

ORIGINAL



FILED
DISTRICT COURT OF GUAM

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FEB 16 2021

JEANNE G. QUINATA
CLERK OF COURT

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12 IN THE UNITED STATES DISTRICT COURT
13 FOR THE TERRITORY OF GUAM
14

15 UNITED STATES OF AMERICA,

16 Plaintiff,

17 vs.

18 Pacific International Lines (Private) Limited,

19 Defendant.
20

CRIMINAL CASE NO. 1:20-cr-00030

AMENDED

PLEA AGREEMENT

21 Plaintiff, United States of America, by and through Shawn N. Anderson, United States
22 Attorney for the Districts of Guam and the NMI, Marivic David, Assistant United States Attorney
23 for the Districts of Guam and the NMI, and Stephen Da Ponte, Trial Attorney, Environmental
24 Crimes Section, United States Department of Justice, and Defendant Pacific International Lines

PLEA AGREEMENT - 1

1 (Private) Limited ("PIL") and the Defendant's attorneys, Collier Walsh Nakazawa LLP (by Joseph
2 A. Walsh II and Ellen E. McGlynn), agree to the following Plea Agreement:

3 1. Guilty Plea and Maximum Statutory Penalties:

4 The Defendant, PIL, agrees to waive indictment by a grand jury and agrees to plead guilty to
5 an Information charging the Defendant with one count of knowingly discharging oil into a water of
6 the United States in a quantity that may be harmful, in violation of 33 U.S.C. §§ 1321(b)(3) and
7 1319(c)(2)(A), and 5 counts of knowingly failing to maintain an accurate Oil Record Book in
8 violation of 33 U.S.C. § 1908(a). The Defendant understands that these are Class D felonies which
9 carry a maximum penalty of: a maximum fine of either \$500,000.00 per count, or twice the gross
10 gain or loss resulting from the unlawful conduct, pursuant to 18 U.S.C. § 3571(c) and (d); a term of
11 probation of five years, pursuant to 18 U.S.C. § 3561(c)(1); a \$400 special assessment as to each
12 count to which the Defendant is pleading guilty; and restitution as determined by the Court pursuant
13 to 18 U.S.C. §§ 3663 and 3663A. With regard to restitution, the parties are not aware of any
14 identifiable victims of this case. The Defendant paid for all response costs. The Defendant agrees to
15 pay the special assessment to the District Court Clerk's Office.

16 2. The Court's Role in Plea and Sentencing Procedure:

17 The Court is not a party to this Plea Agreement. Pursuant to Rule 11(c)(1)(B) of the Federal
18 Rules of Criminal Procedure, sentencing is a matter that is solely within the discretion of the Court.
19 The Defendant understands that the Court is under no obligation to accept any recommendations made
20 by the United States and/or by the Defendant and that the Court may, in its discretion, impose any
21 sentence it deems appropriate up to the statutory maximums stated in this Plea Agreement.

22 The Defendant also understands that should the sentencing judge decide not to accept any of
23 the parties' recommendations, that decision is not a basis for withdrawing from this Plea Agreement
24 or a basis for withdrawing this plea of guilty.

PLEA AGREEMENT - 2

1 The Defendant understands that the Court shall accept the Defendant's unconditional guilty
2 plea as long as it meets the requirements of Fed. R. Crim. P. 11(b). The Court will therefore conduct
3 a limited inquiry to determine whether the Defendant's plea is knowing, voluntary and intelligent,
4 and has a sufficient factual basis. The United States and the Defendant agree that a sentence with the
5 following components is the appropriate disposition of the case. The parties understand that such
6 agreement is not binding on the Court.

