



U.S. Department of Justice

Environment and Natural Resources Division

Environmental Crimes Section
P.O. Box 7611
Washington, DC 20044

Telephone (202) 305-0321
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November 18, 2015

Michael G. Chalos
K&L Gates LLP
599 Lexington Avenue
New York, New York 10022

Re: *United States v. Ciner* Pre-Indictment Plea Agreement

Dear Mr. Chalos:

FILED
U.S. DISTRICT COURT
DISTRICT OF MARYLAND
2016 JAN 20 PM 4:05
CLERK'S OFFICE
AT BALTIMORE
NY DEPUTY

This letter confirms the Plea Agreement which has been offered to your client, Ciner Gemi Acente Isletni Sanayi Ve Ticaret S.A. (hereinafter "your client," "the Defendant," or "Ciner"), the operator of the *M/V Artvin*, by the United States Attorney's Office for the District of Maryland and the Environmental Crimes Section of the United States Department of Justice ("the Government"). If your client accepts this offer, please have your client execute it in the spaces provided. The terms of this Agreement are pursuant to Federal Rule of Criminal Procedure 11(c)(1)(C) as set forth as follows.

1. Waiver of Indictment and Criminal Charges. Defendant Ciner, having been advised through its representatives of the right to be charged by indictment, agrees to waive that right and enter a plea of guilty to the charges brought by the Government in a Criminal Information filed in the District of Maryland, as set forth below. Defendant expressly admits that, by and through the acts of its agents and employees, specifically senior ship engineers, acting within the scope of their agency and employment and for the intended benefit, at least in part, of the Defendant, it committed the crimes charged in the Criminal Information. The pleas of guilty are to be entered in the District of Maryland by Defendant through counsel as authorized by resolution of the Defendant's Board of Directors to enter a plea on Defendant's behalf and to appear and represent Defendant at sentencing in the District of Maryland. Defendant's representative also will provide a resolution from Ciner indicating its agreement to the terms set forth in the accompanying Environmental Compliance Plan ("ECP") in Attachment B. By entering this guilty plea, Defendant hereby waives all objections to the form of the charging document, admits that it is in fact guilty of the offenses set forth in the Criminal Information, and agrees that the attached Joint Factual Statement (Attachment A) dated this same day is an accurate statement of its conduct. Defendant agrees to enter a plea of guilty to both of the following charges under the Act to Prevent Pollution from Ships (APPS) and agrees that the Government could prove the elements, as set out below, beyond a reasonable doubt:

Count One (Knowingly Failing to Maintain an Accurate Oil Record Book in the District of Maryland): (1) By and through the acts of its agents and employees (2)

acting within the scope of their agency and employment and for the intended benefit, at least in part, of the Defendant, (3) the Defendant, (4) knowingly (5) failed to maintain an accurate Oil Record Book within the District of Maryland (6) in which all disposals of oil residue and discharges overboard of oily mixtures, slops from bilges and bilge water that accumulated in machinery spaces were fully recorded, in violation of Title 33, United States Code, Section 1908(a) and Title 33, Code of Federal Regulations, Section 151.25.

Count Two: (Knowingly Failing to Maintain an Accurate Oil Record Book in the Eastern District of Virginia): (1) By and through the acts of its agents and employees (2) acting within the scope of their agency and employment and for the intended benefit, at least in part, of the Defendant, (3) the Defendant, (4) knowingly (5) failed to maintain an accurate Oil Record Book within the Eastern District of Virginia (6) in which all disposals of oil residue and discharges overboard of oily mixtures, slops from bilges and bilge water that accumulated in machinery spaces were fully recorded, in violation of Title 33, United States Code, Section 1908(a) and Title 33, Code of Federal Regulations, Section 151.25.

2. Waiver of Venue. Defendant Ciner agrees to waive any objection to venue for the charges contained in the Criminal Information. The Government will file the Criminal Information in the District of Maryland. Defendant agrees to enter its pleas of guilty and receive any sentence in the District of Maryland. Defendant understands that by entering a plea of guilty, it waives any right to object to venue before the Court or to appeal its conviction for lack of venue, pursuant to the Federal Rules of Criminal Procedure, Rule 12(b)(3)(A).

3. The Penalties. Defendant understands that the statutory penalties applicable to a corporate defendant for the felony count of each offense to which it is entering a plea of guilty are as follows: a maximum fine of either \$500,000.00, or up to 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 5 years, pursuant to 18 U.S.C. § 3561(c)(1); and a special assessment of \$400.00 for each count, pursuant to 18 U.S.C. § 3013(a)(2)(B). Defendant also understands that, in addition to any other penalty, the Court may order the payment of restitution to any victim of the offenses pursuant to 18 U.S.C. § 3663. At this time, the parties are unaware of any identifiable victims or restitution due.

4. Applicability of Sentencing Guidelines. Defendant understands and acknowledges that, at sentencing, the Court is required to consider the United States Sentencing Guidelines ("Sentencing Guidelines"), together with the other sentencing goals set forth in 18 U.S.C. § 3553(a). Defendant understands and acknowledges that the Sentencing Guidelines, including Chapter Eight, which provides guidance for the sentencing of corporate defendants, must be considered by the Court, except that pursuant to §§ 8C2.1 and 8C2.10, the fine range in this case is not determined under the Sentencing Guidelines. Instead, the fine is to be determined under 18 U.S.C. §§ 3553 and 3571. All other sections of Chapter Eight of the Sentencing Guidelines that are applicable to corporate defendants are applicable to this case, including provisions for probation and community service.

5. Combined Plea and Sentencing Hearing. In view of the detailed nature of this proposed Plea Agreement, the Joint Factual Statement, the recommended remedial measures set forth in the ECP, and the fact that the Defendant is a foreign corporation without offices in the United States, the Defendant has advised the Government that it may request that the Court approve a combined plea and sentencing hearing. Pursuant to Federal Rules of Criminal Procedure, Rule

32(c)(1)(A)(ii), the Defendant has agreed to waive its right to a pre-sentence report (“PSR”), so that the Court may impose immediate sentence. The United States has agreed not to oppose the Defendant's request for a combined plea and sentencing hearing. Further, in the event that the plea and sentencing are not combined, the United States has agreed not to oppose the Defendant's request for sentencing to take place as soon as possible after the entry of the plea.

6. Sentencing Agreement. Pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, and in return for the complete fulfillment by the Defendant of all of its obligations under this Agreement, the Government and Defendant agree that the sentence to be imposed shall be a total monetary penalty consisting of \$1,050,000.00, if approved by the Court, plus the mandatory special assessment discussed below. The parties agree that the elements of the sentence shall be as follows:

- a. Criminal Fine: \$900,000.00 of the total monetary penalty shall be designated as a criminal fine.
- b. Mandatory Special Assessment: In addition to the fine and pursuant to 18 U.S.C. § 3013(a)(2)(B), Defendant shall pay a special assessment of \$400.00 for each count of conviction.
- c. Community Service: \$150,000.00 of the total monetary penalty shall be paid as organizational community service pursuant to § 8B1.3 of the Sentencing Guidelines and in furtherance of satisfying the sentencing principles provided for under 18 U.S.C. § 3553(a). Defendant and the Government agree that the organizational community service payment agreed to in this Agreement shall be made on the day of sentencing or as otherwise ordered by the Court. The community service payment will be made to the National Marine Sanctuary Foundation (“the Foundation”). The Foundation is established to solicit donations for the National Marine Sanctuaries Program (“the Program”) as authorized by 16 U.S.C. § 1442(b), and the Program is authorized to accept donations of funds pursuant to 16 U.S.C. § 1442(c) for the designation and administration of national marine sanctuaries. The Program is also authorized to accept grants from any federal agency or persons notwithstanding any provision of law which prohibits assistance otherwise. 16 U.S.C. § 1442(f). The parties agree that the community service funds paid to the Foundation should be directed to the Program for activities that improve, restore, and/or study the water quality of the Chesapeake Bay and the ocean approaches to the Chesapeake Bay. Because the community service payment is designated as community service by an organization, Defendant further agrees that it will not seek any reduction in its tax obligations as a result of this community service payment. In addition, since this payment constitutes community service as part of the Defendant's guilty plea, neither Defendant nor any related entity or agent will characterize, publicize, or refer to this community service payment as a voluntary donation or contribution.
- d. Payments: Defendant further agrees that if the terms of this Rule 11(c)(1)(C) Plea Agreement are accepted by the Court, the criminal fine, special assessment and community service payment shall be paid on the date of sentencing or as otherwise ordered by the Court. Payment for the criminal fine and special assessment are to be made in the form of a check payable to the “United States District Court Clerk.” Payment of the community service amount shall be made payable to the “National Marine Sanctuary Foundation.”

e. Probation: Defendant will be placed on organizational probation for a period of 3 years from the date of sentencing pursuant to 18 U.S.C. § 3561(c)(1) and §§ 8D1.1 and 8D1.2 of the Sentencing Guidelines. The terms of probation shall include the following specific provisions, in addition to the Court's standard conditions:

- (1) No Further Violations: Defendant agrees that it shall commit no further violations of the International Convention for the Prevention of Pollution from Ships, as modified by the Protocol of 1978 (together "MARPOL"); APPS; or other laws of the United States (federal, state, and local) and shall conduct all its operations in accordance with the 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 develop, adopt, establish, implement, and fund a comprehensive environmental compliance program, including the remedial measures set forth in the ECP, attached hereto as Attachment B, consistent with sentencing policies set forth in § 8D1.4 of the Sentencing Guidelines. This ECP applies and is limited to bulk carrier vessels manned and technically managed by Ciner under its Safety Management System, as set forth in Attachment B, and which call in the United States during the probationary period. As set forth in Attachment B, the Defendant has agreed to retain the services of an outside independent Third Party Auditor and to fund a Court Appointed Monitor to review the adequacy of the ECP, review the audits, and report to the Court and Office of Probation.

f. The original surety bond posted pursuant to the Agreement on Security shall be immediately returned to Defendant or its representative as soon as the total monetary penalty of \$1,050,000 is paid.

