



Navigating through the complexities of scrubbers

Singapore: A leading Maritime Centre

Specialised fund manager to generate attractive returns

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Welcome



Together with the editorial team, I would like to welcome our customers, business partners and colleagues to the second issue of *BSM Highlights* in 2018.

In the opinion piece, Angus Campbell, BSM Director Energy Projects, and Jens Alers, BSM Representative Bermuda, share their views on clean fuel alternatives and scrubbers, as a result of the IMO 2020 regulations. They discuss the pressures to reduce carbon emissions to achieve sustainability and strongly support that cleaner fuels are the way forward.

Complementing the article is a special contribution by Anda Cristescu, Operations Director for Cargill's ocean transportation business – a valued BSM customer. Anda shares Cargill's point of view on becoming 100 percent compliant with the upcoming Global Sulphur Cap regulation deadline, in close consultation with BSM.

Two of our newest complementary services are introduced in this issue; the new business unit BSM Offshore focuses on the oil and gas and offshore energy renewable markets, contributing to the safe, reliable and economic operation of its customers' offshore business; and BSM's new Drone Inspections service, which provides a faster, less expensive and safer alternative for confined spaces.

Continuing with initiatives that contribute to a cleaner energy future, Babcock Schulte Energy, a 50/50 joint venture between Babcock and Bernhard Schulte, recently delivered the 'first of its kind' and the world's largest LNG bunker supply vessel, *MV Kairos*. This vessel is a step towards sustainable solutions which empower the global maritime transportation industry.

Elaborating further on industry challenges, BSM emphasises the importance of cyber security within a climate of technological advancement and risk as well as the development of policies that safeguard customer information from targeted cyber attacks.

Kyriacos Charalambides, Chief Investment Officer of Hanseatic Capital Management, provides an overview of the recently established fund manager, which focuses on investments in the maritime sector.

The Country Profile focuses on Singapore as a leading maritime centre with the diversity of owners in the region making BSM's role as a manager critical. BSM Singapore offers comprehensive ship management services and a supportive, highly-skilled group of experts, who are well-equipped to support any customer's needs.

We are proud to feature 3rd Officer Miguel Alejandro Lopez Galindo, the first BSM Mexico cadet to successfully transition into the workforce. Now on board *Reforma Pemex*, Miguel shares his journey and ambitions for the future.

Finally, in the 'One BSM' section we are proud to announce the launch of our new global CSR initiative 'Blue.Seas.Matter.', which aims to eliminate one-use plastic within our Organisation; the multitasking winners of our annual photography competition; a high-achieving female leader within BSM, Irene Petallides, Assistant Fleet Manager BSM Cyprus; BSM's first high-performing (HiPo) graduates, who were recently recognised at a ceremony held in Hamburg.

We hope you enjoy reading Highlights!

Ian Beveridge
Schulte Group CEO

Opinion

Navigating through the complexities of scrubbers

Bernhard Schulte Shipmanagement takes the lead in advising owners on the complex maze of information and arguments currently gripping the industry.

It has been called the most important change in shipping for decades and is causing major controversy in the industry.

The debate between owners is based on two primary views. The first sees the fitting of scrubbers on their vessels as a smart way of meeting the International Maritime Organisation's (IMO) low-sulphur fuel regulations, which will come into force in 2020. The second expresses caution about their use, saying they are a short-term solution, which does not address the central problem of how shipping cuts its sulphur emissions.

To address this, BSM provides individual, impartial advice to owners facing this pressuring issue, based on their needs, along with the knowledge and expertise of Schulte Marine Concept, the Company's division on newbuilding, conversion and retrofit projects.

Currently, estimates suggest that more than 2,000 vessels — three to four percent of global shipping capacity — are set to be fitted with open-loop scrubbers to enable them to comply with the fuel regulations.

This contrasts with the number of vessels powered by Liquid Natural Gas (LNG), which today are about 260 vessels worldwide, comprising 121 ships in service and 132 on order.

The discussion on scrubbers will continue right up to and beyond the 2020 deadline, as currently there is no industry consensus.

