.
- Identification of the company representatives and regulatory personnel observing the audit.
- The distribution list for the EAG Audit Report.
- Summary of the audit process, including any obstacles encountered.

All audit reports shall be submitted, in both electronic and hard copy form to the Government, along with the audit working papers and any correspondence related to the audits.

All audit reports shall also include narratives of any conflicts in interpretation of ECP requirements between the independent auditor and AKSAY (including AKSAY's counsel).

Report of Findings

At the conclusion of each annual round of audits the EAG shall develop a Report of Findings which summarizes the reviews. The Report of Findings must be completed within 60 days of completion of each annual round of Audits. The Report of Findings will incorporate information obtained from the individual Audit Reports and will provide AKSAY recommendations that could improve its EMS.

If the EAG believes it is unable to complete its Report of Findings within the 60 day period and believes that additional time is needed to analyze available information, or to gather additional information, the Defendant may request that the Court grant the EAG such additional time, as required. Such requests will not be unreasonably denied.

AKSAY agrees to develop and submit within 60 days (of completion of the Report of Findings) to the Government for review and comment, in both electronic and hard copy form, an Action Plan for expeditiously implementing the EAG's report and recommendations to enable AKSAY to meet the requirements of the ECP, the EMS, and other marine environmental protection requirements.

If AKSAY believes that it is unable to develop and submit a response within 60 days to the Court Appointed Monitor and the Government for review and comment, the Defendant may request that the Court grant AKSAY additional time, as required, which request will not be unreasonably denied.

In all events the Court Appointed Monitor and the Government will have 30 days to respond to AKSAY's response. If no response is provided, AKSAY may proceed with its Action Plan to develop and fully implement its EMS.

IX. Third Party Auditor / Final Audit

The CAM may serve as the Third Party Auditor, who shall conduct a Final Audit and produce a Report of Findings.

The Third Party Auditor shall employ or have available on a per diem basis experienced senior level Marine Engineers (Chief, First or Second Engineers) to perform shipboard machinery space audits or other personnel with engineering competence and experience. Since the assessments and audits require a comprehensive understanding of machinery space operations, Masters, Chief Mates and other deck personnel or strict regulatory experts may be considered inadequate for performing work in the machinery space depending upon their competence and experience.

The Third Party Auditor must meet the qualifications below, conduct a Final Audit and produce a Report of Findings. The purpose of the Final Audit is to assess whether AKSAY has achieved full implementation of the ECP and to evaluate for the Government AKSAY's capability to ensure and sustain complete compliance with the requirements of this ECP and other marine environmental protection requirements.

The Third Party Auditor will be certified by the American National Standards Institute- Registration Accreditation Board or will have comparable credentials and experience in performing EMS audits. Additionally, qualified candidates for the Third Party Auditor position include individuals or firms that have staff capable of applying ISO 19011 environmental management auditing criteria and have the following experience: expertise and competence in the regulatory programs under United States and other marine environmental protection requirements; experience in performing environmental audits in industrial or maritime environments, sufficient expertise and competence to assess whether AKSAY has adequate policies, procedures and equipment in place to ensure ECP and regulatory compliance, to correct non-compliance, and to prevent future non-compliance.

The Third Party Auditor shall not receive or request approval of any form from any AKSAY employee, regarding the clearance or evaluation of any document, report, or communication of any kind whether draft or final provided to the Court Appointed Monitor and the Government. The Third Party Auditor must not directly own any stock in AKSAY and must have no other present, ongoing or pending contractual or business relationship with AKSAY.

The Third Party Auditor will be expected to fully appraise AKSAY, the Court Appointed Monitor and the Government of all circumstances regarding non-compliance with this ECP and other marine environmental protection requirements. The Third Party Auditor recognizes that failure to be forthcoming, or any efforts to defraud, hinder or delay the reporting of information may be a violation of United States law and will be treated accordingly.

The Third Party Auditor must have adequate staff to perform the work required of this ECP. The workload of the Third Party Auditor with respect to work associated with other plea agreements will be assessed. Due to the in-depth nature of the audit criteria, persons with specialized knowledge and experience will be required to perform the audits. The knowledge, skills and abilities of the Third Party Auditor and staff must align with the criteria of the audits. Experienced personnel with extensive operational, maintenance and repair of shipboard and machinery space systems, equipment, and components is a prerequisite. The Third Party Auditor must meet or exceed the requirements for independence and lack of conflicts described above for the EAG.

The Third Party Auditor, if different from the CAM, agrees to provide the CAM full access to all records, personnel (including auditors) and any other information

associated with its responsibilities in fulfilling the requirements of this ECP.