7. Application of the Agreement. This Agreement shall bind Defendant and all of its subsidiaries involved in ship ownership and/or technical management and/or manning of vessels, including Defendant and all successors in interest, if applicable, and all successors and assigns, except upon a sale of vessel(s) or assets to an arm's length third party. In such instance(s), the Defendant's responsibilities under the ECP shall cease. Defendant shall provide each undersigned prosecuting office with notice within 10 days of the following: any corporate name changes; any purchase or sale of vessels subject to the ECP; any purchase, sale, or reorganization of the Defendant; or any other change impacting upon or affecting this Agreement and 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 Agreement.

8. Statements. At the time of sentencing the United States will bring to the Court's attention, and the Court will be entitled to consider, all relevant information concerning the Defendant's background, character, and conduct. The Government agrees that at sentencing it will support the agreed disposition set forth in this Agreement.

9. Non-Prosecution of Additional Offenses. As part of this Agreement and solely because of the promises made by Defendant in this Agreement, the Government agrees not to criminally prosecute the Defendant in the District of Maryland or the Eastern District of Virginia for any environmental offenses or other offenses arising out of or concerning the Government's investigation of the *M/V Artvin* in addition to those set forth in the Criminal Information, and that are known to the Government at the time of the signing of this Agreement, including but not limited to, falsification of oil record books, falsification of garbage record books, violations of APPS, false statements, or obstruction of justice. . The Environmental Crimes Section has consulted with the Eastern District of Virginia and represents that the Eastern District of Virginia has also agreed not to prosecute the defendant based upon facts now known for any offense within the Eastern District of Virginia related to the events that resulted in the charges contained in the Information or referenced in the factual basis for this Agreement. Defendant understands and agrees that neither this paragraph nor this Agreement limits the prosecuting authority of any other sections or divisions of the Department of Justice, including the U.S. Attorney of any other judicial district, or any other federal, state, or local regulatory or prosecuting authorities. Furthermore, this Agreement does not provide or promise any waiver of any civil or administrative actions, sanctions, or penalties that may apply, including but not limited to: fines; penalties; claims for damages to natural resources; suspension; debarment; listing to restrict rights and opportunities of Defendant to contract with or receive assistance, loans, and benefits from United States agencies; licensing; injunctive relief; or remedial action to comply with any applicable regulatory requirement. The parties are not aware of any other claims, civil or administrative actions, sanctions, penalties, or claims for damages to natural resources except as set forth in this Plea Agreement. This Agreement applies only to crimes committed by the Defendant and has no effect on any proceedings against any Defendant not expressly mentioned herein, including the actual or potential criminal liability of any individuals.

10. Breach of the Agreement. If the Government determines that Defendant has failed to comply with any provision of this Agreement, or has committed any crime within the jurisdiction of the United States during the pendency of this Agreement, the Government may, at its sole option, be released from its commitments under this Agreement in their entirety by notifying Defendant, through counsel or otherwise, in writing. The Government may also pursue all remedies available under the law, irrespective of whether it elects to be released from its commitments under this Agreement. Defendant recognizes that no such breach by it of any obligation under this Agreement shall give rise to grounds for withdrawal of its guilty plea. Defendant understands that should any such breach of this Agreement occur, the Government will have the right to use against Defendant before any grand jury, at any trial, in any hearing, or for sentencing purposes, any statements made by its employees and agents, and any information, materials, documents or objects provided by Defendant to the Government pursuant to this Agreement without any limitation. In this regard, Defendant hereby waives any defense to any charges which it might otherwise have that pertains to any statute of limitations, pre-indictment delay, or the Speedy Trial Act. This waiver shall commence when the Government notifies the Defendant of a breach of this Agreement and shall extend for 90 days, except to the extent that such defenses existed as of the date of the signing of this Agreement.

11. Obstruction or Other Violations of Law. Defendant agrees that it will not commit any offense in violation of federal, state, or local law between the date of this Agreement and its sentencing in this case. In the event that Defendant: (i) engages in conduct after the date of this Agreement which would justify a finding of obstruction of justice under § 3C1.1 of the Sentencing Guidelines, (ii) fails to accept personal responsibility for its conduct by failing to acknowledge its guilt to the probation officer who prepares the PSR, or (iii) commits any offense in violation of federal, state, or local law, then the Government will be relieved of its obligations to Defendant as reflected in this Agreement. Specifically, the Government will be free to argue Sentencing

Guidelines factors other than those stipulated in this Agreement, and it will also be free to make sentencing recommendations other than those set out in this Agreement. As with any alleged breach of this Agreement, the Government will bear the burden of convincing the Court of Defendant's obstructive or unlawful behavior and/or failure to acknowledge personal responsibility by a preponderance of the evidence. Defendant acknowledges that it may not withdraw its guilty plea because the Government is relieved of its obligations under the Agreement pursuant to this paragraph.

12. Information for Probation Office. Defendant agrees that it will provide all information requested by the United States Probation Office in the District of Maryland.

13. Withdrawal of Plea Agreement. Defendant's plea will be tendered pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure. If a sentencing judge rejects this Agreement, then it shall be null and void at the option of either the Government or Defendant. In this regard, Defendant hereby waives any defense to any charges which it might otherwise have that pertains to any statute of limitations, pre-indictment delay, or the Speedy Trial Act for 90 days following any nullification or voiding of the Agreement, except to the extent that such defenses existed as of the date of the signing of this Agreement

14. Corporate Authorization. Defendant represents that it is authorized to enter into this Agreement and to bind itself and its subsidiaries to the terms of the ECP. At the time of signing this Agreement, Defendant shall provide to the United States a written statement certifying that Defendant is authorized to enter into and comply with all of the provisions of this Agreement. The resolutions further shall certify that Defendant's Board of Directors has authorized these actions, and that all corporate formalities for such authorizations have been observed.

15. Waiver of Appeal. Defendant, through its authorized representatives, is aware that 18 U.S.C. § 3742 gives the right to appeal the sentence to be imposed, and that other federal statutes give a Defendant the right to appeal other aspects of the conviction. In consideration of the Agreement with the United States as set forth herein, Defendant knowingly and voluntarily agrees to waive the following rights:

- a. The right, conferred by 18 U.S.C. § 3742, to appeal any sentence imposed by the Court for the conviction of these offenses, except if the sentence imposed varies from that agreed upon above under Rule 11(c)(1)(C);
- b. The right to appeal any aspect of Defendant's conviction, including any pre-charge or pre-trial dispositions of motions or other issues; and
- c. The right to bring any collateral attack against Defendant's conviction or sentence, except as it may relate to the effectiveness of its legal representation or as permitted under subparagraph (a) above.

If Defendant breaches this Plea Agreement at any time by appealing or collaterally attacking (except as to effectiveness of legal representation) the conviction or sentence in any way, the United States may prosecute Defendant for any counts that were dismissed or not charged pursuant to this Plea Agreement.

16. Voluntariness of the Plea. Defendant, through its authorized representatives, acknowledges that it has entered into this Plea Agreement freely and voluntarily and that it has been

fully advised by counsel, and that no threats or promises were made to induce it to enter the guilty plea called for by this Plea Agreement.

17. Court Not a Party. Defendant expressly understands that the Court is not a party to this Agreement. Defendant understands that the Court has the authority to accept or reject this plea offer and is under no obligation to accept this plea offer made pursuant to Rule 11(c)(1)(C). Defendant agrees that neither the prosecutor nor its counsel can make a binding prediction or promise as to what decision the Court will make, and it further agrees that no one has made such a binding prediction or promise.

18. Nature of the Agreement. Defendant and the Government acknowledge that this Agreement is made pursuant to Rule 11(c)(1)(C) and Rule 11(c)(3) of the Federal Rules of Criminal Procedure. If the Court rejects any material provision of this Agreement or seeks to impose a sentence other than that recommended by the parties, each party reserves the right to withdraw from this Agreement and the Defendant may withdraw its guilty plea.

19. Completeness of Agreement. This Agreement is the complete and only agreement between the parties. No promises, agreement, or conditions have been entered into other than those set forth in this Agreement. This Agreement supersedes prior understandings, whether written or oral. This Agreement cannot be modified other than in a written memorandum signed by the parties or on the record in court. This Agreement is effective upon signature by Defendant and all of the attorneys for the Government.

If your client fully accepts each and every term and condition of this letter, please sign and have the Defendant's corporate representative sign and return the original.

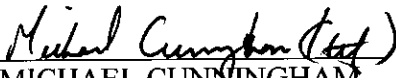
Sincerely,

ROD J. ROSENSTEIN
UNITED STATES ATTORNEY
DISTRICT OF MARYLAND


JOHN C. CRUDEN
ASSISTANT ATTORNEY GENERAL
ENVIRONMENT & NATURAL
RESOURCES DIVISION

By:

By:

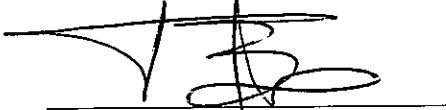

MICHAEL CUNNINGHAM
Assistant U.S. Attorney
District of Maryland

1/14/16
Date


THOMAS FRANZINGER
Trial Attorney
Environmental Crimes Section
U.S. Department of Justice

1/14/16
Date


As an authorized representative of Defendant Ciner, I have read this Agreement and carefully discussed every part of it with criminal defense counsel. I have been duly authorized to sign and bind Ciner. Ciner voluntarily agrees to the terms set forth herein. Ciner's attorneys have advised me of the corporation's rights, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement. No promises or inducements have been made to Ciner other than those contained in this Agreement. No one has threatened or forced Ciner in any way to enter into this Agreement.



Vasileios Papakalodoukas
Chairman of the Board
Authorized Representative
Ciner Gemi Acente Isletni Sanayi Ve Ticaret S.A., Defendant

16/12/2015
Date

I am criminal defense counsel for Defendant Ciner. I have carefully discussed every part of this Agreement with the authorized representative of Ciner. Further, I have fully advised the authorized representatives of Ciner of the corporation's rights, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement. To my knowledge, the decision of Ciner to enter into this Plea Agreement is an informed and voluntary one.