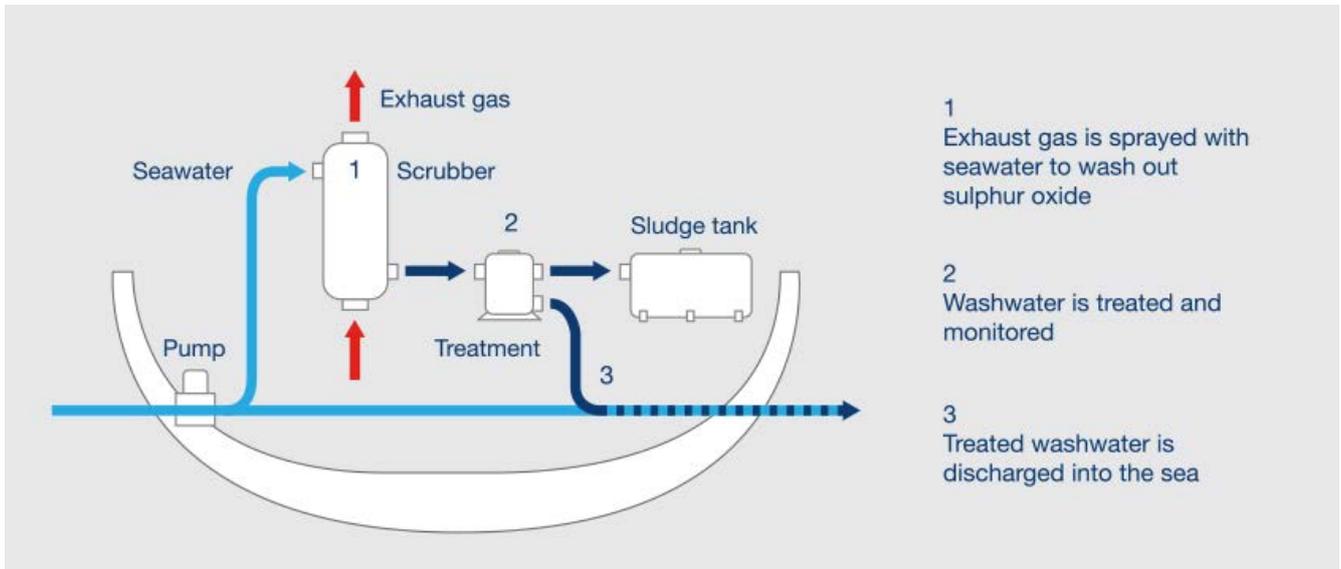
While independent advisory and detailed market knowledge are central to BSM's service, Angus Campbell, BSM Director Energy Projects, and Jens Alers, BSM Representative Bermuda, agree that open loop scrubbers are not a realistic long-term solution for the industry.

As Angus pointed out, "The decision to fit scrubbers on board a vessel will depend on a range of individual factors, such as the age of a vessel, where it trades, its type, etc. Our role as manager is to act as an advisor, offering the full range of information and intelligence available, so that the owner can reach a conclusion which is right for a particular vessel."

Angus and Jens both believe that a significant industry change is taking place.



Angus Campbell, BSM Director Energy Projects



Open-loop scrubber system process

According to Angus, many people recognise that, “The IMO slightly distorted the issue by allowing the continued use of high-sulphur fuel oil.”

He added, “It would have been straightforward and better for the industry if IMO had made high-sulphur fuel oil illegal and forced the industry to use clean fuels. This would place us all on a level playing field.”

While BSM offers its expertise based on the needs of the owner and vessel, both Jens and Angus argue there are significant issues around scrubbers which could have profound long-term implications.

Jens said, “My considered opinion about scrubbers is that they are not a technology which makes sense to the majority of shipowners and their vessels. I am not saying that because I expect owners to resist the capital expenditure involved, but because the scrubbers themselves are a highly imperfect technology.”

He believes there are many problems with scrubbers, including environmental, commercial and technical drawbacks.

One issue arises from the wash-water that open-loop scrubbers flush back into the ocean. Not only does shipping fuel emit significant amounts of CO₂, sulphur oxides and nitrogen oxides, but also particulate matter containing organic carbon, black carbon, polycyclic hydrocarbons and heavy metals. Leaving aside the environmental and commercial concerns, there is another issue which could ultimately damage the shipping industry, Angus says.

The general public is watching closely and therefore careful actions have to be taken moving forward as they will be seen in the ‘Court of Public Opinion’.