Final Audit

The Third Party Auditor or the CAM in the event the CAM is performing the duties of the Third Party Auditor, shall perform a review and analysis of AKSAY's implementation of this ECP and the EMS. The scope of the Final Audit shall consist of an onboard and underway review of 50% of the vessels subject to this ECP. To the maximum extent possible, the strips audited shall include an equal sampling of each type and/or class of ship that AKSAY technically manages. The Third Party Auditor must use the criteria set forth in section VII and is also expected to update the audit requirements based upon the most up-to-date revisions of the EMS. The Third Party Audits may begin no earlier than 15 months prior to the end of the probationary period. Refer to Section XII, "Acquiring Additional Vessels" and "Fleet Acquisitions" for determining the number of vessels technically managed by AKSAY for the purpose of the Final Audit. Such proposals will be considered by the Government upon a showing by AKSAY that, despite diligent efforts, the number of vessels involved present practical execution difficulties that justify such consideration.

The Final Audit Report produced by the Third Party Auditor shall be submitted, in both electronic and hard copy form, at least two months before the end of the probationary period to AKSAY, the Court Appointed Monitor, and the Government, along with any working papers and correspondence related to the audit. The Third Party Auditor is expected to evaluate whether or not AKSAY is in full compliance with the requirements of this ECP, the EMS and other marine environmental protection requirements. The Final Audit Report shall contain detailed recommendations to AKSAY, the Court Appointed Monitor and the Government, suggested improvements that should be made to the EMS, with the goal of adding value to and increasing the effectiveness of the EMS and where necessary bring AKSAY into complete compliance with this ECP and other marine environmental protection requirements.

In addition to the full compliance recommendation, the Final Audit Report shall contain Detailed Audit Findings, including the basis for each finding and identified areas of concern. Descriptive narratives pertaining to the different audit criteria are expected. When employees are evaluated for a particular topic their names must be provided. Audit documents or checklists that contain inclusive statements must include detail describing how the inclusive nature is determined. For example, a check list item that states "all crewmembers are aware of AKSAY environmental policy" must state how that fact is determined. Any corrective measures taken at the time of discovery will be included in each report. Further, the report shall contain information related to the Audit's Administration and identify the following.

- Audit scope, including the time period covered by the audit.

- The date(s) the on-site or ship portion of the audit was conducted.
- Identification of the audit team members and their total number of hours on site or ship.
- Identification of the company representatives and regulatory personnel observing the audit.
- The distribution list for the Final Audit Report.
- Summary of the audit process, including any obstacles encountered.

X. ENGINEERING REQUIREMENTS

Unless otherwise stated, all of the Engineering Requirements set forth below shall be implemented on vessels subject to this ECP as soon as practicable, as determined by the Corporate Compliance Manager and not later than one year from the date of the signing of the plea agreement.

Environmental Tag System

AKSAY shall implement an Environmental Tag System (ETS) that prevents unauthorized usage or connections within the engine room and machinery spaces. AKSAY shall install numbered seals to prevent the unauthorized connection to and discharge through piping systems that are or may be connected to the oily bilge system.

The ETS seals shall be non re-usable and uniquely numbered. An ETS log shall be maintained by the Master and Chief Engineer that records each time a seal is affixed or removed, including the date, time, seal number removed, seal number affixed, personnel involved, and reason for any seal removal/replacement.

The Master of the vessel shall retain the replacement environmental tags under his control in a secure location. The Corporate Compliance Manager will be responsible for ensuring fleet wide that no duplication of ETS seal numbers occur and will have a master tracking document indicating which series have been supplied to each vessel.

Bilge Main Cross - Connections

AKSAY shall immediately notify all of its vessels subject to this ECP regarding the prohibition against using cross connections from engine room bilge mains to the suction piping of larger pumps which may be referred to as the "fire and general service pump" or "fire, bilge and ballast" pump. Their message shall state that the usage of these crossovers is similar to bypassing the OWS equipment and is strictly prohibited. Cross connections to eductor systems capable of pumping out bilge wastes will also be referenced.

The deck plates above or near the locations of these cross connections and the valves bodies and associated hand wheels shall be painted international orange. A brightly colored sign with sufficiently large letters shall be permanently fixed nearby - "Bilge System Piping Crossover - Emergency Use Only."

To prevent unauthorized usage, AKSAY shall place ETS tags on these valves. The ETS log shall track anytime a crossover to the bilge main is opened. (If the valves are remotely operated from the engine control room the associated push button must be unable to be used without breaking an Environmental Tag and a suitable sign must be posted near the associated push buttons or switches providing similar restrictive language above as to its use.)

The Master of the vessel shall retain the replacement seals in the vessel's safe. He/she will keep an additional log documenting when seals are replaced and their respective numbers. The Compliance Manager will be responsible for ensuring fleet wide that no duplication of seal numbers occur and will have a master tracking document indicating which series have been supplied to each vessel.

Emergency Bilge Suctions

All other bilge suction valves not connected to the bilge main, and independent emergency suction to the vessel's engine room bilges like those which may be connected to sea water circulating pumps shall be painted brightly and labeled similarly "Emergency Bilge Suction - Emergency Use Only." Their valve wheels will also have a numbered and logged ETS tag capable of breakaway during emergency, testing, and maintenance. ETS tag numbers shall be kept in the Chief Engineer's official ETS log book and explanations given for breakage or replacement.