MICHAEL G. CHALOS, ESQ
Defense Counsel

12/16/2015
Date

ATTACHMENT A
Statement of Facts

The undersigned parties hereby stipulate and agree that if this matter had gone to trial, the Government would have proven the following facts beyond a reasonable doubt. The parties also stipulate and agree that the following facts do not encompass all of the evidence which would have been presented had this matter gone to trial.

FILED
U.S. DISTRICT COURT
DISTRICT OF MARYLAND
BALTIMORE
2016 JAN 20 PM 4:05
CLERK OF COURT
REPUTY

I. Background

The *M/V Artvin* (“*Artvin*”) is an approximately 44,635 gross-ton cargo vessel registered under the flag administration of the Republic of Malta and bearing IMO number 9595034. The *Artvin* was engaged in international commercial maritime operations and transported bulk cargo to and from various ports in the United States of America, including the Port of Baltimore, Maryland, and the Port of Newport News, Virginia.

The *Artvin* is owned by Artvin Maritime Limited, with an address at 171 Old Bakery Street, Valletta VLT 1455, Republic of Malta. Defendant Ciner Gemi Acente Isletni Sanayi Ve Ticaret S.A. (“Ciner”), a Turkish company with offices located at Pasalimani Caddesi 41, Hacıhesnahatun Mah, Uskudar, 34674, Istanbul, Turkey, operated and managed the *Artvin*. Defendant Ciner was also 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.

On or about August 26, 2014, the *Artvin* arrived in the Port of Newport News, Virginia. Later, on or about November 15, 2014, the *Artvin* arrived in Baltimore, Maryland. On or about November 15, 2014, the United States Coast Guard (“USCG”) received a telephone call from a member of the crew stating that the *Artvin* had been discharging oil and oily waste from the vessel into the ocean. On or about November 16, 2014, the USCG conducted a Port State Control Examination onboard the vessel.

The United States is a party to an international treaty, the International Convention for the Prevention of Pollution from Ships (“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 each ship, other than an oil tanker, of more than 400 gross tons, such as the *Artvin*, maintain an Oil Record Book (“ORB”). The ORB must fully reflect tank-to-tank transfers of oil, the disposal of oil residue (including sludge and waste oil), overboard discharges of bilge water that has accumulated in machinery spaces (which may be contaminated with oil), and any accidental or other exceptional discharges of oil or oily mixtures. MARPOL, Annex I Regulation 20 and 33 CFR § 151.25(h). The USCG routinely inspects ORBs on board vessels to determine whether the vessel has been 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 3 years and be readily available for inspection at all times. MARPOL, Annex I, Regulation 20.

On large commercial vessels, there are numerous tanks for the storage of ballast, fuel, bunkers, lubrication oil, sewage, waste oil, oily bilge water, potable water, and sludge. It is a common practice in this industry for certain crewmembers to measure the contents of these tanks

on at least a daily basis. The measure of these tanks is referred to as a “sounding” and is often recorded in a document called a Sounding Book or Sounding Log. While neither MARPOL nor APPS requires that a vessel maintain Sounding Logs, the information they contain is often used by the ship’s engineers for making entries in the ORB. The Sounding Log can therefore provide a critical analytical tool for ascertaining whether the ORB is accurate. For example, if the Sounding Log shows a large drop in the contents of a particular waste oil tank, there should be a corresponding entry in the ORB to explain the drop.

John Cahoto Malaki was the Chief Engineer on board the *Artvin* from on or about March 17, 2014, through on or about November 22, 2014. Chief Engineer Malaki was assisted during that time by Ulysses Atabay, the Second Assistant Engineer, as well as a Third Assistant Engineer, an Electrician, an Engine Cadet, and two Oilers. Chief Engineer Malaki and Second Assistant Engineer Atabay were employed by Ciner and therefore required to follow the policies and procedures implemented by the vessel manager, Defendant Ciner.

Chief Engineer Malaki was responsible for the operation of the Engine Department on board the *Artvin*, including the management, treatment, storage, and disposal of oil residue, oily mixtures, and bilge water from machinery space operations. He also supervised all Engine Department crew members. Chief Engineer Malaki was also responsible for recording the movement, discharge, and disposal of oil residue, oily mixtures, and machinery space bilge water, including any overboard discharges of oily waste from the *Artvin*, in the vessel’s ORB. Chief Engineer Malaki signed the bottom of each page of the ORB.

II. Overboard Discharges of Oily Waste and the Falsification of the ORB

Beginning on or about March 17, 2014, Chief Engineer Malaki met daily with Second Assistant Engineer Atabay to discuss operations and orders for the *Artvin* engine room. Second Assistant Engineer Atabay had been aboard the vessel for approximately two months prior to Chief Engineer Malaki’s arrival. Second Assistant Engineer Atabay informed Chief Engineer Malaki that the previous Engine Department crew had been manually draining the Waste Oil Tank and discharging its contents overboard into the sea, rather than using the Oily Water Separator (“OWS”) or other pollution control system. Once aware of this practice, Chief Engineer Malaki allowed it to continue.

Based on the daily meetings, Second Assistant Engineer Atabay would then pass on orders and directions to the rest of the Engine Department crew. Second Assistant Engineer Atabay, acting within the scope of his authority and for the intended benefit, at least in part, of Ciner, directed the Engine Cadet to drain oily water from the Waste Oil Tank to buckets or drums, skim and/or absorb the oil from the contents of the buckets and drums using a scoop and rags, and then discharge the remaining contents overboard into the sea. The Engine Cadet would sometimes drain the Waste Oil Tank into buckets and, after skimming and absorbing the oil, carry those buckets to the deck to dump the remaining contents into the sea. At other times, the Engine Cadet connected a hose from a 55-gallon drum to a wilden pump, and ran another hose from the wilden pump to the deck through the starboard water tight door. The end of the hose was placed overboard, and the Engine Cadet, after skimming and absorbing the oil, would run the wilden pump to drain the remaining contents of the drum into the sea. These operations occurred on numerous occasions between March 2014 and November 2014. These discharges occurred both prior to and after August 26, 2014.

On more than one occasion between March 2014 and November 2014, members of the Engine Department used the General Service Pump to discharge bilge water directly into the sea. The General Service Pump is used to quickly empty the bilges, usually in emergency circumstances. The Engine Department crew did not have an emergency or other valid reason to use the General Service Pump on those occasions or otherwise bypass the pollution control systems on the vessel before discharging the bilge water into the sea. At least one of these discharges occurred prior to August 26, 2014.

Chief Engineer Malaki did not make any entries in the ORB for the repeated transfers of oily waste water from the Waste Oil Tank, the discharge of bilge water, or the overboard discharge of the contents of the buckets and drum. Chief Engineer Malaki, acting within the scope of his authority and for the benefit, at least in part, of Ciner, had a duty to record in the ORB any discharges or transfers of oily waste water aboard the vessel. Chief Engineer Malaki knowingly failed to maintain an accurate ORB because he did not accurately record these transfers and discharges.

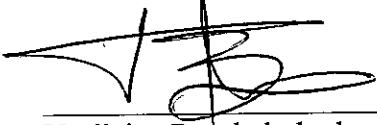
On or about August 26, 2014, the *Artvin* entered the Port of Newport News, Virginia, with an ORB that failed to include entries reflecting the transfers of oily wastes from the Waste Oil Tank, the discharge of bilge water, or the discharge of the contents of the buckets and drum directly into the sea. These discharges, which bypassed the vessel's OWS and other pollution prevention equipment, were required to be logged in the ORB. Chief Engineer Malaki, acting within the scope of his authority and for the benefit, at least in part, for Ciner Ship Management, knowingly failed to maintain a correct and accurate ORB for the *Artvin* while at the Port of Newport News.

On or about November 16, 2014, the *Artvin* entered the Port of Baltimore, Maryland, with an ORB that failed to include entries reflecting the transfers of oily wastes from the Waste Oil Tank, the discharge of bilge water, and the subsequent discharge of the contents of the buckets and drum into the sea. On or about November 16, 2014, the USCG conducted a Port State Control boarding and inspection of the *Artvin* after the vessel arrived at the Port of Baltimore within the District of Maryland. On or about November 16, 2014, during the course of the Port State Control boarding, Chief Engineer Malaki, acting within the scope of his authority and for the benefit, at least in part, for Ciner, knowingly caused a false and inaccurate ORB for the *Artvin* to be used and presented to representatives of the USCG.

The Government's investigation did not reveal any evidence that Defendant Ciner's shore-side personnel had any involvement with or knowledge of this illegal conduct.

* * *

An authorized representative of Defendant of Ciner, I have read this Joint Factual Statement and carefully discussed every part of it with criminal defense counsel for Ciner. I hereby stipulate that the above Joint Factual Statement is true and accurate to the best of my knowledge, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

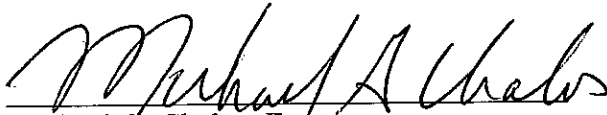


Vasileios Papakalodoukas
Chairman of the Board
Authorized Representative
Ciner Gemi Acente Isletni Sanayi Ve Ticaret S.A., Defendant

16/12/2015

Date

I am counsel for Ciner. I have carefully discussed every part of this Joint Factual Statement with the authorized representatives of Ciner. To the best of my knowledge this is a true and accurate factual statement and provides a sufficient factual basis for charges set forth in the Criminal Information and Ciner's guilty pleas as set forth in the Plea Agreement.



Michael G. Chalos, Esq.
Counsel for Ciner Gemi Acente Isletni Sanayi Ve Ticaret S.A.

12/16/2015

Date

FILED
U.S. DISTRICT COURT
DISTRICT OF MARYLAND

2016 JAN 20 PM 4:05

CLERK'S OFFICE
AT BALTIMORE

ATTACHMENT B
Environmental Management System/Compliance Plan

PURSUANT TO PLEA AGREEMENT

BY _____ DEPUTY

United States v. Ciner Gemi Acente Isletni Sanayi Ve Ticaret S.A.

