

# NESTE

## VETTING CRITERIA



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## 1. Overview

Neste Marine Risk Management is responsible for acceptance of all marine transportations within Neste Group. Decision of marine vessel suitability for Neste use is based on the evaluation of the vessel and its management company performance. Quality of operations is expected especially in the areas of safety and environmental management.

Vessels are screened on voyage basis i.e. every time they are requested internally within Neste Group.

Neste utilizes SIS3 ([www.sis3.com](http://www.sis3.com)) database and shares ship related information with Statoil, Preem, Borealis, Phillips66, ConocoPhillips, Circle K, Petrobras and Gassco. It is reminded that acceptance and rejections are always based on each SIS3 partners own conditions.

For the purpose to initiate screening process, Vessel Management Company must submit Ship Questionnaire (SQ) in SIS3 truly, fully, accurately and appropriately completed. Incomplete questionnaires will not be processed. SQ must be updated at least on monthly basis.

Vessels under evaluation must have a continuous, regular history of inspection reports available at the SIRE. New SIRE inspection must be made available every 6 months. Sire reports are valid for 6 months when done during discharging operation.

Also chemical and gas vessels must have valid inspection report in SIRE database.

## 2. TMSA

Neste Marine Risk Management encourages vessel management companies to take full advantage of using latest edition of TMSA.

Neste Marine Risk Management utilizes TMSA self-assessments in vessel evaluation process.

Every Vessel Management Company liable to Neste Marine Risk Management approval must have TMSA in place, submitted to OCIMF TMSA database and made available for Neste Marine Risk Management review. The minimum acceptable level of TMSA self- assessment is stage 2 in every element.

Verification audits are done by the following triggers:

- Before entering into T/C contract, **minimum stage 3 in every element is required (in force 1.9.2019).**
- Before or during direct or indirect COA, **minimum stage 3 in every element required (in force 1.9.2019).**

- As a result of identified gap between ship inspection observations and TMSA self-assessments.
- Identification of high quality operator, supported by statistical analysis.

### 3. Requirements for vessels

In addition to legal requirements and industry standards Neste Marine Risk Management highlights the requirements described in this chapter in its vessel selection process.

The vessel must follow the flag state requirements as well as international agreements, laws and regulations for the specific vessel class. The vessel must also meet the possible additional requirements of nations, which the vessel may go to.

#### 3.1 Hull type and age limitations

For MARPOL Annex 1 & 2 cargoes, only vessels with double hull are accepted.

The following age restrictions are in effect:

- For all tankers maximum acceptable age is less than 20 years. Vessels over 15 years require a valid condition assessment according to the Condition Assessment Programme. The CAP rating must be a minimum 2 for hull, engines and cargo handling equipment. CAP shall be carried out first time prior vessel reach 15 years. **Second CAP shall be carried out prior vessel reach 18 years (second CAP requirement will be in force 1.2.2021)**
- For gas vessels maximum acceptable age is 23 years. Vessels over 15 years require a valid condition assessment according to the Condition Assessment Programme. The CAP rating must be a minimum 2 for hull, engines and cargo handling equipment. **CAP renewal shall be carried out every 30 months (CAP renewal requirement will be in force 1.2.2021).**

CAP certificates by IACS member classification societies are accepted. CAP certificate must include fatigue analysis.

#### 3.2 Officer matrix requirements

Minimum required officer staffing and combined experience for vessel key positions must be at least the following:

Minimum officer staffing is master and 3 Officers of the watch.

- Master and C/O (Class 1 or 2 Certificate): at least 3 years combined on-board service in rank in similar type of vessel, or at least 6 years combined on-board service as Chief officer in similar type of vessel.
- C/E and 2/E (Class 1 or 2 Certificate): at least 3 years combined on-board service in rank in similar type of vessel, or at least 6 years combined on-board service as 2nd

engineer in similar type of vessel.