Blank Flanges

To prevent unauthorized connections within the engine room and machinery spaces of AKSAY vessels, every blank or potentially removable flange associated with any piping leading overboard, on systems such as salt water service, main engine raw water cooling or other systems, shall be permanently secured, removed or fitted with numbered ETS tags through the flange bolts that will break when the bolt is removed to prevent unauthorized connections and discharges as is reasonably possible without compromising the integrity of the system. The ETS tags used shall be numbered and records kept in the previously mentioned log.

The blank flange securing the bilge and sludge transfer system shore connection discharge valve at the discharge stations shall also require a numbered Environmental Tag, which will be maintained. ETS tag numbers shall be kept the Chief Engineer's official ETS logbook.

Additional OWS / OCM Requirements

The sample line from the OWS discharge connection to the sample/flush line control valve will be painted a bright color to distinguish it from other tubing and piping in the area. The line must be routed so it is clearly visible to the extent possible for its entire length. No additional connections or tees of any kind may be added to the line.

The end connecting to the OWS discharge pipe may be fitted with a manual valve or petcock, or tamper proof automatic valve. The tube end fittings and the valve handle must be fitted with a numbered seal that will break if the valve is closed, removed, or if the tubing connection nut is loosened. The end nearest the sample/flush line control valve and any tubing in between the control valve and the OCM will be similarly protected to prevent any disassembly of the sensing system. If this set up is not practicable, the EAG shall suggest another method to accomplish this requirement.

AKSAY shall perform testing that ensures the OCM requires a sample flow for normal operation and control. Any OCM that allows the OWS to function normally without sample flow is prohibited unless all valves from the OWS discharge to the sample / flush line control valve are removed. AKSAY shall ensure that every vessel's OWS is configured and capable of being fully operationally tested in port with the skin valve closed to the extent international regulations require such configuration and capability.

AKSAY shall perform monthly operational tests of the OWS and OCM. The test shall be logged in the vessel's Engine Room Oil Record Book and a report sent to AKSAY. A consolidated report will be sent to the OCO and the CCM. Running of the equipment in order to process oily waste during any particular month will satisfy this requirement for that month.

AKSAY shall recalibrate the OCM in accordance with the manufacturer's manual.

AKSAY shall clean the OWS source tank and remove any accumulated oil at least every twelve months. These activities will be logged in the Oil Record Book.

Polishing Filters

To the extent they are part of the system already installed, AKSAY shall examine the use of Polishing Filters located in the discharge lines of Oily Water Separator equipment. A determination will be made as to the adequacy of the filter flow rate with respect to the capacity of the oily water separators. AKSAY shall ensure that the Oil Content Monitor will sample the OWS discharge after entire discharge stream is filtered and before control action of the main discharge three-way valve. Placement of filters in the sample line leading to the Oil Content Monitor is prohibited.

Record Keeping

All Soundings and Logs required by this section shall be maintained onboard the vessel for a period of three years from the date of the final entry.

Oil Record Book Entries

Entries made into the Engine Room Oil Record Book shall be made by the Chief Engineer and each page shall be signed by the vessel's Chief Engineer and Master.

Tank Sounding Record Book

Vessel personnel shall be required to sound all waste, sludge and bilge tanks, associated with bilge water, and/or oil wastes daily. The Tank Sounding Record Book shall be initialed by the person who obtained the reading. The Tank Soundings Record Book shall be maintained in the engine control room and made available during all inspections and audits required by this agreement.

Fuel Oil/Lube Oil Purifier Settings and Line Breaks

AKSAY shall have a standard system for monitoring fuel oil and lube oil management including the operation of the fuel oil and lube oil purifiers and line or piping failures.

Any extraordinary operations such as the need for frequent draining of fuel oil service and settling tanks, and engine lube oil sump tanks of excessive water, or other problems such as waxing, compatibility, stratification or contamination shall be noted, including shoot settings, and explanations provided for the handling of unburned sludges, oils, oily wastes, and used filters.

Any line or component on a fuel, lube, or waste oil system fails, including high pressure lines on diesel engines, or due to an operational error, a record shall be made and a notation given as to the quantity released and an explanation given as to how the unintended released fluid was handled. Additionally, any unintended releases of quantities of water, salt, fresh, condensate, or cooling shall also be recorded. The most senior engineer involved in any of the circumstances previously described will make the entry and provide his or her signature.

Fleet Engineering Survey

AKSAY shall survey its shipboard engineers on its vessels at all levels for information on how to make the OWS, OCM, associated systems and waste

management processes tamper proof and for methods on reducing or handling waste accumulations within engine rooms, machinery spaces or pump rooms within three months of the implementation of this plan. An assessment requesting the frank opinions of the vessel's engineers into their ability to adequately maintain the vessel systems, equipment and components will be included. The survey will emphasize non-retaliation for open and honest opinions and reports of current non-compliant circumstances.