“The scrubber issue in shipping is now being raised by lobby group interests and is being discussed in mainstream media. The attitude towards scrubbers is negative and this could in turn impact shipping negatively.

“Public sentiment is moving against scrubbers and there could be quite a strong backlash. The whole issue of taking pollution from the air and putting it in the water will become hugely negative in terms of public perception,” he said.

One of the challenges in informing the public and various lobby group interests is that every ship will have a different solution for IMO 2020; some will burn distillates, while others will burn 0.5 percent compliant fuels. Angus believes that a greater provision of low sulphur fuels will be available in many ports post 2020.

Jens raises another significant drawback to scrubbers, the fact that their use on vessels will be limited and even outlawed in many jurisdictions.

“A significant number of jurisdictions have committed to ban such discharges by vessels. Ships will not be permitted to burn Heavy Fuel Oil (HFO) and use their scrubbers whilst in the territorial waters of those jurisdictions. This means, the vessels will need to reserve a much larger low sulphur fuel oil bunker tank capacity than they had originally envisaged.

“ *If you want to invest in the long-term future of the industry, then look even beyond liquefied natural gas* ”

“If between now and 2020 some of the more important jurisdictions decide to ban the presence of HFO on board vessels altogether, the owners who decide to invest heavily into scrubbers will have wasted their investment.”

Then there are the unforeseen costs arising from scrubber installation, says Jens.

“The use of scrubbers does not only increase bunker consumption, it also increases operating expenses, because a scrubber is a complex industrial piece of equipment which requires maintenance and spare parts,” he said.

Both industry experts believe that in many respects the scrubbers’ debate is peripheral to the main issue of how shipping will move to the widespread use of cleaner fuels in the longer-term.

“If you want to invest in the long-term future of the industry, then look even beyond liquefied natural gas (LNG), which will only be a ‘bridging fuel’ for the next 20-30 years to get us into the hydrogen economy. “Hydrogen fuel cells will in my opinion be the prime drivers of vessels by 2040,” Jens said.

BSM is currently assisting a range of diverse customers to meet the IMO 2020 deadline. However, beyond 2020, BSM is heavily committed to moving the industry towards the use of cleaner fuels.

Angus believes vessels like *MV Kairos*, the world’s largest LNG bunker supply vessel delivered by BSM, and similar ones planned, are part of the solution providing the infrastructure needed for cleaner energy use in shipping.

BSM is further securing a cleaner future through the building of wind power Service Operations Vessels (SOVs) for the wind power sector.

Angus summed up, “We must find ways of looking forward, to predict how our industry will evolve and be able to meet our current and future customers’ needs, while protecting the environment. BSM’s customers of the future will be diversified and they will be looking at cleaner fuel options.

“This means BSM must look beyond 2020, to assess the best choice of vessel propulsion as the shipping industry develops ways to meet the global challenge of reducing its carbon footprint.”

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Jens Alers, BSM Representative Bermuda

BSM supports Cargill with knowledge and expertise

Cargill is a long-standing and valued customer of BSM and a company with major stakes in the shipping industry. Over the past 18 months, Cargill has been busy preparing for the upcoming Global Sulphur Cap and setting its sights on no less than 100 percent compliance ahead of the implementation date.

An industry leader, its position on the installation of scrubbers has been formed after careful consideration and in close consultation with BSM.

BSM manages several Interlink Maritime vessels, which are on long-term charter to Cargill. The shipmanager has been able to provide Cargill with a holistic advice on how to approach the low-sulphur fuel regulation from a technology perspective.

Anda Cristescu, Operations Director for Cargill's ocean transportation business, said, "We rely heavily on trusted partners like BSM to ensure our position is reasonable, attainable and in line with standard industry practice.

"BSM operates all managed vessels in the safest and most efficient manner to meet the requirements of shipowners, flag states, port states, class societies, charterers and other stakeholders in full compliance with the International Safety Management Code."

Anda believes the successful management of vessels is only achievable with the close interaction between onboard personnel and highly experienced shore-based engineering and marine teams.

"We have found the maintenance of vessels to be our standard benchmark when we look towards trusted owners and peer leaders," she said.