7 A. Penalty: The parties agree to recommend to the Court that the Defendant pay a total
8 criminal penalty of \$3,000,000.00. The parties further agree to recommend that \$1,500,000 of the
9 criminal penalty and the \$2,400 special assessment be paid within 30 days of sentencing, with the
10 remaining \$1,500,000 to be paid in three equal installments of \$500,000 at the end of each of the
11 first three years of probation. The parties agree to recommend that PIL may, in its discretion, pay
12 any remaining penalty amounts earlier. The payments will be by wire transfer or by cashier's check,
13 law firm check, or money order payable to the Clerk of the United States District Court. At
14 sentencing, the government shall retain \$3,000,000 of the \$4,500,000 surety bond PIL posted with
15 the U.S. Coast Guard at the start of the investigation. After PIL makes the initial \$1,500,000
16 payment (as described above), the government will release \$1,500,000 of the \$3,000,000 surety bond
17 and retain \$1,500,000 of the surety bond, and return and release the surety bond in \$500,000
18 increments as PIL's penalty payments are made. The parties agree to recommend to the Court that
19 the \$3,000,000 criminal penalty be apportioned equally among the six Counts of the Information
20 (\$500,000 per count). The \$500,000 criminal penalty amount imposed pursuant to Count One shall
21 be paid to the Oil Spill Liability Trust Fund, pursuant to the Clean Water Act, as amended by the Oil
22 Pollution Act of 1990, and 26 U.S.C. § 9509(b)(8). The Defendant recognizes and agrees that it will
23 not seek to have payment of any monies pursuant to this Plea Agreement treated as a tax-deductible
24

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1 donation; nor will Defendant make any public statement classifying any payments as voluntary
2 contributions; nor will Defendant seek to gain any benefit in other claims or litigation.

3 B. Mandatory Special Assessment: The Defendant shall pay a special assessment of
4 \$400 for each count of conviction.

5 C. Probation: The parties jointly recommend that the Defendant be placed on probation
6 for a period of four years from the date of sentencing pursuant to 18 U.S.C. § 3561(c)(1) and
7 U.S.S.G. §§ 8D1.1 and 8D1.2. The parties recommend that the terms of probation be as follows:

8 1. No further violations. The Defendant agrees that it shall commit no further
9 violations of the International Convention for the Prevention of Pollution from Ships, as
10 modified by the Protocol of 1978 and as adopted by the United States, or any U.S. federal,
11 state, or local law, including those laws and regulations for which primary enforcement has
12 been delegated to the state authorities, and shall conduct all its operations in accordance with
13 the environmental laws of the United States.

14 2. Environmental Compliance Plan. The Defendant agrees to fund and implement
15 the environmental remedial measures set forth in the Environmental Compliance Plan
16 ("ECP"), attached hereto as Attachment A, during its term of probation, consistent with
17 sentencing policies set forth in U.S.S.G. § 8D1.4. As the ECP constitutes a special condition of
18 probation, a violation of the ECP is a violation of probation.

19 D. Agreement on Security: The parties have previously executed an Agreement on
20 Security which provides for, among other things, the maintenance of certain crew members. This
21 Agreement on Security remains in effect until final disposition of this matter and related matters.

22 3. Waiver of Constitutional Rights:

23 The Defendant, PIL, understands that by entering this plea of guilty the Defendant is
24 knowingly and voluntarily waiving certain constitutional rights, including:

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- 1 (a) The right to a jury trial;
- 2 (b) The right to see, hear and question the witnesses;
- 3 (c) The right to remain silent at trial;
- 4 (d) The right to testify at trial; and
- 5 (e) The right to compel witnesses to testify.

6 While the Defendant is waiving certain constitutional rights, the Defendant understands the
7 Defendant retains the right to be assisted through the sentencing and any direct appeal of the
8 conviction and sentence by an attorney. The Defendant also acknowledges that any pretrial motions
9 currently pending before the Court are waived.

10 4. Elements of the Offense:

11 As charged in Count 1 of the Information, the United States and the Defendant agree that in
12 order to convict the Defendant of knowingly discharging oil into a water of the United States in a
13 quantity that may be harmful, in violation of 33 U.S.C. §§ 1321(b)(3) and 1319(c)(2)(A), the United
14 States would have to prove beyond a reasonable doubt the following elements:

- 15 (a) First: On or about the date charged, PIL, the defendant corporation, acting through its agents or employees, discharged a substance into the
16 navigable waters of the United States, upon adjoining shorelines, or into waters of the contiguous zone;
- 17 (b) Second: The discharge was of oil or a hazardous substance;
- 18 (c) Third: PIL, the defendant corporation, acting through its agents or employees, knew the substance was oil or a hazardous substance;
- 19 (d) Fourth: The oil or hazardous substance was discharged in quantities
20 that may be harmful.