The Corporate Compliance Manager and his staff shall evaluate the responses and establish a plan to evaluate, test and implement viable tamper-proofing solutions, methods to reduce and handle waste accumulations, cargo slops and address the maintenance concerns suggested by the vessel engineers. A summary of the reported information and corrective actions will be provided to the Court Appointed Monitor and the Government.

XI. TIME REQUIREMENTS – Submittal of Environmental Management System

The Defendant shall submit copies, in both electronic and hard copy form, of its Management System to the Court Appointed Monitor and the Government not later than twelve months before the end of the probationary period unless otherwise agreed with the government.

The Court Appointed Monitor and the Government may provide comments on the EMS within sixty (60) days of receipt unless additional time for review is requested in writing. The Defendant shall submit a written response, as appropriate, within thirty (30) days of receipt of any comments provided.

If the Final Audit Report produced by the Third-Party Auditor recommends substantial revisions to AKSAY's Environmental Management System the Defendant shall re-submit revised copies, in both electronic and hard copy form, of the System to the Court Appointed Monitor and the Government for review, unless otherwise agreed.

The Court Appointed Monitor and the Government may review the system and make a recommendation to the Court as to its acceptance of the Environmental Management System.

XII. CHANGES IN TECHNICAL MANAGEMENT

The Defendant agrees that it will immediately notify the Court Appointed Monitor and the Government of any change in name, flag of registry, recognized organization, ownership or class society of such covered vessels. The Defendant shall also forthwith provide the names of any additional vessels that, during the period of probation, come under the technical management and/or manning of AKSAY.

As per Section I, any vessel for which AKSAY has relinquished technical management or manning responsibilities shall be excluded from the requirements of this ECP on the date AKSAY relinquishes such responsibilities. Aksay shall be deemed to have relinquished technical management and manning responsibilities of said vessel(s) if, for example, such responsibilities are undertaken by an independent third party manager. This ECP shall not follow any vessel(s) for which Aksay has relinquished technical management and manning responsibilities. If Aksay dissolves, this ECP will be terminated upon notice to the government as to such dissolution.

Any vessel for which AKSAY has relinquished technical management and/or manning responsibilities shall be excluded from the requirements of the ECP on the date AKSAY relinquishes such responsibilities. Aksay shall be deemed to have relinquished technical management and/or manning responsibilities of said vessel(s) if, for example, such responsibilities are undertaken by an independent third party manager. In order to establish that Aksay has relinquished technical management and/or manning responsibilities for any vessel, Aksay shall provide to the government an Affidavit of relinquishment as well as a Document of Compliance for the vessel(s) from the independent third party manager(s).

The ECP shall not follow any vessel(s) for which Aksay has relinquished technical management and/or manning responsibilities. If Aksay dissolves, the ECP will be terminated upon notice to the government as to such dissolution. All vessels currently under the technical management of Aksay will likely be transferred by their registered owners to independent third party manager(s) within approximately six months from the date of the sentence.

Acquiring Additional Vessels

When additional vessels come under the technical management or manning of AKSAY they shall be subject to this ECP if they will call in the United States during the period of probation.

New Buildings - AKSAY shall perform a waste stream analysis on each class of new buildings for which it contracts. It shall ensure that there is a balance between the estimated waste stream generated and the capacity of the vessels disposal equipment to properly dispose of the waste generated.

Additional Vessels - Except in the case of a Fleet Acquisition, when AKSAY acquires or assumes technical management of additional vessels that call in the United States, it shall perform an audit of the environmental capabilities of each vessel within 60 days of acquisition or assumption of technical management in accordance with the same audit requirements contained in Section VII of this ECP.

Vessels of Less Than 300 Gross Tons - Notwithstanding the above requirements, AKSAY shall make its best efforts to fully implement this ECP on vessels of less than 300 Gross Tons that call in the United States, but may substitute for unreasonable requirements by retaining all machinery space bilge and other oily wastes on board until landed ashore. AKSAY shall notify the USPO of any such vessel(s) to which these substitutions apply and of which provisions were not implemented on those vessels. Such required notifications shall be made to the USPO within 60 days of acquisition or assumption of technical management.

XIII. SELF-ENFORCEMENT

AKSAY further agrees that it will undertake and implement the necessary procedures to ensure that this ECP and the associated requirements in their entirety are diligently complied with by the officers and crew of each of AKSAY vessel, as well as, by all shore side employees, managers and other employees involved with the operation, maintenance or repair of the vessels listed. Among other efforts, AKSAY shall establish internal auditing procedures using the criteria established in this ECP.

XIV. SCHEDULE

The requirements of this ECP, including the dates and periods mentioned herein, shall be strictly complied with by AKSAY. Should AKSAY be unable to comply with any of the deadlines, AKSAY shall immediately notify the Court Appointed Monitor and the Government.