- All officers and crew members must be in all respect fit for duty and certified according STWC. No exemptions.
- Maximum working period on board for senior officer's is 6 month

### **3.3 P&I insurance**

Vessel must always have P&I insurance in force. It is strongly recommended that insurance is taken from a P&I Club which is a member of the International Group of P&I Clubs. The vessel must have P&I coverage of USD 1 billion at minimum for an oil spill. Vessels with coverage less than USD 1 billion will be rejected.

### **3.4 Crew conditions of employment**

Vessels sailing under flag of convenience and calling ports or terminals in Northwest Europe must have a valid ITF Blue Certificate. The vessel's operator must provide proof of valid agreement upon request. The Green Certificate under IBF agreement may be considered as equal to Blue Certificate.

### **3.5 Flag State**

Vessels flag state must be listed in Paris/Tokyo MOU White or Grey list. Vessels with flag state on black list must meet special predefined requirements.

### **3.6 New buildings and change of management**

New buildings and new vessels in Management Company's fleet must meet special predefined requirements. In addition to that, evaluation of such vessels is based on Neste New Building and Takeover Questionnaire.

### **3.7 Feedback, incident and accident background**

Negative feedback, incidents and accidents must be investigated properly and corrective and preventive actions must be implemented or there must be an effective plan for implementation. Vessels without proper investigation report or unsolved matters will be rejected until sufficient evidence of the foregoing is received and assessed.

### **3.8 Port State Control findings**

Vessel must have good performance in Port State Control inspections.

### **3.9 Certificate of Class and Class Status**

The vessel must be classified by a classification society, which is a member of the IACS. The vessel must have no overdue or unexplained remarks from its classification society.

### 3.10 Crew Management

The vessel's crew must comply at least with the vessels Minimum Safe Manning Document. Please note that with minimum manning level it is not necessary guaranteed that the crew will receive adequate rest time if the vessel is, for example, in short-sea trading or in ice conditions.

In the interests of safety of all operations, the vessels trade and trading area and any special circumstances thereof must be carefully considered and taken into account by the Vessel Management Company when considering the vessels manning and work shift system.

### 3.11 Drug and alcohol policy

Vessel must have monthly unannounced alcohol breathing test on board initiated by the company. All persons on board must be tested at the same time.

### 3.12 Navigation

Navigation and bridge procedures must be vessel specific as applicable, documented and controlled by the Vessel Management Company. Company procedures and instructions must be followed.

The vessel must have procedures and instructions for the planning and conduct of safe passage. Also the necessary familiarization and training needed for personnel involved in these operations must be included.

The vessel must be sufficiently equipped so that safe marine transportation is possible according to international and local agreements, laws and regulations.

All navigation equipment, regardless being mandatory or not, must be fully operational and updated.

All charts and publications for intended voyage must be updated.

The Vessel Management Company must have written guidelines for the manning of the bridge in areas with high traffic densities such as the Belts and the Sound and the Gulf of Finland.

Proper use of administration approved ECDIS is required. SMS must include procedures for the use of Integrated Navigation System, meeting the standards set out in MSC/Circ.1061 and guidelines developed by the industry.

Vessel using ECDIS as primary means of navigation and paper charts as backup or vice

versa and trading mostly in European waters must have Master, Chief Officer and 3 watch keeping officers on board.

### **3.12.1 UKC policy**

The vessel Management Company must have written under keel clearance policy and related procedures. It must at least cover the following:

- Static under keel clearance.
- Dynamic under keel clearance with applicable water level factors, ship related factors and bottom factors taken into account.
- Net under keel clearance. The minimum distance between hull and bottom below which the vessel must not go under any circumstances.

Under keel clearance must be documented in the passage plan and charted where necessary.

### **3.13 Cargo and ballast operations**

Cargo and ballast handling procedures must be vessel specific as applicable, documented and controlled by the Vessel Management Company. Company procedures and instructions must be followed. The vessel must have procedures and instructions for the safe handling of cargo, ballast, waste oil and water as well as bunker and lubricant supply. Also the necessary familiarisation and training needed for personnel involved in these operations must be included.

#### **3.13.1 Use of inert gas**

If vessel is equipped with inert gas system, regardless it being mandatory or not, it must always be kept in good working condition and to be used at all times.