The following standards and requirements for an ENVIRONMENTAL COMPLIANCE PROGRAM (ECP) have been prepared pursuant to the Plea Agreement between Ciner Gemi Acente Isletni Sanayi Ve Ticaret S.A (hereinafter "CINER") and the United States (hereinafter "Government") filed in the United States District Court for the District of Maryland. Compliance with all of the standards and requirements of the ECP is an essential term of the Plea Agreement.

The ECP includes various provisions to ensure that all twenty (20) bulk carrier vessels listed below operated, technically managed, manned and/or controlled by CINER, which call or may call at ports or places in the United States, comply with all maritime environmental requirements established under applicable international, flag state and port state law, including, but not limited to the International Convention for the Safety of Life at Sea (SOLAS), the International Safety Management (ISM) Code, 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), and with the requirements of this agreement itself. The auditing requirements of this ECP apply to all twenty (20) bulk carrier vessels listed below that are operated, technically managed, or manned by CINER which call, or may call, at ports or places in the United States. As more fully set forth below, this ECP and its requirements will also apply to any bulk carrier vessels that CINER acquires or assumes management of during the period of probation.

The bulk carrier vessels currently operated, technically managed, and/or manned by CINER, which call, or may call, at ports or places in the United States and subject to the terms of this ECP are:

- 1) M/V ARTVIN – IMO # 9595034
- 2) M/V ATILLA – IMO # 9579339
- 3) M/V DOGAN – IMO # 9625475
- 4) M/V ERHAN – IMO # 9625449
- 5) M/V FATIH – IMO # 9579327
- 6) M/V HOPA I – IMO # 9684213
- 7) M/V IZMIR – IMO # 9644201
- 8) M/V KENAN – IMO # 9644172
- 9) M/V KONYA – IMO # 9657789
- 10) M/V MEHMED FATIH – IMO # 9718193
- 11) M/V NEDIM – IMO # 9625463
- 12) M/V ORDU – IMO # 9584047

- 13) M/V ORHAN – IMO # 9625451
- 14) M/V RIZE – IMO # 9584035
- 15) M/V SAMSUN – IMO # 9657777
- 16) M/V SIIRT – IMO # 9644196
- 17) M/V SINOP – IMO # 9644184
- 18) M/V TRABZON – IMO # 9595046
- 19) M/V VITTORIA – IMO # 9718208
- 20) M/V ZAFER – IMO # 9579315

A. APPLICABILITY/PURPOSE

- (1) This ECP shall cover and apply to all of CINER operations, including all subsidiaries, affiliated business entities, and agents (owned wholly or partially by CINER), involved in the operation of the twenty (20) seagoing bulk carrier vessels listed above calling in United States ports which are operated or managed by CINER, on the date of sentencing or during the period of probation. It shall also include all persons working for CINER, its subsidiaries, affiliated business entities, agents, and any other individuals or organizations who are involved in the operation, maintenance and repair of aforesaid seagoing bulk carrier vessels, operated, managed and/or manned by CINER, as direct employees or independent contractors on the date of sentencing or at any time during the period of probation.
- (2) The ECP is not intended to replace the ISM Code, or any other applicable international legal requirement or United States statute and regulation. The purpose of this ECP is to augment the requirements of existing law by increasing and improving inspections, reviews, and audits of CINER operated and/or managed vessels, shoreside facilities, and operations involving said vessels; increase training of all of CINER personnel involved with said vessels; develop and implement management and engineering controls to better manage, detect and prevent environmental violations; and require periodic reports to the United States Probation Office for the District of Maryland, the United States Attorney's Office for the District of Maryland, the Environmental Crimes Section of the United States Department of Justice, and the United States Coast Guard (collectively hereinafter "the United States") to ensure that CINER is following the requirements of this ECP and that all of its vessels subject to this ECP comply with all maritime environmental requirements established under applicable international, flag state, and port state law and all applicable Federal and state statutes and regulations, and that an effective environmental management system is in place to prevent recurrence of violations.

B. CORPORATE COMPLIANCE MANAGER

- (1) Within sixty (30) days of Sentencing, CINER shall designate a senior corporate officer as Corporate Compliance Manager (hereinafter "CCM") who shall report directly to the President and/or Managing Director of CINER. CINER shall provide the name of the CCM to the United States. The CCM could be the same individual as CINER's "designated person" under the ISM Code unless reasons are provided to the United States justifying why the "designated person" should not also be the CCM. The CCM shall be responsible for coordinating with the Independent ECP Consultant (hereinafter "IC"), as more fully described below, developing and implementing all of the procedures and systems required herein, establishing and implementing training programs for the officers and crew of CINER operated and/or managed vessels, ensuring that reviews, audits and surveys are carried out as required and ensuring that all documents are properly maintained and that reports are made on a timely basis to the IC and the United States. All reports required under this ECP shall be reviewed by the CCM and signed under the penalty of perjury.

- (2) CINER shall establish a procedure and reporting system that requires and enables all officers, crewmembers and employees, and shoreside personnel involved in the manning and/or operation of CINER's seagoing vessels, including all persons working for CINER, its subsidiaries, affiliated business entities (owned wholly or partially by CINER) and agents of CINER as either direct employees or independent contractors, to notify the CCM of all violations of any applicable environmental requirements or other requirements of this ECP and to cooperate fully with the IC and the United States in carrying out their reviewing, auditing and oversight functions required by applicable law and this ECP. CINER agrees to establish a procedure that makes failure to notify the CCM of any violations of any applicable environmental requirements and failure to cooperate fully with the IC and the United States in carrying out their auditing and oversight functions required by applicable law and this ECP, grounds for dismissal. CINER agrees not to retaliate against any officer, crewmember, employee, or shoreside personnel involved in the manning and/or operation of CINER seagoing vessels, including all persons working for CINER, its subsidiaries, affiliated business entities (owned wholly or partially by CINER) and agents of CINER as either direct employees or independent contractors or entity making any such report.
- (3) The CCM shall be authorized to access all records and personnel regarding all vessels subject to the ECP for the purpose of ensuring compliance with the ECP. The CCM shall be authorized to implement all requirements of the ECP on all vessels subject to the ECP. The CCM shall ensure that audits and surveys are carried out as required, that all documents are properly maintained and that reports are made on a timely basis to the U.S. Probation Office, IC, the designated representative of the Coast Guard, and CINER. The CCM position will be filled by an individual(s) with significant maritime vessel operational background, who possesses auditing experience and is thoroughly familiar with the requirements of this ECP, and is knowledgeable about domestic and international maritime environmental laws and regulations.

CCM Responsibilities:

(a) Development and Maintenance of Effective Training Programs

-To the extent not already completed, the CCM will be responsible for developing training programs to educate and train CINER employees of their environmental commitment, the requirements of the ECP, the policies and procedures for complying with the ECP, and the possible consequences to CINER and to individuals for failure to comply with environmental laws.

-Provide environmental consultants and contractors of CINER with documents and training to make them aware of the ECP.

(b) Auditing and Compliance Assessment

-Ensure that the IC conducts the review and audits required by the ECP and that the required reports are prepared.

(c) Fleet Reviews

-Supervise annual overall reviews of the environmental compliance programs and "focused" reviews of key environmental areas to promote the adoption of "best practices".

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

-Establish a means by which employees may report (anonymously if the employee so desires) issues of non-compliance with this ECP and any other procedure, policy, or regulation associated with environmental protection.

C. MASTER AND CHIEF ENGINEER

- (1) The Master of each of CINER vessel subject to this ECP, with the assistance of the CCM, shall ensure that prompt reports are made to the United States Coast Guard of any non-compliant condition of any of CINER vessel.
- (2) The Chief Engineer on board all vessels subject to this ECP shall perform the following duties regarding this ECP:

- To daily measure, monitor and manage shipboard generated wastes;
- Report to the CCM and cooperate with CINER to resolve environmental concerns, such as inoperative or ineffective pollution prevention equipment and document all efforts to do so in a log that is available for review and audit at all times.

D. INDEPENDENT ECP CONSULTANT AND ENVIRONMENTAL AUDITS

- (1) No later than thirty (30) days following the District Court's final imposition of sentence in United States v. Ciner Gemi Acente Isletni Sanayi Ve Ticaret S.A., CINER shall nominate three candidates for the IC that meet the qualifications below to conduct an Initial Environmental Review, and a Report of Findings for all of CINER operations as defined below. The United States will notify CINER in writing of which IC is acceptable. If none of the proposed candidates are acceptable, CINER will supply an additional candidate. The United States' acceptance shall not be unreasonably withheld.
- (2) Qualified candidates for the IC position must have expertise and competence in the regulatory programs under U.S. and international environmental laws, and have expertise and competence in waste stream evaluation, monitoring and control technologies, with a primary emphasis on engine room and machinery space operations, used by CINER to achieve and maintain compliance in respect to CINER seagoing vessels. The IC shall also have sufficient expertise and competence to assess whether CINER has an adequate Environmental Management System in place to assess regulatory and ECP compliance, to correct non-compliance, and to prevent future non-compliance. CINER and the United States acknowledge that the functions of the IC may, by mutual agreement, be fulfilled by one or more individuals.
- (3) The IC must not directly own any stock in CINER, any of its subsidiaries, affiliated business entities (owned wholly or partially by CINER) or any agents of CINER, and must have no other direct financial stake in the outcome of duties conducted Pursuant to this Plea Agreement. The IC must be capable of exercising the same independent judgment and discipline that a certified public accounting firm would be expected to exercise in auditing a publicly held corporation. If CINER has any other contractual relationship with the IC, both CINER and the IC shall disclose to the United States such past or existing contractual relationships.
- (4) If the United States determines that the proposed IC does not reasonably meet the qualifications set forth in the previous paragraphs, or that past or existing relationships with the IC would affect the IC's ability to exercise the independent judgment and discipline required to conduct the ECP review and evaluation, such IC shall be disapproved and another IC shall be proposed by CINER within thirty (30) days of CINER's receipt of the United States' disapproval.
- (5) During the first year of probation, the IC shall conduct an Initial Environmental Review of CINER's operations (vessel and shoreside) and a number of CINER's seagoing bulk carrier vessels that may call upon a U.S. port during the period of probation, as more fully described below. During the three year term of probation, each of the twenty (20) bulk carrier vessels listed above will be audited at least once. Accordingly, during the first year of probation, six (6) vessels subject to this ECP will be audited as part of the Initial Environmental Review, at least three of which will be conducted while underway and operating on a voyage of short duration (3-4 days or less). CINER and the IC shall coordinate the underway inspections to accommodate, as much as practicable, the vessels' operations and schedule. The Initial Environmental Review shall be performed to ascertain and evaluate various aspects of CINER vessels: their systems, equipment and components; current practices whether documented or not; and the knowledge, skills, and abilities of ship and shoreside personnel as they relate to the requirements of this ECP, and other maritime environmental protection requirements. During the second year of probation, the IC shall also conduct a second round of audits for seven (7) vessels subject to this ECP and not the office, at least three of which shall be conducted while underway on a voyage of short duration (3-4 days or less). During the third year of probation, the TPA, as more fully discussed in Section H. below, shall conduct a third round of audits for the seven (7) remaining bulk carrier vessels subject to this ECP and not the office, at least three of which shall be conducted while underway on a voyage of short duration.
- (6) The Initial Environmental Review may be considered as a discovery action in that its purpose is to review all areas of the operations that may impact various elements of pollution prevention and environmental protection. It will