XV. REPORTS AND COMMUNICATIONS

- A.** For purposes of this Agreement, the Government shall mean, collectively, the listed representatives of the Environmental Crimes Section of the United States Department of Justice, the United States Probation Office for the Middle District of Florida, the Commander, Seventh Coast Guard District (dl) and Commandant, Office of Vessel Activities (CG-543) (E-mail: HQS-PF-fldr-CG-543@uscg.mil).
- B.** All reports, documents and correspondence required under this EMS/CP to be sent to the United States shall be sent to the following offices:
 - i.** U.S. Department of Justice, Environmental Crimes Section, ATTN: Kenneth Nelson, 601 D. Street NW, Room 2804, Washington, DC 20004 (Kenneth.Nelson3@usdoj.gov)


- ii.** Commander, Seventh Coast Guard District (dp & dl), Brickwell Plaza Federal Building, 909 SE 1st Avenue, Miami, FL 33131-3050
- iii.** U.S. Coast Guard Commandant (CG-543), Office of Vessel Activities, 2100 Second Street SW, Washington, DC 20593-0001 (HQS-PF-fldr-CG-543@uscg.mil); and
- iv.** U.S. Probation Office, Middle District of Florida

XVII. ACKNOWLEDGEMENT

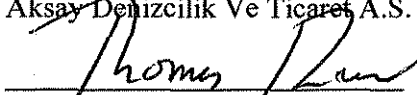
The Defendant has read this ECP carefully and understands it thoroughly. The Defendant enters into this ECP knowingly and voluntarily, and agrees to abide by its terms. By their signatures below, the corporate representatives agree that they are duly authorized by AKSAY's Board of Directors pursuant to the same notarized legal document filed in United States v. AKSAY certifying that AKSAY is authorized to enter into and comply with all of the provisions of this Plea Agreement.

DATED: ~~January~~ ^{February} 19, 2010


Aksay Denizcilik Ve Ticaret A.S.
By: *M. TOLGA ORUPTEN*



Authorized Representative of
Aksay Denizcilik Ve Ticaret A.S.



THOMAS RUSSO
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Aksay Denizcilik Ve Ticaret A.S.



MICHAEL FERNANDEZ
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For the United States:

The United States Attorney

A. BRIAN ALBRITTON
United States Attorney
Middle District of Florida

By: 

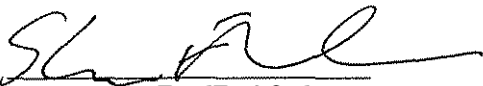
TERRY A. ZITEK

Assistant United States Attorney
Middle District of Florida



ROBERT T. MONK
Assistant United States Attorney
Deputy Chief, Economic Crimes Section

IGNACIA S. MORENO
Assistant Attorney General
Environment and Natural Resources Division
United States Department of Justice



By: KENNETH E. NELSON
Trial Attorney
Environmental Crimes Section
United States Department of Justice

Attachment 1

List of vessels covered by this agreement that will call at ports in the United States

Chem Vega

Chem Alya

Chem Leo

Chem Orion

ATTACHMENT 2 Management System

The Corporate Compliance Manager shall be responsible for maintaining the Management System which addresses the following elements:

Environmental Policy

The EMS should be based upon a documented and clearly communicated policy. This policy should set out AKSAY's commitment to a cleaner marine environment. It should include:

- provision for compliance with environmental requirements;
- commitment to continuous improvement in environmental performance, including those areas required by this ECP;
- commitment to pollution prevention that emphasizes source reduction, to include funding and human resources necessary to effectively maintain and repair the systems, equipment and components found in machinery spaces of vessels;
- commitment to continuous reduction of environmental risks;
- commitment to sharing information with external stakeholders on environmental performance.

Environmental Requirements and Voluntary Undertakings

The EMS must provide a means to identify, explain and communicate all environmental requirements and voluntary undertakings to all employees and to all vendors, technicians, and other non-crewmembers whose work could affect AKSAY's ability to meet those requirements and undertakings.

Environmental requirements include statutes, regulations, permits, and agreements such as this ECP. Voluntary undertakings include the adaptations of additional best practices or industry norms that AKSAY may choose to adopt.

The EMS must include procedures for ensuring that the organization meets these environmental requirements, voluntary undertakings and the additional requirements of this ECP. The EMS must also specify procedures for anticipating changes to environmental requirements, including new requirements that may apply as a result of changes in operations and incorporating these changes into the EMS.

Objectives and Targets

The EMS will establish specific objectives and targets for:

- achieving and maintaining compliance with all marine environmental protection requirements and the requirements of this ECP;
- training, educating and fostering among all shipboard and shore side personnel the need for solid environmental stewardship through a conscious effort at pollution prevention and accurate recordation of shipboard evolutions;
- environmental performance demonstrating continuous improvement in regulated and non-regulated areas;
- pollution prevention that emphasizes source reduction with respect to engine room, machinery space waste streams and effective management of cargo related wastes.
- Sharing information with external stakeholders on environmental performance against all EMS objectives and targets.