#### **3.13.2 Cargo tank overfill protection**

Cargos tanks must be loaded so that the level in tanks is not to exceed overfill alarm set level during cargo carriage and discharging.

### **3.14 Structural condition**

There must be a classification society's report on the assessment/repair of structural damages to the vessel caused, e.g. by storms or collision with vessels or fixed structures.



### 3.15 Engine department

It is strongly recommended that engine room and maintenance procedures are vessel specific as applicable, documented and controlled by the Vessel Management Company. Company procedures and instructions must be followed.

The vessel must have procedures and instructions for the safe operation of engines and equipment. Also the necessary familiarization and training needed for personnel involved in these operations must be included.

### 3.16 General appearance and condition

The vessel's general appearance must be tidy and equipment in working condition. To achieve this, the vessel must comply with the maintenance policy specified and controlled by the Vessel Management Company. The vessel must also maintain a high hygiene level in crew, galley and storage facilities. All vessel areas must be clean, painted and in good structural condition.

### 3.17 Navigation in winter and ice conditions.

In the winter, special attention must be paid to the vessel's ability to cope with the conditions in question. If the vessel has no previous experience of winter and ice navigation, the operation poses major risks. Adequate ice class (Finnish Maritime Administration traffic regulations) enables the vessel to be prepared for dangerous ice conditions. Yet only a competent and experienced crew with proper gear can perform under challenging sub-zero temperatures.

#### 3.17.1 Classification and certification

In the event the vessel is repeatedly used in the northern Baltic Sea or Gulf of Finland in ice conditions, the vessel must have required ice class notation and a respective certificate of ice class acceptable to Finnish Maritime Administration.

#### 3.17.2 Training

Vessels navigating officers must have completed basic ice navigation training. Training may be in form of simulator or CBT training and at least cover operating in low temperatures, ice navigation and icebreaker escort.

Senior officers must have simulator training or they must have objective evidence of previous sailing experience at operating ice and sub-zero conditions during past 5 years.

**All crew must complete cold climate/sub-zero operations training, including personal health and safety aspects, before sub-zero season or entering to mentioned area first time.**

### 3.17.3 Equipment

Wheelhouse windows must be fitted with de-icing system.

Vessel must be equipped with at least 2 search lights. Power of halogen searchlight must be at least 2000 watts each. Power for xenon searchlight must be at least 1000 watts each.

Vessel must have systems in place to keep sea chests free of ice.

Vessels propeller must be kept sufficiently submerged in expected ice conditions.

Vessel must have adequate accommodation heating system.

### 3.17.4 Fatigue caused by ice navigation

The Vessel Management Company must pay close attention to the length of the key officers shift lengths and hours of rest during the winter months. Necessary actions to ensure safety and compliance must be taken.

### 3.17.5 Procedures for winter and ice navigation and operations in port

The vessel Management Company must provide formal and documented ice navigation and cold weather risk assessment guidance. Procedures and guidance for ice navigation and icebreaker escort must be available on the vessel. Checklists must be established to facilitate the use of procedures.

The vessel Management Company must ensure that vessel is receiving adequate and up to date ice navigation information, including ice charts, satellite images, ice breaker info etc.

The vessel must have procedures and instructions for keeping following equipment and systems operational and free of ice in sub-zero conditions:

- Firefighting systems
- Lifesaving appliances
- Mooring equipment and other deck machinery and instrumentation
- Cargo and ballast systems, including: valves, venting arrangements,
- Deck seals, p/v breakers, mast risers, pumps, educator's, stripping systems,
- COW and tank cleaning systems, tank heating systems,
- Cargo and ballast lines, steam lines, pump room, oil discharge monitoring equipment, emergency showers and eyewash stations.
- Cooling system intakes (sea chests)
- Stern tube arrangements
- Engine room and accommodation ventilation
- Domestic and distilled water tanks and lines
- Emergency generators and batteries

- Compressed air systems
- Rudder and steering gear
- Lubrications and oils

The vessel must have procedures and equipment to:

- Prevent and mitigate ice accumulation caused by sea spray. Max safe ice load and its effect to stability must be determined by calculations case by case.
- De-ice vessel structures
- Prevent and mitigate ice accumulation in ballast tanks
- Safe moving and working on ice-encrusted vessel

The Crew must be equipped with appropriate level of equipment and gear for winter conditions. All working clothes on deck must be certified to be suitable for intended use. **EN ISO 11612 (Old EN 531)**

The vessel Management Company must provide documented procedures for operation in port in sub-zero condition.