21 As charged in Counts 2 through 6, the United States and the Defendant agree that in order to
22 convict the Defendant of knowingly failing to maintain an accurate Oil Record Book in violation of
23 33 U.S.C. § 1908(a), the United States would have to prove beyond a reasonable doubt the following
24 elements:

- 1 (a). First: The Kota Harum was a vessel of 400 or more gross tons that was
2 registered in a country other than the United States;
- 3 (b). Second: PIL, the defendant corporation, acting through its agents or
4 employees, was a person in charge of machinery space operations for
5 which entries are required to be fully and completely recorded in the
6 Oil Record Book;
- 7 (c). Third: On or about the dates charged, when the Kota Harum entered
8 the navigable waters, internal waters, and ports of the United States,
9 and while the vessel remained therein, the defendant failed to maintain
10 an Oil Record Book in which the discharge overboard or disposal
11 otherwise of bilge water that had accumulated in machinery spaces
12 was fully and completely recorded in the Oil Record Book as required
13 by U.S. law;
- 14 (d). Fourth: The defendant corporation, acting through its agents and/or
15 employees, acted knowingly.

16 5. Factual Basis and Statement of Facts:

17 The United States and the Defendant stipulate and agree that the following facts are accurate;
18 that the United States could prove these facts beyond a reasonable doubt at trial; and these facts
19 constitute an adequate factual basis for PIL's guilty plea.

20 A. The Defendant. Defendant PIL is a company incorporated in Singapore with its
21 principal place of business located at 140 Cecil Street #03-00 PIL Building, Singapore, 069540. At all
22 relevant times, PIL was the owner and the operator of the container ship Kota Harum.

23 B. The Vessel. The container ship Kota Harum (International Maritime Organization
24 Number 9238636) is a 13,491 gross ton vessel, registered and operated under the flag state
administration of Singapore. The Kota Harum was engaged in international trade transporting cargo
to and from Guam, and elsewhere. The Kota Harum had a Chief Engineer, M.M.S., assigned as the
person in charge of the vessel's engine room, as well as a Second Engineer, P.L.H., who assisted the
Chief Engineer. Chief Engineer M.M.S. and Second Engineer P.L.H. were responsible for, among
other things, shipboard control of machinery space waste, to include the collection, storage, and
disposal of oily bilge water. Chief Engineer M.M.S. and Second Engineer P.L.H. were employees of

1 PIL, and therefore acted within the scope of their employment with PIL when serving onboard the
2 Kota Harum.

3 C. The Investigation. On or about October 4, 2019, from 8:00 a.m. to 12:00 p.m., Second
4 Engineer P.L.H. was on duty in the engine room of the Kota Harum while the vessel was docked at
5 the Port of Guam. Second Engineer P.L.H. knowingly and intentionally opened certain valves to allow
6 oily bilge water to be pumped overboard without first passing through required pollution prevention
7 equipment, and then energized the vessel's emergency fire/ballast pump, thereby discharging oily
8 bilge water into the Port of Guam, a navigable waterway of the United States.

9 D. During the time of this discharge, stevedores employed at the Port of Guam were on
10 the deck of the Kota Harum to conduct cargo operations. These stevedores observed the discharge
11 from the Kota Harum and a resulting sheen upon the water of Apra Harbor, Guam. The stevedores
12 notified the U.S. Coast Guard and the ship's Third Officer, who was on watch at the time. The Third
13 Officer called down to the engine room and notified Second Engineer P.L.H. to stop all pumping. At
14 about this same time, Chief Engineer M.M.S. entered the engine room yelling "dirty water!" A
15 subordinate crew member was also in the engine room at this time and, upon hearing Chief Engineer
16 M.M.S.'s yelling, secured the vessel's emergency fire/ballast pump, thereby stopping the discharge.
17 In the presence of Chief Engineer M.M.S, the vessel's Second Engineer P.L.H. told this lower-ranking
18 crew member that if the U.S. Coast Guard or anyone else asks him about the pump, to tell them that
19 he has no knowledge about it.