The EMS must establish appropriate time frames to meet these objectives and targets. These must be documented and updated as environmental requirements change or as modifications occur in activities and structures within organizations in a manner that affects environmental performance or as a result of recommendations made by the Third Party Auditor.

Structure, Responsibility and Resources

AKSAY will ensure that it has sufficient personnel and other resources to meet its objectives and targets. The EMS will describe in detail the procedures and steps for achieving those objectives and targets. The EMS will define the compliance roles and responsibilities of all vessel and shore side personnel involved with the operation, maintenance, and repair of AKSAY's vessels, and will indicate how they and other corporate personnel will be held accountable for achieving and maintaining compliance with this EMS, the requirements of the ECP, and other marine environmental protection requirements. Additionally, it will describe how environmental performance and compliance information will be communicated to all vendors, technicians, and other non-crewmembers onboard AKSAY's vessels. The EMS will also establish procedures for receiving and addressing concerns raised by these personnel regarding environmental performance and compliance.

Operational Control

The EMS will identify and provide for the planning and management of all AKSAY operations and activities with a view to achieving the EMS objectives and targets. For example, vessel deck department, pump room, engine room and machinery space maintenance and repair will be an important aspect in achieving and maintaining compliance and enhancing environmental performance.

Corrective and Preventive Action and Emergency Procedures

AKSAY through its EMS, will establish and maintain documented procedures for preventing, detecting, investigating, promptly initiating corrective action, and reporting (both internally and externally), any occurrence that may affect the organization's ability to achieve the EMS objectives and targets.

Such measures must focus particular attention on incidents that may have an effect on compliance with environmental requirements as well as on environmental performance in regulated and non-regulated areas, including requirements of this EMS, the ECP or other marine environmental protection requirements. Examples of such situations include incinerator or oily water separator malfunctions, overflows of tanks within machinery spaces, fuel oil, lube oil, saltwater line failures, operator errors and other accidental releases.

The EMS must also establish documented procedures for mitigating any adverse impacts on the environment that may be associated with accidents or emergency situations and for ensuring that similar incidents are avoided. The EMS must include procedures for tracking any preventive and corrective actions that are taken. If the environmental violation or incident resulted from a weakness in the system, the EMS should be updated and refined to minimize the likelihood of such problems recurring in the future. The EMS should also, to the extent possible, provide for the testing and evaluation of emergency procedures.

Training, Awareness and Competence

The EMS must establish procedures to ensure that all personnel (including vendors, technicians, and other non-crewmembers) whose job responsibilities affect the ability to achieve the EMS objectives and targets, have been trained and are capable of carrying out these responsibilities. In particular, the training should highlight means to enhance the ability of such personnel to ensure compliance with environmental requirements and voluntary undertakings, the requirements of the ECP and other marine environmental protection requirements. Additional training requirements are provided in attachment 3.

Organizational Decision-making and Planning

The EMS must describe how these various Management System elements will be integrated into the organization's overall decision-making and planning, in particular, decisions on capital improvements, training programs, and vessel operations, maintenance and repair activities. Specific information shall be provided relating to the additional resources and oversight required of older vessels within its fleet.

Document Control

The EMS must establish procedures to ensure maintenance of appropriate documentation relating to its objectives and targets and should also ensure that those records will be adequate for subsequent evaluation and improvement of the operation of the EMS. Additionally it will document the organization's state of compliance with marine environmental protection requirements and the requirements of the ECP. All records will be maintained and made available to the Third Party Auditor, and Port and Flag State Personnel.

Continuous Evaluation and Improvement

The EMS must include methods to perform periodic, documented and objective auditing of the organization's performance in achieving these objectives and targets and on how well the EMS assists the organization in achieving those objectives and targets. This requirement is independent from the auditing requirements detailed elsewhere in this plan. The goal of these internal audits and reviews will be to allow management to continuously monitor and assess vessel systems, equipment and components, and the ability and proficiency at which vessel crewmembers and personnel ashore comply to the policies and procedures established by this EMS.

Additionally the EMS:

Will identify an ongoing process for assessing operations for the purposes of preventing and controlling or minimizing waste stream development and releases, ensuring environmental protection, and maintaining compliance with a primary emphasis on marine engineering, vessel engine room and machinery space systems, equipment and components and any shipboard systems having oil-to-sea interfaces. Includes criteria for when a vessel is to be taken out of service for an environmental discharge related repair such as when caused by leaking stern tubes, thrusters or other equipment.

Will include organization charts, as appropriate, that identify shore side and vessel individuals having environmental performance, risk reduction, and regulatory compliance responsibilities. Specifies responsibilities of Port Captains, Port Engineers, and Engineering Superintendents to report information related to environmental releases or inadequate performance of environmental pollution protection equipment, system casualties resulting in internal spills, excessive waste development and leaking equipment with oil-to-sea interfaces.