exceed a typical SMS audit in scope and will be used to determine practices, procedures and equipment conditions not typically documented during a routine inspection by the classification society, port or flag state. The results of the Initial Environmental Review will be used to shape and revise the Environmental Management System established by this ECP.

(7) The Initial Environmental Review shall meet the following specific requirements:

(a) It shall assess all waste streams developed from any system, equipment and components found in each machinery space on board CINER vessels. This will include observation and documentation describing the leakages apparent on each system that can contribute to bilge loading. The audit will determine the status and quantify leakages stemming from:

- (i) all pump and valve seals and glands during operation,
- (ii) all piping systems, flanges, gaskets, fittings and joints,
- (iii) all equipment casings such as main and auxiliary engines, and reduction gears,
- (iv) operation of engines, boilers, incinerators, and evaporators, and
- (v) all other mechanical components found aboard CINER vessels.

(b) It shall assess the adequacy and performance of the Oily Water Separator (OWS) and Incinerator, Sewage System, and any other pollution prevention equipment to handle the quantities and types of wastes developed during normal operations. To assess the performance of the OWS, the auditor shall conduct an operational test using the normal tank or bilge well supply as would be used in normal operations. The supply tank or bilge well must not be diluted. It will include an evaluation of the capacities for all tanks or containers associated with the management of sludges, bilges and oily wastes or other Wastes. It will include an evaluation of documentation tracking, maintenance and repair, and modifications of all pollution prevention equipment, and notification of equipment failure to the CCM or other shoreside personnel.

(c) It shall assess each vessel's crew and their current workloads relating to all work performed on the vessel's systems, equipment and components, in an effort to ascertain that even the least significant leakages contributing to waste streams are remedied in a prompt and effective manner.

(d) It shall assess the adequacy of the policy, 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.

(e) It shall assess the adequacy of the policy, procedures, current practices and equipment associated with cargo management developed during all evolutions of cargo operations.

(f) It shall assess the ability of each vessel's crewmembers to create, devise or implement an unauthorized process to dispose of a shipboard waste including regular garbage, machinery space and cargo-generated wastes.

(g) It shall assess the adequacy of each vessel's responsible crewmembers to maintain the following records and shall include a complete comparative analysis (against each other where possible) of the following records:

- (i) Oil Record Book,
- (ii) Engine room Alarms,
- (iii) Tank sounding logs (if vessel not so equipped, then it must start maintaining such a log),
- (iv) Personal work records and lists,
- (v) Maintenance records,
- (vi) Vendor service records,
- (vii) Bilge waste and sludge receipts,
- (viii) Deck Log,

- (ix) Garbage Record Book,
- (x) Wastewater Discharge Log,
- (xi) Oil to Sea Equipment Interface Logs,
- (xii) Hazardous waste manifests,
- (xiii) Solid waste discharge receipts,
- (xiv) Content Monitor (OWS) calibration logs,
- (xv) Training records,
- (xvi) Vetting documents,
- (xvii) Inspection Documents, and
- (xviii) SMS or SQE Audit documents

(h) It shall assess the adequacy of the policy, procedures, and current practices used to store and dispose of:

- (i) Solvents,
- (ii) Degreasers,
- (iii) Cleaning wastes,
- (iv) Batteries,
- (v) Paints,
- (vi) Oily rags,
- (vii) Fluorescent and incandescent bulbs,
- (viii) Expired boiler and engine chemicals,
- (ix) Used boiler and engine chemicals,
- (x) Galley greases,
- (xi) Pyrotechnics,
- (xii) Medical supplies,
- (xiii) Contaminates fuels,
- (xiv) Used Oil and greases,
- (xv) Incinerator ash.
- (xvi) Transformer oils,
- (xvii) Contaminated refrigerants, and
- (xviii) Hazardous materials.

(i) It shall assess and evaluate documentation containing the certifications that each vessel's officers understand the requirements of this ECP and shall require signed statements by all vessel officers attesting that they understand false entries in the Oil Record Book for machinery space operations is a violation of law.

(j) It shall assess the policy, procedures, and current practices associated with the Master and Chief Engineer's capability to communicate with shoreside personnel, including the CCM and designated persons, and shall review such communications.

(k) It shall assess the frequency and adequacy of, through interviews of crewmembers, shipboard pollution prevention and environmental protection meetings and training.

(l) It shall assess the policy, procedures, and current practices used on vessels and ashore to track crewmember environmental training, as well as the availability of and access to training resources.

(m) It shall assess the adequacy of existing methods for employees to report environmental concerns and evaluate the capability of a reporting individual to remain anonymous, and review processes of handling environmental complaints from crewmembers and shoreside personnel.

(n) It shall assess the policy, procedures, and current practices to ensure that vessel vendors, technicians, and other non-crewmembers follow CINER requirements regarding pollution prevention and environmental protection.

(o) It shall assess the policy, procedures, and current practices used to manage the existing seal tracking and valve locking program, including the storage of seals and preventing the use of duplicate seals.

(p) It shall assess the policy, procedures, current practices, and equipment used to maintain refrigeration units, including availability and status of refrigerant recovery units, procedures for recovering refrigerants, and maintenance of a leak log.

(q) It shall assess the policy, procedures, current practices, and equipment related to Oil Transfer Procedures, including slops discharges, conditions of hoses, connections and transfer equipment, and shall include reviews of Declarations of inspections.

(r) It shall assess the policy, procedures, current practices, and equipment used to handle emergency releases of hazardous fluids or pollutants on deck or within machinery spaces of vessels, including a review of the Shipboard Oil Pollution Emergency Plan and evaluation of personnel performing such duties.

(s) It shall assess the policy, procedures, and current practices associated with ballast water management and invasive species requirements.

(t) It shall include a survey of all fleet engineers at all levels for information on how to make the OWS, OCM, associated systems and waste management processes tamperproof and for methods on reducing or handling waste accumulations within machinery spaces. Participation shall be mandatory for all engineering personnel. The survey shall request the opinions of the vessels' engineers into their ability to adequately maintain the vessel systems, equipment and components. The survey will emphasize non-retaliation for open and honest opinions and reports of current noncompliant circumstances. The responses will be maintained in original format and made available to the IC. The original survey responses shall be included in the Report of Findings.

(8) At the conclusion of the Initial Environmental Review, but in no event later than twelve (12) months following the appointment date of the IC, the IC shall prepare a Report of Findings. If the IC believes that additional time is needed to analyze available information, or to gather additional information, or to complete the Report of Findings, CINER may request that the Government grant the IC such additional time, as required, which request shall not be unreasonably denied. If necessary, the Government may grant additional time in thirty (30) day increments for completion of the Report of Findings. The Report of Findings shall be provided to CINER and the United States. Based on the Report of Findings, CINER shall develop an Environmental Management System and Manual as described below. The IC shall conduct an audit using the above criteria during the second year of probation in order to ascertain if CINER has continued to implement the EMS system and whether the vessels are in compliance with environmental requirements.

E. ENVIRONMENTAL MANAGEMENT SYSTEM

(1) The CCM shall be responsible for establishing an Environmental Management System (EMS). To the extent possible, the EMS shall be based upon the ISO 14001 / 2004 standards. The EMS shall include the following core requirements:

(2) Environmental Policy:

The EMS should be based upon a documented and clearly communicated policy. This policy should set out the CINER commitment towards a cleaner marine environment. It should include:

- (i) provision for compliance with environmental requirements;
- (ii) commitment to continuous improvement in environmental performance, including those areas required by this ECP;
- (iii) 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;

- (iv) commitment to continuous reduction of environmental risks; and
- (v) commitment to sharing information with external stakeholders on environmental performance.

(3) Communication of Environmental Requirements:

The EMS must provide a means to identify, explain, and communicate all environmental requirements, and any additional best practices or industry norms which CINER may choose to adopt, to CINER employees, and other vendors, technicians or non-crewmembers engaged in the waste-stream management of CINER operated vessels. The EMS must also specify procedures for incorporating changes in operations or environmental requirements into the communication plan.

(4) Objectives and Targets:

(a) The EMS shall establish specific objectives and targets for:

- (i) achieving and maintaining compliance with all marine environmental protection requirements and the requirements of this ECP;
- (ii) environmental performance demonstrating continuous improvement in regulated and non-regulated areas;
- (iii) pollution prevention that emphasizes source reduction with respect to machinery space waste streams and effective management of cargo related wastes; and
- (iv) sharing information with external stakeholders on environmental performance against all EMS objectives and targets.