20 E. Chief Engineer M.M.S. signed onboard the Kota Harum on or about June 27, 2019.
21 Sometime after signing onboard, Chief Engineer M.M.S. observed that two of the vessel's pumps, the
22 seawater service pump and the auxiliary seawater pump, were leaking. It was his stated belief that
23 these leaks along with other normal engine room operations caused oily bilge water to accumulate in
24 the vessel's engine room bilge at a rate that exceeded the vessel's Oily Water Separator's (OWS)

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1 (required pollution prevention machinery) capacity to process. Chief Engineer M.M.S. sent an email
2 to his employer, PIL, requesting replacement parts needed to repair the leaking pumps. PIL responded
3 and requested additional information from Chief Engineer M.M.S. regarding the parts request,
4 including whether spare parts were on board. PIL also directed him to properly make the parts request
5 using PIL's requisition procedures indicating the part numbers so that the correct parts and
6 replacement spares could be provided and tracked. Chief Engineer M.M.S. failed to respond to PIL's
7 inquiry and directives. When he finally responded and requested additional parts because he had not
8 properly made a request so that he would have received spares, PIL experienced difficulties procuring
9 the parts requested due to a delay with the parts supplier. In any event, the requested parts were
10 received onboard on September 5, 2019. The leaking pumps were rectified on September 16, 2019,
11 and September 30, 2019, respectively. Rather than repairing these leaks before continuing to set sail,
12 or storing the oily bilge water in holding tanks to be discharged to shore-side reception facilities, Chief
13 Engineer M.M.S. permitted the engineering crew on the Kota Harum to instead discharge the oily
14 bilge water directly overboard into the ocean. In order to accomplish this direct overboard discharge,
15 the emergency fire/ballast pump had to be energized and three valves referred to as 46V, 27V, and
16 29V, had to be opened. Because valve 46V was difficult to access and was sealed to prevent tampering,
17 the crew unscrewed and lifted the valve handle off and then used a wrench to open the valve stem
18 without breaking the seal. They generally left valve 46V in the open position. Then, prior to each
19 discharge, the crew would only have to open valves 27V and 29V and then close them after each
20 discharge was complete. These direct overboard discharges took place while Chief Engineer M.M.S.
21 was onboard and continued from June 27, 2019, (when Chief Engineer M.M.S. came onboard the Kota
22 Harum) to October 4, 2019, when the discharge into Apra Harbor at the Port of Guam occurred. The
23 discharges through the emergency bilge system occurred at the direction of either Chief Engineer
24 M.M.S., or his immediate subordinate, Second Engineer P.L.H., with Chief Engineer M.M.S.'s

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1 knowledge. None of the direct overboard discharges of oily bilge water using this bypass process were
2 recorded in the vessel's Oil Record Book as required by law. Additionally, a subsequent inspection of
3 the vessel's OWS found it to be in working condition, and despite the engineers' supposed belief that
4 the leaks from the two pumps exceeded the OWS's processing capacity, they nevertheless continued
5 to discharge overboard bypassing the OWS even after the two leaking pumps were repaired.

6 F. Large commercial vessels like the Kota Harum require the routine measurement of
7 liquids accumulating in the vessel's holding tanks (specifically here, the bilge tanks). These
8 measurements are called soundings and are necessary to inform the crew on how to maintain the
9 vessel's stability and to manage the vessel's waste streams. On the Kota Harum daily tank soundings
10 are recorded in a Sounding Log Book. In order to conceal the fact that the oily bilge water
11 accumulating onboard the Kota Harum was being discharged directly overboard into the ocean instead
12 of being stored in the vessel's bilge holding tank for proper processing and disposal, Chief Engineer
13 M.M.S. altered the Bilge Holding Tank recorded soundings and recorded false entries in the Oil
14 Record Book. When asked by a subordinate engineer, whose job it was to take the daily soundings,
15 why he altered the sounding records, Chief Engineer M.M.S. explained that the Sounding Log Book
16 needed to match the Oil Record Book, and both log books needed to show an increase in the Bilge
17 Holding Tank, even though they were not storing oily bilge water in that tank. Chief Engineer M.M.S.
18 further explained that they needed to make it appear as though they were moving the oily bilge water
19 to the holding tank and not pumping it overboard.