Will promote non-retaliatory practices and ensure that employees are not punished or otherwise suffer negative consequences for reporting violations of environmental laws, regulations, or policies. Also describes potential consequences for departure from

specified operating policies procedures, including possible termination of employment and liability for criminal/civil/administrative penalties as a result of noncompliance.

Makes employee compliance with environmental policies of the ECP, the MS and other marine environmental protection requirements a positive factor, and failure to comply a negative factor in all evaluations undertaken for the performance of all its employees.

Will include policies against any incentive or bonus programs based on minimizing operational costs associated with the operation, maintenance and repair of machinery space systems, equipment and components without ensuring that efficiency and performance are maintained. The intent of this policy is to ensure that employees do not avoid such costs and thereby sacrifice environmental compliance.

Will describe a confidential non-compliance reporting system that is adopted to ensure that employees may quickly and confidentially report discharges, spills, environmental incidents and other environmental performance data.

Will identify all operations and activities where documented standard operating practices (SOPs) are needed to prevent potential violations or unplanned waste stream releases, with a primary emphasis on marine engineering, vessel engine room and machinery space operations, systems, equipment and components. Includes the development of SOPs and the manuals described in Attachment 4.

Will identify the types of records developed and maintained in support of the ECP and the EMS such as reports, audit working papers, correspondence, communications, reports from the confidential system for non-compliance reporting, and identify personnel responsible for their maintenance, and procedures for responding to inquiries and requests for release of information. Provides a system for conducting and documenting routine, objective, self-inspections by AKSAY internal auditors, supervisors and trained staff to check for malfunctions, deterioration, and inadequate maintenance of pollution prevention equipment, worker adherence to SOPs, unusual situations, and unauthorized releases.

Will identify a dedicated financial stream which is rapidly and easily accessible for personnel training, parts inventory and ordering, and maintenance of pollution prevention equipment.

Attachment 3 EMPLOYEE TRAINING PROGRAM

The Corporate Compliance Manager will be responsible for ensuring there are training programs in place to educate and train AKSAY vessel and shore side employees associated with the operation and management of its vessels. The Corporate Compliance Manager has named a Group Training Manager who ensures that the requirements of this section are met.

Training shall occur for all such employees, which may include Computer Based Training on a ship or office before an employee assumes his or her duties. The training shall consist of pertinent sections of this ECP, the EMS, and existing marine environmental protection requirements. The training shall include shipboard-related technical and practical information associated with pollution prevention and the operation, maintenance and repair of pollution prevention equipment and systems and be appropriate for the work responsibilities and department in which an employee works. The training must include discussion of the consequences to the defendant and its employees for failure to comply with the requirements of this ECP, EMS and existing marine environmental protection requirements. Annual refresher training for all such employees must be performed by qualified instructors, and may be performed onboard ship by Computer Based Training.

Where possible a basic initial training program shall be provided to vessel employees currently onboard vessels in an effort to promptly mitigate pollution risk and ensure environmental protection. However, such employees must receive the shore side training prior to returning to a vessel on a new contract.

The Group Training Manager will maintain a catalog that provides an overview of the training courses; identifies the person responsible for delivering the training; and establishes a tracking system to monitor the type, frequency and successful completion of training.

Additionally the training shall include instruction regarding:

- Corporate environmental compliance structure including the Corporate Compliance Manager and contact information.
- Comprehensive overview of this ECP, the EMS and other marine environmental protection requirements.
- Sanctions and consequences for violations such as remedial training, suspension, termination, and civil and criminal liability.
- The reporting system used to report non-compliance.
- Pollution prevention and minimization programs specifically as it relates to steward, deck, and engine department procedures and operations.

- All requirements set forth in the Engineering section of this ECP.
- Position specific training in the operation, maintenance and repair of oily water separators, incinerators, oil content discharge monitoring equipment and other pollution prevention equipment.
- Procedures for solid and hazardous waste segregation, storage and disposal and reporting of releases.
- All other shipboard environmental protection related procedures examined and described in the Section VII of this ECP.