Anda added, "Cargill's purpose is to nourish the world in a safe, responsible and sustainable way. In the maritime sector, we're reaching higher and extending



our influence to matters which are not typically addressed by a non-owning charterer."

For Cargill the issue of the scrubbers' use is complex.

"We're taking a portfolio approach to compliance with IMO's 2020 Global Sulphur Cap. We're planning to run low-sulphur fuel blends on the vast majority of our fleet and use scrubbers where the size of the vessel and trade route make sense."

She added that Cargill did its investigation on all types of scrubber units before committing to any investments.

"Scrubber technology is an efficient method of removing both sulphur and particulates from air emissions thereby protecting human health and reducing acid rain. Research studies from government organisations and independent companies conclude that scrubbers are safe and compliant with international regulations concerning ocean acidity and biodiversity."

Anda also stresses that in the long-term Cargill is committed to achieving IMO's greenhouse gas strategy.

"To achieve the IMO's 2050 ambitions, as an industry, we need to explore new financing rules, carbon pricing methodologies, new technologies as well as refine our insurance agreements, charter-party contracts, and international legislation," she concluded.

Latest News

Bernhard Schulte orders next Service Operation Vessel

Bernhard Schulte Offshore (BSO) has won General Electric Renewable Energy's tender to provide a new-build Service Operation Vessel (SOV) to support the maintenance of the 66 Haliade 150-6MW turbines located 28 miles from Germany's Borkum Island. The total capacity of 396MW will produce enough power for almost half a million homes.

BSO's winning bid showcases the Schulte Group as a strong partner with a track-record in the operation of SOVs in several wind farms. A vessel design built by the Ulstein yard, which is known for high quality and on-time delivery, was presented.

The SX195 design type was modified to fulfil the General Electric Renewable Energy tender requirements and the ship owner's special choices of mission equipment. Notably, it will comprise of a large, centrally positioned, walk-to-work

motion compensated gangway and have an X-STERN® hull shape, which leads to improved weather resistance, greater operability and a reduced power and fuel consumption while on dynamic position.

The vessel will be 93.4 metres long and 18 metres wide, optimised for offshore wind, able to accommodate up to 120 passengers and best suited for work within areas such as operation and maintenance or construction support.



Schulte Group to develop a new design for Remotely Operated Vehicles

Schulte Maritime Services (SMS), part of the Schulte Group, is driving innovation with a new Remotely Operated Vehicle (ROV) design, crafted to meet increasingly stringent underwater IRM regulations.

With a strategic move towards strengthening the Group's portfolio of underwater Inspection, Repair and Maintenance (IRM) services, SMS signed a Memorandum of Understanding (MOU) with Mitsui and Yanmar for the building and development of an advanced ROV, inclusive of a debris collection system.

This agreement is a step towards much-needed alternative solutions to ship owners regarding IRM. The challenges being addressed are increasing manpower restrictions at ports, changing environmental

regulations and a shortage of certified commercial divers.

The new ROV design will also tackle the flaws of existing underwater IRM ROVs available on the market.

The signatories of the MOU included Tobias Pinker, Chief Financial Officer Bernhard Schulte, Naoya Umegaki, Executive Officer - Marine Products Division, Yanmar, and Hideki Asano, Operating Officer - Integrated Transportation Systems Unit, Mitsui.

The operation of the ROV will be performed by Dive Marine Non-Destructive Testing with the long-term goal of developing a global underwater IRM brand. Each party of the MOU has a unique set of skills from which a fruitful collaboration may grow.

Babcock Schulte Energy delivers world's largest LNG bunker supply vessel

Babcock Schulte Energy (BSE), a 50/50 joint venture between Babcock and Bernhard Schulte, celebrated on October 16, 2018, the completion of their 'first of its kind' and the world's largest liquefied natural gas (LNG) bunker supply vessel, *MV Kairos*. This achievement follows the success in meeting a series of critical milestones after the initial ship award in December 2016 and highlights the strength of the relationship between the two organisations.

A major point in any shipbuilding project, the first cut of steel was completed in November 2017 at the Hyundai Mipo Dockyard in Ulsan, South Korea. In early 2018, the keel was laid and the 7,500 cbm Gas Supply Vessel (GSV) began to take shape.