20 G. Sometime in early September 2019, Chief Engineer M.M.S. showed Second Engineer
21 P.L.H., the 3rd Engineer, and the 4th Engineer that the OWS could be manipulated by disconnecting
22 the sample line, thereby bypassing a sensor that would allow untreated oily bilge water from the bilge
23 tank to be pumped overboard. While at sea, Chief Engineer M.M.S. bypassed the sensor on a few
24 occasions prior to using the OWS to discharge oily bilge water from the bilge tank overboard. When

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1 questioned by U.S. Coast Guard officers about his use of the OWS, Chief Engineer M.M.S. stated that
2 the OWS was too slow to process the oily bilge water and so this is why he was pumping it directly
3 overboard. Chief Engineer M.M.S. never mentioned his use of the OWS by disconnecting the sample
4 line and bypassing the sensor.

5 H. The Kota Harum called in Guam on five separate occasions during Chief Engineer
6 M.M.S.'s tenure onboard. On each of those five occasions the Oil Record Book was inaccurate and
7 did not reflect the overboard discharges.

8 I. This statement of facts is made for the limited purpose of supporting the Defendant's
9 guilty plea. It therefore does not contain all facts relating to the underlying criminal conduct.

10
11 6. Waiver of Inadmissibility of Statements:

12 The Defendant agrees to waive the inadmissibility of statements made in the course of plea
13 discussions with the United States, pursuant to Fed. R. Crim. P. 11(f). This waiver shall apply if the
14 Defendant withdraws this guilty plea or breaches this Plea Agreement. The Defendant
15 acknowledges that any statements made by the Defendant to law enforcement agents in the course of
16 plea discussions in this case would be admissible against the Defendant in the United States' case-in-
17 chief if the Defendant were to withdraw or breach this Plea Agreement.

18 7. The United States Agrees:

19 The United States Attorney's Office for the Districts of Guam and the NMI and the
20 Environmental Crimes Section of the United States Department of Justice agree not to bring any
21 additional charges against the Defendant based upon information in its possession at the time of this
22 Plea Agreement and arising out of Defendant's conduct involving illegal activity charged in this
23 Information, unless the Defendant breaches this Plea Agreement any time before or after sentencing.

24 8. Waiver of Presentence Investigative Report:

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1 The United States and the Defendant believe they can provide sufficient information to the
2 Court on the record to enable the Court to exercise meaningful sentencing discretion, pursuant to 18
3 U.S.C. § 3553. Thus, the United States and the Defendant request the Court waive the preparation of
4 the Presentence Investigative Report pursuant to Fed. R. Crim. P. 32(c)(1)(A)(ii).

5 9. Restitution:

6 The Defendant understands that the Court will determine the amount of restitution to be
7 ordered pursuant to 18 U.S.C. §§ 3663 and 3663A, as well as the persons and entities entitled to such
8 restitution, with the assistance of the United States Probation Office. The parties are not aware of any
9 identifiable victims of this case. As soon as the discharge was reported by the stevedores, the
10 Defendant's Captain made the required notifications and implemented the Defendant's response plan
11 to attend to, minimize and clean-up any resulting pollution. The Defendant paid for all response costs.

12 10. Mandatory Special Penalty Assessment:

13 The Defendant agrees to pay the \$400 mandatory special penalty assessment to the Clerk of
14 Court for the District of Guam, at or before sentencing, pursuant to 18 U.S.C. § 3013 and shall
15 provide a receipt from the Clerk to the United States before sentencing as proof of this payment.

16 11. Financial Disclosure Obligations:

17 Defendant agrees to submit to the United States Attorney's Office for the Districts of Guam
18 and the NMI, within three weeks of the execution of this Plea Agreement, a complete, accurate and
19 truthful financial statement and accompanying releases, in a form it provides and as it directs.
20 Defendant agrees to disclose all assets in which it has any interest or over which it exercises control,
21 directly or indirectly, including those held by a spouse, nominee or other third party. Defendant
22 authorizes the United States Attorney's Office for the Districts of Guam and the NMI to obtain a
23 credit report on it to evaluate its ability to satisfy any financial obligation imposed by the Court.

24 12. Additional Violations of Law Can Void Plea Agreement:

PLEA AGREEMENT - 11

1 The Defendant and the United States agree that the United States may at its option and upon
2 written notice to the Defendant, withdraw from this Plea Agreement or modify its recommendation
3 for sentence if, prior to the imposition of sentence, the Defendant is charged or convicted of any
4 criminal offense whatsoever.