ATTACHMENT 4

The Management System Shall Include:

Bilge Water and Sludge Management

- Describes AKSAY policy and procedures regarding management, disposal and discharges, including the identification of persons responsible for shipboard environmental compliance.
- Describes applicable ECP and EMS requirements, domestic and international laws, regulations and standards (including applicable portions of the United States Code of Federal Regulations (“CFR”), other pertinent pollution laws and regulations, MARPOL regulations, and standards).
- Describes reporting requirements (including internal and external reporting requirements relating to spills and discharges).
- Contains a general overview of the engineering requirements of this ECP and includes bilge, oily wastes, sludge systems equipment and components that also includes manuals for incineration, separation and monitoring equipment and system schematics. Includes routine, daily and preventative maintenance and the identification and required inventory of all critical spare parts.
- Describes fundamentals and maritime practices of waste stream minimization including, engine room housekeeping, minimization of bilge loads and leakages, use of proper cleaning chemicals, and prevention of sewage and black water spills into bilge tanks in accordance with the requirements of this ECP the EMS and other marine environmental protection requirements.
- Describes system operation and procedures for usage of all associated bilge management equipment, the sealing and securing of associated valves, offloading procedures and necessary operational checklists.
- Describes record keeping of Oil Record Books that includes items to be recorded, as required by MARPOL and record keeping requirements of additional logs described in the Engineering section of this agreement.
- Describes sanctions and consequences for violation of regulations, policies and

procedures, including individual and corporate consequences for violations, remedial training, possible suspension or termination of employment, and civil and criminal liability.

- Describes processes associated with the sealing and locking program for system crossover and connection valves where bilge systems tie into ballast, general service and other pumping or eduction systems, and the processes for sealing other identified connections and other systems capable of bilge removal with the use of the OWS.

Oil Discharge Monitoring Equipment

- Describes AKSAY policy and procedures regarding management, disposal and discharges, including the identification of persons responsible for shipboard environmental compliance.
- Describes applicable ECP and EMS requirements, domestic and international laws, regulations and standards (including applicable portions of the United States Code of Federal Regulations ("CFR"), other pertinent pollution laws and regulations, MARPOL regulations, and standards).
- Describes reporting requirements (including internal and external reporting requirements relating to spills and discharges).
- Contains a general overview of the Oil Discharge Monitoring Equipment and includes respective manuals and schematics. Includes routine, daily and preventative maintenance requirements and the identification and required inventory of all critical spare parts.
- Describes fundamentals cargo slop and ballast water management in accordance with the requirements of this ECP the EMS and other marine environmental protection requirements.
- Describes system operation and procedures for usage of all associated equipment, the sealing and securing of associated valves, off-loading procedures and necessary operational checklists.
- Describes record keeping requirements.
- Describes sanctions and consequences for violation of regulations, policies and procedures, including individual and corporate consequences for violations, remedial training, possible suspension or termination of employment, and civil and criminal liability.

- Describes processes associated with the sealing and locking program for system crossovers, connections, and other fittings that may be manipulated to supply clean water to the equipment for tricking purposes or cause to the device to fail to accurately monitor the discharge.

Sewage Treatment

- Describes AKSAY's policy and procedures regarding management, disposal and discharges, including the identification of persons responsible for environmental compliance.
- Describes applicable ECP and the EMS requirements, domestic and international laws, regulations and standards which include applicable portions of the CFR, other pertinent pollution laws and regulations, MARPOL regulations, and standards.
- Describes internal and external reporting requirements relating to discharges.
- Describes general overview of system including the basic and general functions of sewage systems and equipment, including system schematics.
- Describes fundamentals and maritime practices of sewage system management in accordance with the requirements of MARPOL 73/78 and the ECP.
- Describes system operation and procedures including the standard operating procedures for usage of all sewage equipment and systems, and operational checklists.
- Describes maintenance of sewage system equipment, including routine, daily and preventative maintenance, record-keeping, and the identification and required inventory of critical spare parts.
- Describes sanctions and consequences for violation of regulations, policies and procedures, including individual and corporate consequences for violations, including remedial training, possible suspension or termination of employment, and civil and criminal liability.

Hazardous and Solid Waste Management

- Describes AKSAY's policy and procedures regarding management, disposal and discharges, including the identification of persons responsible for environmental compliance.

- Describes applicable ECP requirements, domestic and international laws, regulations and standards, including applicable portions of the C.F.R., other pertinent pollution laws and regulations, MARPOL regulations, and standards.
- Describes internal and external reporting requirements for tracking and disposal of covered wastes.
- Describes systems used to control, treat and dispose of specific wastes, including system schematics, where appropriate.
- Describes fundamentals and maritime practices of waste minimization that includes discharge procedures in accordance with the requirements of MARPOL 73/78 and the ECP.
- Describes the system operation and procedures, including standard operating procedures for usage of hazardous waste management systems, off-loading procedures, and operational checklists.
- Describes procedures for completing required discharge receipts and other entries.
- Describes routine, daily and preventative maintenance, record-keeping, and the identification and required inventory of critical spare parts.
- Describes sanctions and consequences for violation of regulations, policies and procedures, including individual and corporate consequences for violations, to include remedial training, possible suspension or termination of employment, and civil and criminal liability.

The following documentation and reference material will be readily on board:

- Regulatory References
- System Schematics (where applicable)
- Tank Tables
- Tank Arrangements
- Holding Capacities
- Critical Spare Parts List
- MSDS of Chemicals used in the Engine Room
- List of Regulated Wastes
- Forms
- List of Sealed Valves
- List of Locked valves