(b) The EMS shall 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 IC or other Auditor.

(5) Structure, Responsibility and Resources:

CINER will ensure that it is equipped with 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 shoreside personnel involved with the operation maintenance and repair of CINER' vessels, and will indicate how they and other corporate personnel will be held accountable for achieving and maintaining compliance with this EMS, and other requirements of that EMS, and other marine environmental protection requirements. The EMS will also establish procedures for receiving and addressing concerns raised by CINER employees and others regarding environmental performance and compliance.

(6) Operational Control:

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

(7) Corrective and Preventive Action and Emergency Procedures:

- (a) CINER, 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 organizations ability to achieve the ECP objectives and targets.
- (b) Such measures must address 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 ECP, or other marine environmental protection requirements. Examples of such situations include incinerator or oily water separator malfunctions, overflows of fuel or slop tanks, overflow of tanks within machinery spaces, fuel oil, lube

oil, saltwater line failures, operator errors and other accidental releases.

- (c) The EMS must also establish documented procedures for mitigating any adverse impacts on the environment that may be associated with accidents or emergency situations. 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.

(8) 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 ECP 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.

(9) Organizational Decision-making and Planning:

The EMS must describe how these elements will be integrated into the CINER overall decision-making and planning, in particular, decisions on capital improvements, training programs, and vessel operations, maintenance, and repair activities.

(10) 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, all records will be maintained and made available to the IC, auditors and port and flag state personnel.

(11) Continuous Evaluation and Improvement:

- (a) The EMS must include methods to perform periodic, documented and objective internal auditing of the organization's performance in achieving these objectives and targets, and on how well the ECP 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 assess vessel systems, equipment and components, and the ability and proficiency at which vessel crew members and personnel ashore comply to the policies and procedures established by this ECP.
- (b) The EMS will identify an ongoing process for assessing when a vessel is to be taken out of service for an environmental discharge related repair, such as when a discharge is caused by leaking stern tubes, thrusters or other equipment.
- (c) The EMS will include organization charts, as appropriate, that identify shoreside and vessel individuals having environmental performance, risk reduction, and regulatory compliance responsibilities. The charts shall also specify responsibilities of Port Captains, Port Engineers, and Engineering Superintendents to report information related to environmental releases or inadequate performance of environmental pollution protection equipment, casualties causing internal spills, excessive waste development and leaking equipment with oil-to-sea interfaces.
- (d) The EMS 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.
- (e) The EMS will describe potential consequences for departure from specified operating policies and procedures, including possible termination of employment, as well as criminal/civil/administrative penalties as a result of noncompliance.
- (f) The EMS will make employee compliance with environmental policies of the ECP, 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.

- (g) The EMS 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 to ensure that employees do not avoid such costs and thereby sacrifice environmental compliance.
- (h) The EMS 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.
- (i) The EMS 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 vessel engine room operations, systems, equipment and components and cargo residue management.
- (j) The EMS will identify the types of records developed and maintained in support of the ECP 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, The EMS shall provide a system for conducting and documenting routine, objective self-inspections by CINER 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.

F. COURT APPOINTED MONITOR

As part of the ECP, CINER agrees to pay for a Court Appointed Monitor (hereinafter "Monitor") that will report to the Court and the United States during the entire period of probation. The Monitor can, at CINER's option, serve concurrently in the additional capacity of Third Party Auditor (hereinafter "TPA") under the terms of this Agreement. Within thirty (30) days of the entry of the imposition of sentence CINER will submit a list of three qualified candidates for the Monitor from which the United States will select one of the candidates. In the event that the United States does not find one of the candidates satisfactory, or if the United States does not find the work of the Monitor satisfactory, at any time they may request CINER to supply additional candidates. Further, if an agreement cannot be reached regarding the selection, the decision shall be left up to the Court. The 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; expertise and competence to assess whether CINER has adequate management systems in place to ensure regulatory compliance, correct non-compliance, and prevent future non-compliance; and demonstrated capability to evaluate CINER's required effort and commitment in satisfying the requirements of this ECP and the EMS. CINER shall ensure that the Monitor is provided all reports and notifications as established in this plan.
- (b) The Monitor shall be assigned the following tasks and responsibilities and provide written submissions to the Court as set forth below:

-Review the relationship between CINER and the IC and TPA and evaluate the adequacy of measures taken to ensure that the IC and TPA act with independence.

-Conduct a review and submit an annual report to the U.S. Probation Office, CINER, designated representative of the Coast Guard, and the Environmental Crimes Section, United States Department of Justice regarding each of the audits conducted by the IC and TPA pursuant to the Plea Agreement and the ECP. The Monitor's reports shall provide a summary of the findings regarding the adequacy of any audits 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 Monitor is aware of which pertains to

CINER capabilities to meet the objectives of this ECP or any other marine environmental protection requirements.

-All known inadequacies of the IC, the TPA or with respect to CINER performance whether personnel based or related to any of its vessels, systems, equipment, or components shall be reported in the annual report.

-If the Monitor receives information regarding a direct violation of any existing marine environmental protection requirement or requirement of this ECP, the Monitor must immediately report the occurrence to the U.S. Probation Office and to the United States. At any time during the probationary period the Monitor may inspect or investigate any aspect of the IC or TPA activities as they relate to the requirements of this plan or with respect to CINER 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 U.S. Probation Office, CINER, designated representative of the Coast Guard and the Environmental Crimes Section, United States Department of Justice, 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 and any other findings of significant problems or deficiencies.

G. ENVIRONMENTAL MANAGEMENT SYSTEM MANUAL

- (1) Within six (6) months of receiving the Report of Findings on the Initial Environmental Review from the IC, CINER shall prepare an EMS Manual, which shall describe and document the EMS and contain any additional EMS implementation schedules as needed to ensure complete compliance in all operations and procedures. If CINER believes that additional time is needed to analyze available information or to gather additional information to prepare the EMS Manual, CINER may request that the Government grant it such additional time as needed to prepare and submit the EMS Manual, which request shall not be unreasonably denied. If necessary, the United States may grant additional time in thirty (30) day increments for completion of the EMS Manual.
- (2) CINER shall submit a proposed final EMS Manual to the CCM, the IC and the United States immediately upon its completion. The IC and the United States shall provide comments on the proposed EMS Manual within ninety (90) days of receipt unless additional time for review is requested in writing. CINER shall submit a supplement to the EMS or a written response, as appropriate, within sixty (60) days of receipt of the comments. The EMS is subject to final approval from the United States, which approval shall not be unreasonably withheld.
- (3) All elements of the EMS Manual shall be fully implemented no later than nine (9) months following final approval by the United States. Upon receipt of final approval, CINER shall immediately commence implementation of the EMS in accordance with the schedule contained in the EMS Manual. CINER shall submit reports to the designated representative of the Coast Guard, and the Environmental Crimes Section, United States Department of Justice beginning no later than one hundred twenty (120) days following the publication of the Report of Findings by the IC, regarding the status of the development and implementation of the EMS and the results of the Review and evaluation of CINER operations or audits conducted pursuant to the EMS. These reports shall be made on an annual basis.

H. FINAL EMS/ECP COMPLIANCE AUDIT

- (1) Beginning no later than twelve (12) months prior to the end of probation, CINER shall arrange for, fund and complete a Final EMS/ECP Compliance Audit of the remaining seven (7) CINER bulk carrier vessels subject to this ECP while four of the vessels are in port and three are underway and operating on voyages of short duration (3-4 days or less). In total, twenty (20) audits will be conducted of the entire fleet during the three year period of probation. The final audits are to be conducted by the TPA, to verify compliance with applicable environmental laws and regulations and the requirements of this EMS and ECP. CINER and the TPA shall coordinate the underway examinations to accommodate, as much as practicable, the vessel's operations and schedule. These three underway examinations will be conducted, to the extent practical, on voyages of short duration (i.e. three (3) to four (4) days or less). The TPA will have full access to CINER facilities, records, employees and officers at all times. During this final audit phase CINER shall immediately advise the TPA of any issue that comes to its attention that adversely impacts CINER

compliance with all applicable laws and regulations and the EMS/ECP.

- (2) The TPA will be certified by the American National Standards Institute -Registration Accreditation Board or will have compatible credentials and experience in performing EMS/ECP audits. Selection of the TPA is subject to the same conditions identified in Section C above regarding selection of the IC. Selection of the TPA will be approved by the United States and will not be unreasonably withheld. The United States will notify CINER in writing of its approval or disapproval as expeditiously as possible.
- (3) The Final EMS/ECP Compliance Audits shall be conducted, as much as is practicable under the circumstances, in accordance with the principles set forth in ISO 9000 and ISO 14011, using ISO 14012 as supplemental guidance. The TPA shall assess conformance with the elements covered in the Initial Environmental Review, with all additional requirements presented in the EMS and with the additional requirements of this plan. Designated United States representatives may participate in the audits as observers at Government expense. CINER shall make timely notification to the United States regarding audit scheduling in order to make arrangements for observers to be present.
- (4) The TPA shall deliver each vessel's and facility's audit report to the appropriate company official upon completion. In addition, the TPA will deliver an Audit Report to the U.S. Probation Office, designated representative of the Coast Guard, and Environmental Crimes Section, United States Department of Justice within thirty (30) days after the completion of each audit. If the TPA believes that additional time is needed to analyze available information or to gather additional information, CINER may request that the Government grant the TPA such additional time as needed to prepare and submit the Audit Report. If necessary, the Government may grant additional time in thirty (30) day increments for completion of the Audit Report.
- (5) The Final EMS/ECP Compliance Audit Reports shall present the Audit Findings and shall, at a minimum, contain the following information:
 - (a) Audit scope, including the time period covered by the audit;
 - (b) The date(s) the on-site portion of the audit was conducted;
 - (c) Identification of the audit team members;
 - (d) Identification of the company representatives and regulatory personnel observing the audit;
 - (e) The distribution list for the Final EMS/ECP Compliance Audit Report;
 - (f) A summary of the audit process, including any obstacles encountered;
 - (g) Detailed Audit Findings, including the basis for each finding and the Area of Concern identified;
 - (h) Identification of any Audit Findings corrected or Areas of Concern addressed during the audit, and a description of the corrective measures and when they were implemented;
 - (i) Certification by the TPA that the Final EMS/ECP Compliance Audit was conducted in accordance with this document and general audit principles.
- (6) Within sixty (60) days from completion of the Final EMS/ECP Compliance Audit of a particular facility or vessel, CINER shall develop and submit to the United States, for review and comment, an Action Plan for expeditiously bringing CINER into full conformance with all applicable laws and regulations and the EMS/ECP Manual. The Action Plan shall include the result of any root cause analysis, specific deliverables, responsibility assignments, and an implementation schedule. CINER may request that the United States permit a brief extension of the time limit stated above on a case by case basis. Such permission shall not be unreasonably withheld.
- (7) The Action Plan shall be reviewed by the United States which shall provide written comments within thirty (30) days of receipt. After making any necessary modifications to the Action Plan based on the comments, CINER shall implement the Action Plan in accordance with the schedules set forth therein. Within thirty (30) days after all items in the Action Plan have been completed, CINER shall submit a written Action Plan Completion Certification to the United States.