5 13. Appeal Rights:

6 Defendant understands that it has a limited right to appeal or challenge the conviction and
7 sentence imposed by the Court. Defendant hereby expressly waives its right to appeal its conviction
8 and the sentence the Court imposes, including any restitution order. Defendant further expressly
9 waives its right to file any post-conviction motion attacking its conviction and sentence, except one
10 based upon ineffective assistance of counsel based on information not now known by Defendant and
11 which, in the exercise of due diligence, could not be known by Defendant by the time the Court
12 imposes the sentence.

13 14. Hyde Amendment Waiver:

14 The Defendant waives any claim under the Hyde Amendment, 18 U.S.C. § 3006A (Statutory
15 Note), for attorney's fees and other litigation expenses arising out of the investigation or prosecution
16 of this matter.

17 15. Integration Clause:

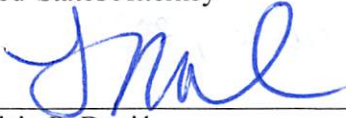
18 The United States and the Defendant acknowledge that this document constitutes the entire
19 Plea Agreement between the United States and the Defendant, and no other promises, agreements, or
20 conditions exist between the United States and the Defendant concerning the resolution of the case.
21 This Plea Agreement is binding only upon the United States Attorney's Office for the Districts of
22 Guam and the NMI and the Environmental Crimes Section of the United States Department of
23 Justice, and cannot bind other federal, state or local authorities. The United States and the
24

1 Defendant agree that this agreement cannot be modified except in a writing that is signed by the
2 United States and the Defendant.

3 Approvals and Signatures

4
5 Agreed and submitted on behalf of the United States Attorney's Office for the Districts of
6 Guam and the NMI.

7 Shawn N. Anderson
8 United States Attorney

9 

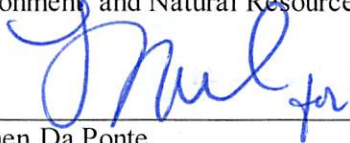
10 Marivic P. David
Assistant U.S. Attorney

2-12-21

11 _____
Date

12 Agreed and submitted on behalf of the Environment and Natural Resources Division, United
13 States Department of Justice.

14 Jean E. Williams
15 Deputy Assistant Attorney General
Environment and Natural Resources Division

16 

17 Stephen Da Ponte
18 Trial Attorney

2-12-21

19 _____
Date

20 //

21 //

22 //

23 //

24 //

1 I have read this Plea Agreement and have carefully reviewed and discussed every part of the
2 agreement with my attorneys. I understand and voluntarily enter into this Plea Agreement.
3 Furthermore, I have consulted with my attorneys about my rights, I understand those rights, and I am
4 satisfied with the representation of my attorneys in this case. No other promises or inducements
5 have been made to me, other than those contained in this Plea Agreement and no one has threatened
6 or forced me in any way to enter into this Plea Agreement. I am agreeing to plead guilty because I
7 am guilty.



2nd February 2021

8
9 _____
10 Authorized Corporate Representative of
11 Pacific International Lines (Private) Limited,
12 Defendant

Date

12 I have read the Plea Agreement and have discussed the contents of the agreement with our
13 client. The Plea Agreement accurately and completely sets forth the entirety of the agreement
14 between the parties. I concur in our client's decision to plead guilty as set forth in the Plea
15 Agreement. There is no legal reason why the Court should not accept the Defendant's plea of guilty.



Feb 12, 2021

16
17 _____
18 Collier Walsh Nakazawa LLP
19 By Joseph A. Walsh II
20 Attorneys for the Defendant


Date

PACIFIC INTERNATIONAL LINES (PRIVATE) LIMITED
CONSENT OF THE EXECUTIVE COMMITTEE
TO ADOPTION OF RESOLUTIONS

The undersigned, being all of the members of the Executive Committee of Pacific International Lines (Private) LTD (the “**Company**”), do hereby take the following actions and adopts the resolutions attached hereto give their consent to the adoption of the resolution attached hereto. The attached resolutions, among other things, approve the Entry of A Plea of Guilty To Counts One through Six (1 through 6) of the Information in the matter of United States v. Pacific International Lines, before the United States District of Guam.