## 4. Requirements for Barges

This chapter defines minimum criteria that must be complied with in order to accept a barge for Neste use. Requirements of this chapter do not apply to other types of vessels than barges.

### 4.1 Hull type

All Barges regardless of cargo type must have double hull.

### 4.2 Age restrictions

Max age of all kind of barges is less than 30 years.

### 4.3 Barge Questionnaire, SQ and Vetting Request

For the purpose to obtain acceptance from Neste, owner or Barge Management Company must submit Barge Questionnaire in SIS3 truly, fully, accurately and appropriately completed. (Excluding US barges when FOB terms).

Incomplete questionnaires will not be processed and barge might be rejected. Questionnaire must be updated at least every 12 months unless otherwise requested.

#### 4.4 P&I insurance for oil pollution and/or COFR

Barge must always have effective P&I-insurance. It's strongly recommended that P&I club is a member of the International Group of P&I Clubs and barges shall have P&I coverage of USD 500 million at minimum for an oil spill or COFR in the USA.

Barges with P&I club is not member of International Clubs will be handled on case by case basis.

#### 4.5 Feedback, incident and accident background

Negative feedback, incidents and accidents must be investigated properly and corrective and preventive actions must be implemented or there must be an effective plan for implementation. Barges without proper investigation report or unsolved matters will be rejected until sufficient evidence of the foregoing is received and assessed.

#### 4.6 EBIS and/ or Sire report validity

Barge and /or inland vessel must have continuous history of SIRE or EBIS inspections. New SIRE or EBIS inspection report must be available in 12 months interval for barges upto 20 years old.

Barges more than 20 years old must have EBIS inspection done not more than 12 months old and SIRE inspection not more than last 12 month (valid from 1.1.2020)

#### 4.7 Additional requirements for US Barges

Each U.S. Barge, Tug or Towboat being considered for a potential Marine Movement must meet the following criteria:

##### 4.7.1 Hull type

Any double hull barge 15 years or older must have a UT report available that is not more than 10 years old.

## 5. Additional requirements for Vessel Management Companies

Recognising the responsibility of Vessel Management Companies, Neste Marine Risk Management emphasizes functional requirements of Vessel Management Company's Safety Management System (SMS) in its vessel selection process. Vessel Management Companies failing to show commitment to the Safety Management System in managing its vessels are

subjected to rejection until proven otherwise by the particular company. Rejection of Vessel Management Company means rejection of vessel offered to Neste or all vessels under the same management, depending on the severity of the breach.

### **5.1 Continuous improvement**

The Vessel Management Company must verify, review and evaluate SMS by conducting vessel inspections, incident investigations, internal audits, management reviews and use the information obtained through them to identify trends and put effective measures in place through SMS.

### **5.2 Safety Management System, SMS**

To meet the objectives, the Vessel Management Company must maintain effective Safety Management System, which must be in compliance with mandatory rules and regulations and ensure that applicable codes, guidelines and standards recommended by IMO, administrations, classification societies and maritime industry organizations be taken in to account.

### **5.3 Identification and management of risks**

The Safety Management System must include a formal risk assessment procedure in order to identify and manage risks and changes on board the vessel and ashore. The SMS must include procedures and instructions for safe operation of ship and its equipment. Such procedures and instructions must establish controls against all identified risks.