I. NON-COMPLIANCE

- (1) This EMS/ECP does not in any way release CINER from complying with any applicable international conventions and treaties, State or Federal statutes and/or regulations, the ISM Code, or other international maritime conventions or treaties and does not limit imposition of any sanctions, penalties, or any other actions, available under those international conventions and treaties, State or Federal statutes and regulations, the ISM Code, or other international maritime safety conventions or treaties.
- (2) The EMS/ECP shall be part of the Plea Agreement and adherence to it will be a condition of probation. Failure to comply with any part of this EMS/ECP (including but not limited to refusal to pay valid and reasonable charges for the IC or TPA and failure to provide the IC or TPA access to vessels, facilities, personnel or documents) may be a violation of the Plea Agreement and may be grounds for the revocation or modification of CINER's probation. Should the United States or the U.S. Probation Office seek to revoke or modify CINER's probation based on CINER's refusal to pay valid and reasonable charges for the IC or TPA and/or its failure to provide the IC or TPA access to vessels, facilities, personnel, or documents, and/or as the result of any disagreement regarding any of the provisions of this EMS/ECP, CINER shall have the right to contest the reasonableness of such revocation before the appropriate U.S. District Court.

J. CCM/VESSEL MASTER RESPONSIBILITIES

- (1) The Master of any of CINER vessel covered under this ECP, with the assistance of the CCM, shall ensure that timely reports are made to the United States of any non-compliant condition of any of CINER vessel subject to this ECP. CINER shall establish that enforcement of and employee compliance with the EMS/ECP, ISM Code, MARPOL, and all applicable State and Federal safety and environmental statutes and regulations is an important positive factor and that failure to comply with such policies, regulations, and laws will be a negative factor in all appropriate personnel evaluations.

K. BOARD OF DIRECTORS

CINER shall ensure that at least annually its Board of Directors or equivalent governing structure receive and review reports from the CCM and any applicable report from the IC concerning the implementation of this EMS/ECP, including environmental compliance, EMS implementation, and manager, officer, and crew training. Copies of those portions of the meeting agendas and internal company reports concerning these items shall be included in the reports to the United States.

L. TRAINING REQUIREMENTS

- (1) The CCM will be responsible for developing training programs to educate and train CINER vessel and shoreside employees associated with the operation and management of the vessels subject to this ECP. The CCM may name a Corporate Training Officer to ensure that the requirements of this section are met.
- (2) Training shall occur annually for all employees and be performed by qualified instructors at a training facility, or at CINER's offices, 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 CINER and its employees for failure to comply with the requirements of this ECP, EMS, and existing marine environmental protection requirements.
- (3) 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.

(4) Additionally, the training shall include instruction regarding:

- (a) Corporate environmental compliance structure, including the CCM and contact information.
 - (b) Comprehensive overview of this ECP, the EMS, and other marine environmental protection requirements.
 - (c) The reporting system used to report non-compliance.
 - (d) Sanctions and consequences for violations such as remedial training, suspension, termination, and civil and criminal liability.
 - (e) Pollution prevention and minimization programs specifically relating to steward, deck, and engine department procedures and operations.
 - (f) All requirements set forth in the Engineering section of this ECP.
 - (g) Position specific training in the operation, maintenance and repair of oily water separators, incinerators, oil content discharge monitoring equipment, and other pollution prevention equipment.
 - (h) Procedures for solid and hazardous waste segregation and storage, disposal, and reporting of releases.
 - (i) All other shipboard environmental protection related procedures examined and described in the required initial review.
- (5) All new crewmembers hired to work on CINER vessels subject to this ECP shall receive training within seven (7) days of beginning to work on board the vessel. CINER shall maintain documentation onboard each of its operated and/or managed vessels verifying that all officers and crewmembers working on the vessel have received the required training. Such documentation shall be made available to the IC and the United States upon request.
- (6) The Chief Engineer onboard each of CINER operated and/or managed vessels subject to this ECP shall prepare independent written verification that all engineroom crew members have received the training required by this EMS/ECP. All engineroom crewmembers shall sign and date a statement acknowledging completion of the training. This written verification, together with the signed acknowledgment, shall be completed semi-annually and maintained in the engine control room of each vessel.

M. ENGINEERING REQUIREMENTS

- (1) Unless otherwise stated, all of the requirements set forth below, if not in contravention of any Classification Society, Treaty or other Flag State requirement, shall be implemented on the vessels covered under this ECP as soon as practicable, as determined by the CCM and not later than one year from the date of imposition of Sentence.
- (2) Bilge Main Cross -Connections:
- (a) CINER shall immediately notify all of its vessels regarding the prohibition against non-emergency use of 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. The message shall state that the usage of these crossovers is similar to bypassing the OWS equipment and strictly prohibited.
 - (b) 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 three inch letters shall be permanently fixed nearby reading, "Bilge System Piping Crossover-Emergency Use Only."
 - (c) To prevent unauthorized usage, Chief Engineers shall place numbered seals on these valves.

- (d) The seal numbers shall be tracked in a seal number logbook and explanations shall be given any time a crossover to the bilge main is opened. Seals shall be used in other areas of the machinery space. The Master of the vessel shall retain the replacement seals in the vessel's safe. The Master will keep an additional log documenting when seals are replaced and their respective numbers. The CCM will be responsible for ensuring fleet wide that no duplication of seal numbers occur and will have a master tracking document indicating which series were supplied to each vessel.
- (e) If the valves are remotely operated from the engine control room, the control must also be disabled and notice made near the associated push buttons or switches. They shall also be sealed.
- (f) All other bilge suction valves not connected to the bilge main, including independent emergency suction to the vessel's engine room bilges like those that may be connected to sea water circulating pumps, will be painted brightly and labeled similarly "Emergency Bilge Suction -Emergency Use Only," Their valve wheels will also have a numbered and logged seal capable of breakaway during emergency. Seal numbers shall be kept in the Chief Engineer's official seal log book and explanations given for breakage or replacement.

(3) Blank Flanges:

- (a) To prevent unauthorized connections within the engineroom and machinery spaces of CINER vessels, every blank 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 seals through the flange bolts to prevent unauthorized connections and discharges. The seals used shall be numbered and records kept in the previously mentioned log.
- (b) The blank flange securing the bilge and sludge transfer system and the shore connection discharge valve at the discharge stations shall also require a numbered seal that will be maintained. Seal numbers shall be kept in the Chief Engineer's official seal log book.

(4) Tank Sounding Log:

The CCM shall ensure the immediate usage of Tank Sounding Log Books on all vessels. Engine room crewmembers shall be required to sound all waste, sludge, and bilge tanks associated with bilge water, oil wastes, or sludge during each watch for vessels having a manned engine room or twice daily for those having an unmanned engineroom. The Tank Sounding Log shall be initialed by the crewmember that obtained the reading. The Tank Soundings Log shall be maintained in the engine control room and made available during all inspections and audits required by this agreement.

(5) Oil-to-Sea Interfaces:

- (a) CINER agrees to immediately develop for each vessel a log book relating to equipment having oil-to-sea interfaces. Such systems may be oil lubricated stem lubes, bow or stern thrusters, stabilizers, hydraulically operated controllable pitch propellers, and similar equipment whereby the leakage of a sealing component may cause a loss of operating medium into the surrounding waters of the vessel. Any replenishment of oil into the head tanks, operating systems reservoirs or other receivers associated with this equipment shall be logged regardless of quantity. Ingress of water into these systems must also be logged.
- (b) When known, an explanation of the loss shall be provided, along with dates and time and signature. Routine stem tube lube oil loss must be logged and reported to the CCM immediately on each occasion. CINER agrees to remove from employment any Chief Engineer who fails to report these conditions.

(6) 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.

N. DOCUMENTATION AVAILABLE FOR INSPECTION

The CCM shall ensure that all documentation required by this EMS/ECP is maintained and available for inspection by the IC, TPA, and the United States. The Master of each CINER vessel under this ECP, shall 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 required under this EMS/ECP, such as crew training records, and will make these records available to the IC, TPA, and the United States Coast Guard upon request. A summary of this information and any explanation, where appropriate, shall be included in the reports to be submitted to the United States by the IC and TPA.

O. CHANGES IN OWNERSHIP/MANAGEMENT

The parties recognize that during the term of probation, the number and identity of bulk carrier vessels operated, managed, manned and/or controlled by CINER may increase or decrease. Any vessel removed from the operation, management, manning or control by CINER, shall be excluded from the scope of the EMS/ECP. CINER agrees that it will immediately (but in no event later than 21 days following a change) notify the United States of any change in name, flag of registry, recognized organization, ownership or class society of any such of CINER vessels subject to this ECP, to include the operation, management, manning or control of which is assumed by CINER. CINER agrees that this EMS/ECP shall remain in effect for all of the aforesaid bulk carrier vessels regardless of changes in the vessels' flag of registry, recognized organizations, name, or class society, so long as the vessels are managed, operated or manned by CINER, unless no longer managed by CINER as a result of an arm's length transaction to a third party. CINER shall notify the United States before any vessel is released from the requirements of the EMS/ECP due to a change in ownership, management, manning or control, or if such vessels cease calling on ports or places in the United States. Any bulk carrier vessel that CINER assumes operational, manning, or technical control of during the course of probation shall insure that such vessel is audited in accordance with this ECP, and no later than 75 days after assuming control of the vessel, provided the vessel's schedule permits, otherwise within a reasonable time thereafter.