This consent may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.


IN WITNESS WHEREOF, the undersigned have executed this unanimous consent in their capacities as members of the Executive Committee of the Company on the 2nd day of February , 2021 and effective for all purposes as of the 2nd day of February, 2021.




Teo Siong Seng



Tan Chor Kee



Teo Choo Wee



Lim Jock Fong



Kwa Wee Keng

Pacific International Lines (Private) Limited

Consideration of Plea Agreement regarding The M/V KOTA HARUM

WHEREAS, at all time relevant to this matter Pacific International Lines (Private) LIMITED (“Company”) was the owner and operator of the containership M/V KOTA HARUM;

WHEREAS, on or about October 4, 2019, the M/V KOTA HARUM was detained by the Coast Guard in Guam, following allegations made by stevedores performing cargo operations on the vessel in the Port of Guam that they observed a discharge and a resulting oil sheen coming from the vessel; and,

WHEREAS, according to the evidence in the case, the M/V KOTA HARUM discharged oily bilge water overboard while in the navigable waters of the United States (Apra Harbor, Guam) and during the course of the investigation the Company determined that the crew had conducted unauthorized transfers from the holding tanks discharging the water overboard between June and October 2019, for which the Chief Engineer and his immediate subordinate Second Engineer were aware, but did not notate in the Oil Record Book at that time as required; and,

WHEREAS, according to the evidence in the case, the Chief Engineer altered the sounding records to match the Oil Record Book; and

WHEREAS, management of the Company has reviewed the costs of proceeding to trial in the anticipated case of *United States v. Pacific International Lines, et. al.*, has reviewed the case with counsel and the likelihood of success on the merits at trial and the costs involved in achieving that success on an Indictment if pursued; and,

WHEREAS, the attached Plea and Agreement Plea Agreement as presented to the Executive Committee and Company (the “Executive Committee”) in Attachment “A” was proposed by the United States of America; and

WHEREAS, the Company understanding the terms and conditions of the Plea Agreement and that all corporate formalities required have been observed, management recommends that the Executive Committee of the Company approve the proposed Plea and Plea Agreement; and

WHEREAS, the Executive Committee has determined that the Plea Agreement is advisable and in the Company’s best interests to avoid the cost of a trial and avoid risk of a more substantial penalty if the Government were to proceed with additional charges at trial;

NOW, THEREFORE, BE IT RESOLVED, that based upon the materials provided to the Executive Committee and upon such other matters as were deemed relevant

by the Executive Committee, the Executive Committee determines that the Plea and actions contemplated by the Plea, as set forth in Attachment "A" are advisable for and in the best interests of the Company and the Owner, and hereby approves and adopts the affirmations, acknowledgments set forth in Attachment "A" and authorizes the actions contemplated thereby (including without limitation the entry of a guilty plea as detailed in Attachment "A"), and that the Executive Committee, on behalf of the Company, hereby authorizes, approves and adopts the Plea Agreement;

RESOLVED, further, that Mr Teo Siong Seng or Mr Teo Choo Wee of the Company (the "**Authorized Officer**"), hereby is authorized and directed to execute and deliver the Plea documents in Attachment A, and to take any and all such further actions as he may deem necessary or appropriate in connection with the Plea, or to otherwise carry out the purpose and intent of the foregoing resolutions;

RESOLVED, further, that attorneys at Collier Walsh Nakazawa LLP are hereby authorized and directed to proceed with the entry of the guilty plea and appear in court on behalf of the Company, to appear before the Court at the time of sentencing, and to deliver payment of any and all fines and special assessments on behalf of the Company as required by the Plea Agreement in this matter;

RESOLVED, further, that all actions heretofore taken by any of the directors, officers, representatives or agents of the Company or any of its affiliates in connection with the Plea and any actions contemplated in the Plea or otherwise referred to in the foregoing resolutions be, and each of the same hereby is, ratified, confirmed and approved in all respects as the act and deed of the Company; and

RESOLVED, further, that any resolutions inconsistent with the foregoing or with any action of any officer pursuant to the foregoing are hereby modified or rescinded so as to be consistent herewith and therewith.

EXHIBIT A
Plea Agreement