### **5.4 Safety and environmental-protection policy and objectives**

The Vessel Management Company must have a clear, consistent and truthful policy, which describes how safety and environmental-protection objectives are achieved. Objectives must ensure that the safety at sea, prevention of human injury or loss of life and avoidance of damage to the environment and to property are taken into consideration. Safety and environmental policy and related procedures must be implemented, monitored and continuously improved at every level in the Vessel Management Company organization, on shore and aboard.

### **5.5 Qualification of personnel**

The Vessel Management Company must ensure that the master of the vessel is properly qualified for command, fully familiar with company SMS and its implementation and reviewing.

The Vessel Management Company must ensure that its vessels are manned with qualified, certified and medically fit seafarers and that they have understanding of company SMS as relating to their duties on board.

## **5.6 Familiarisation and training of personnel**

The Vessel Management Company must ensure that personnel are properly familiarized to their duties and relating SMS procedures and instructions.

The Vessel Management Company must identify and provide training for personnel to support safety management objectives.

The Vessel Management Company must ensure that SMS documentation is in a working language or languages of personnel and that the personnel are able to communicate effectively on their duties.

## **5.7 Emergency preparedness**

The Vessel Management Company must have written instructions and action plans for emergencies. The performance of emergency actions must be practiced regularly on the vessel and ashore by keeping drills and exercises.

The Vessel Management Company must have a system capable to respond any hazard, accident or emergency at any time involving its ships.

## **5.8 Reporting of non- conformities and hazardous occurrences**

The Safety Management System must include effective and clear procedure for reporting non-conformities and hazardous occurrences of any kind. Such procedure must include investigation, analysis and corrective action elements.

## **5.9 Maintenance of the vessels**

The Vessel Management Company must have procedures and instructions in its SMS for effective and proactive operational maintenance. Such procedures must include regular inspections, reporting and recording as well as identification and management of safety and environmentally critical systems. The Vessel Management Company must have procedures and instructions for engine room and engine maintenance practices.

## **5.10 The Safety Management System documentation**

The Vessel Management Company must ensure that SMS documentation is ship specific as applicable, valid, available, reviewed and approved by the company and that no obsolete documents are in use. There must be clear instructions for the use of personal protective gear. Each crew member must use protective gear according to this guideline when working in a hazardous area or exposed to hazards. Vessel Management Company must have an accident reporting system that supports the maintenance of accident statistics in line with

the OCIMF Marine injury reporting guidelines. Neste strongly supports, that these investigation reports will be uploaded to the OCIMF-Sire incident database by the vessel operator.

## **6. Escort Towing**

Vessels calling Neste terminals are subjected to compulsory escort towing as set out in Neste instructions and rules with regard to escort towing. Vessels which do not comply with Neste requirements in regard to bollards and chocks for escort towing, will be rejected.

Neste Marine Risk Management duty officer may and will order additional escort towage for vessel calling Neste Terminal, if deem necessary for risk mitigation purposes.

## **7. Safety Vetting**

Neste Marine Risk Management may, under its sole discretion, carry out safety inspections on board vessels at Neste terminals.

## **8. SIRE Inspections**

Neste utilizes a global network of Neste approved inspectors to carry out SIRE inspections. Neste Ship Inspection Request form is available on SIS3 system.

Vessel on TC or COA contracts with Neste must have Neste Sire on-board in last 24 months. Other vessels must have Neste Sire within last 36 month.

Validity of Sire inspection, when done during discharging operation, is 6 months and when done during loading operation 3 months. Vessels trading in sub-zero and ice area during winter period (01.11 - 30.03) must have chapter 12 done on her last Sire inspection.

## **9. Compulsory Ice Advisory**

Vessels which do not comply above mentioned requirement having chapter 12 done in her last Sire, may still get permit to arrive Neste terminals in Finland by placing suitable ice and winterization advisor onboard during her stay in Neste terminal and Finland. Advisor(s) must be accepted by Neste Marine Risk Management and all costs involved for will be for owners account.

## 10. Contact details

Neste Marine Risk Management must be contacted via common email which is followed-up 24/7: [Vetting@neste.com](mailto:Vetting@neste.com)

## 11. Version

Latest version of this public document is kept in SIS3 main page, under Neste logo.