P. SELF-ENFORCEMENT

CINER further agrees that it will undertake and implement the necessary procedures to ensure that this EMS/ECP is diligently complied with by the officers and crew of each of CINER operated and/or managed vessels subject to this ECP, as well as by all shore side employees, managers and other employees of CINER subsidiaries, affiliated business entities (owned wholly or partially by CINER) and agents of CINER engaged wholly or partially in the manning, and/or operation of aforesaid seagoing vessels or contracted to do the same, on the date of sentencing or at any time during the period of probation.

Q. REVISIONS/MODIFICATIONS

The requirements of this EMS/ECP, including the dates and time periods mentioned herein, shall be strictly complied with. Should CINER be unable to comply with any of the deadlines, CINER shall immediately notify the United States in writing of the reason(s) for non-compliance, and propose a revised timetable. The United States shall then determine as to whether the revised timetable should be accepted.

R. REPORTS

All reports, documents and correspondence required under this EMS/ECP to be sent to the United States shall be sent to the following offices:

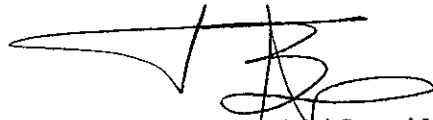
- (a) U.S. Attorney's Office
District of Maryland
Attn: Michael P. Cunningham
36 S. Charles Street
Baltimore, Maryland 21201

(b) U.S. Department of Justice
Environmental Crimes Section
Attn: Thomas Franzinger
601 "D" Street, NW, Suite 2120
Washington, D.C. 20004

(c) U.S. Coast Guard Commandant (CG-543)
Office of Vessel Activities
Attn: Designated Representative of the Coast Guard
2100 Second Street, SW
Washington, D.C. 20593-0001

(d) U.S. Probation Department
District of Maryland

Defendant has read this ECP carefully and understands it thoroughly. Defendant enters into this ECP knowingly and voluntarily, and therefore agrees to abide by its terms. By its signatures below, the corporate representative agrees that he/she is duly authorized by the corporation's Board of Directors or equivalent governing structure pursuant to the same notarized legal document filed in United States v. Ciner Gemi Acente Isletni Sanayi Ve Ticaret S.A., certifying that Defendant company is authorized to enter into and comply with all of the provisions of this ECP.



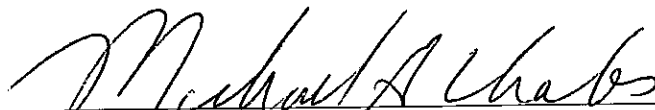
DATED: 16/12/2015 Ciner Gemi Acente/Isletni Sanayi Ve Ticaret S.A.

By: Vasileios Papakalodoukas / Chairman of the Board

As counsel for Defendant, we represent that we have discussed with our corporate client and its duly authorized representative(s) the terms of this EMS/ECP and have fully explained its requirements. We have no reason to doubt that our client is knowingly and voluntarily entering into this EMS/ECP.

DATED:

12/16/2015




MICHAEL G. CHALÓS
K&L Gates LLP
Counsel for Ciner Gemi Acente Isletni Sanayi Ve Ticaret S.A.

On behalf of the United States, the following agree to the terms of the EMS/ECP:

DATED: 1/14/16


MICHAEL P. CUNNINGHAM
Assistant United States Attorney

DATED: 1/14/16


THOMAS FRANZINGER
Trial Attorney
Environmental Crimes Section

The Board of Directors of our Company titled Ciner Gemi Acente İşletmeleri Sanayi ve Ticaret A.Ş. registered with Istanbul Trade Registry under the registration number of 744100 convened on 16/12/2015 and adopted the following decisions:

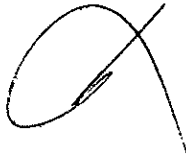
1. The terms and conditions of the written Plea Agreement, dated sixteenth of December 2015 between the United States of America and the Company, having been explained to the Board of Directors of the Company by its counsel, and the Board of Directors understanding those terms and conditions, and all corporate formalities required for the authorizations contained herein having been observed, it is resolved that the Company hereby assents to those terms and conditions and agrees to enter into the said written Plea Agreement in that certain matter now pending in the United States District Court, District of Maryland, entitled United States of America, Plaintiff, v. Ciner Gemi Acente İşletmeleri Sanayi ve Ticaret A.Ş., Defendant, Case No. 15-cr-616. A copy of the written Plea Agreement is attached hereto and the Board of Directors deems it in the best interests of the Company to enter into that Agreement;
2. Mr. Vasileios Papakalodoukas, the chairman of the Board of Directors of the Company, and/or Mr. Michael G. Chalos of K&L Gates, LLP, and/or Mr. George K. Kontakis of K&L Gates, LLP, and/or any duly licensed attorney employed by K&L Gates, LLP, each be and hereby is authorized, empowered and directed to execute the Plea Agreement on behalf of the Company and to execute any and all other documents and instruments, and to take any and all actions to do any and all other things necessary or incidental for the execution and entry of the Plea Agreement;
3. Mr. Vasileios Papakalodoukas, the chairman of the Board of Directors of the Company, and/or Mr. Michael G. Chalos of K&L Gates, LLP, and/or Mr. George K. Kontakis of K&L Gates, LLP, and/or any duly licensed attorney employed by K&L Gates, LLP, be and hereby are authorized to appear before the United States District Court, District of Maryland, and enter pleas of guilty on behalf of the Company in accordance with the terms of the Plea Agreement in the case entitled United States of America, Plaintiff, v. Ciner Gemi Acente İşletmeleri Sanayi ve Ticaret A.Ş., Defendant, Case No. 15-cr-616;
4. The Board of Directors of the Company, having been advised by counsel that the charges to which the Company will plead guilty pursuant to the written Plea Agreement in the case entitled United States of America, Plaintiff, v. Ciner Gemi Acente İşletmeleri Sanayi ve Ticaret A.Ş., Defendant, Case No. 15-cr-616, are presented by Information rather than by grand jury indictment, and the Board of Directors of the Company having been advised of the Company's right to be charged by grand jury indictment and fully understanding that right, the Company hereby authorizes, directs and empowers Mr. Vasileios Papakalodoukas, the chairman of the Board of Directors of the Company, and/or Mr. Michael G. Chalos of K&L Gates, LLP, and/or Mr. George K. Kontakis of K&L Gates, LLP, and/or any duly licensed attorney employed by K&L Gates, LLP, to appear before the United States District Court, District of Maryland, and, in that case, waive the Company's right to be charged by grand jury indictment and consent to being charged by Information;
5. The Company, acknowledges that, with the consent of its Board of Directors, it is, and has been, represented in this matter by its counsel, Mr. Michael G. Chalos of K&L Gates, LLP, and/or Mr. George K. Kontakis of K&L Gates, LLP;
6. The Company, by its Board of Directors, acknowledges that it has been fully informed and counseled by its attorneys in respect to the Plea Agreement and the possible fines, penalties and consequences thereof, and the Company understands the provisions of the Plea Agreement, their contents and consequences;
7. The terms and conditions of the written Environmental Compliance Program dated 16th day of December 2015 between the Company and the United States of America having been read and understood by the Board of Directors of the Company, the Company hereby assents to those terms and conditions and agrees to enter into the said written Environmental Compliance Program, as set forth in the Plea Agreement, in that certain matter pending in the United States District Court, District of Maryland, entitled United States of America, Plaintiff, v. Ciner Gemi Acente İşletmeleri Sanayi ve Ticaret A.Ş., Defendant, Case No. 15-cr-616; and,

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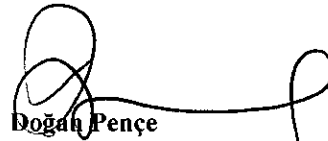


8. The Board of Directors of the Company deem it in the best interests of the Company to enter into that Plea Agreement and the Environmental Compliance Program; and,
9. Mr. Vasileios Papakalodoukas, the chairman of the Board of Directors of the Company, and/or Mr. Michael G. Chalos of K&L Gates, LLP, and/or Mr. George K. Kontakis of K&L Gates, LLP and/or any duly licensed attorney employed by K&L Gates, LLP, be and hereby are authorized, empowered and directed to execute the Environmental Compliance Program on behalf of the Company, thereby signifying its assent to the terms and conditions of the Environmental Compliance Program; and,
10. Mr. Vasileios Papakalodoukas, the chairman of the Board of Directors of the Company, and/or Mr. Michael G. Chalos of K&L Gates, LLP, and/or Mr. George K. Kontakis of K&L Gates, LLP, and/or any duly licensed attorney employed by K&L Gates, LLP, be and hereby are authorized, to appear before the United States District Court, District of Maryland at the time of sentencing, to allocute on behalf of the Company, and to do any and all things necessary to plead to the charges against the Company and to accept the sentence imposed by the United States District Court, District of Maryland on behalf of the Company, and to deliver payment of any and all fines and special assessments, as required.

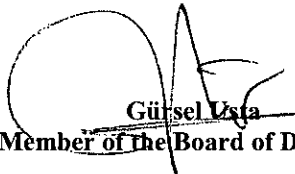
Executed this 16th day of December 2015.



Vasileios Papakalodoukas
Chairman of the Board of Directors



Doğan Pençe
Deputy Chairman of the Board of Directors



Günel Usta
Member of the Board of Directors



Orhan Yüksel
Member of the Board of Directors

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DISTRICT OF MARYLAND
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AT BALTIMORE
BY _____ DEPUTY