The GSV is time chartered to Nauticor and will be deployed to the Baltic region servicing a number of customers, including the Linde/AGA terminal in Nynäshamn and the Klaipėda LNG-fuelling station in Lithuania. Capable of performing both ship-to-ship bunkering and transshipment operations, she will be used for the LNG fuelling of vessels including ferries, containerships, cruise ships and other shore-based gas consumers.

Equipped with Babcock's Fuel Gas Supply Vessel Zero (FGSV0™) technology, a scalable cargo handling

and fuelling solution complete with compressed natural gas storage and utilisation capabilities, *Kairos* will eliminate the release of boil-off and flash gas to the atmosphere during normal operations, providing an environmentally responsible shipping alternative. The innovative FGSV0™ enables significant reductions in emissions and offers beneficial environmental footprint savings.

The successful delivery could not have been done without the strong support of Schulte Marine Concept, who oversaw the plan approval and site supervision as well as BSM Germany, who arranged the timely attendance of a well-trained and enthusiastic crew.

Angus Campbell, Director of Energy Projects at BSM, said, "As *Kairos* enters service, Babcock Schulte Energy is proud to be contributing towards a cleaner energy future for shipping. Our industry is evaluating ways to meet new emission regulations and reduce its carbon footprint. The use of natural gas is emerging as the most sustainable solution for powering global maritime transportation into the future."

The GSV development is co-financed by the European Union (EU) as part of the Blue Baltics-LNG infrastructure deployment in the Baltic Sea Region project.



BSM launches a dedicated offshore division

BSM Offshore, a new business unit, has been set up to focus on the oil and gas and offshore energy renewable markets.

Its dedicated experts comprise of technical and marine superintendents, crew and senior management members, along with fleet maintenance and repair, lay-up solutions, travel services and software application solutions. All involved will support owners and operators globally by providing integrated third-party ship management services specifically to the offshore market.

BSM is currently active in the offshore segment and provides services to floating production units, offshore and wind energy units as well as flotels.

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Matthias Mueller, Managing Director of BSM Offshore, stated, “This segment is focused on special operations and driven by different rules, so we decided to establish a dedicated expert team

to specifically attend to the needs of the offshore market.”

“As a leader in the shipmanagement industry, we know our clients need extra attention in project focused businesses. This is exactly where we are confident, we can contribute our expertise,” Matthias said.

Combining the shipowners’ perspective with optimised processes and purchasing power, BSM, as one of the world’s leading ship managers, has provided an extensive array of complementary maritime services and with BSM Offshore will be able to contribute to the safe, reliable and economic operation of its customers’ offshore business.

Straight after their launch, BSM Offshore had the opportunity to discuss with global professionals from the oil and gas industry how they can provide effective solutions to the offshore business, while exhibiting at Latin America’s largest event of its kind, Congreso Mexicano del Petróleo (CMP), in Acapulco, earlier in September.



BSM appoints new Managing Directors in Germany, Singapore and Cyprus

BSM has enhanced its senior management team with the appointment of three new Managing Directors in Germany, Singapore and Cyprus.

Nick Topham heads BSM Germany based in Hamburg, Raymond Peter is his BSM Singapore counterpart and Nick Kretsis has taken on the role of Managing Director in BSM Cyprus.

Topham's extensive leadership experience of 20 years in the shipping industry was shaped through senior roles at MPC Steamship, Ahrenkiel Steamship and Borealis Maritime, prior to joining BSM. He is a qualified Marine Engineer with many years of sea-going experience and specialises in containerships, bulk carriers and chemical tankers.

Raymond's dedication to shipping is evident from his 32 years of service, including 13 years at sea. He is vastly experienced with chemical tankers, bulk carriers, containerships, gas and offshore vessels, having worked both for ship owning and ship management companies.

A qualified Marine Engineer, Kretsis brings 29 years of professional experience with him in the shipping and oil & gas industries. He served in various roles within the shipping sector, working his way up from Deputy Technical Director, to Newbuilding Director for LOMAR Shipping, and then from Fleet Director to Managing Director of BSM Cyprus.

All three gentlemen bring a wealth of experience with them and are a great addition to BSM.



Nick Topham, Managing Director - BSM Germany



Raymond Peter, Managing Director - BSM Singapore



Nick Kretsis, Managing Director - BSM Cyprus

Growing BSM Singapore relocates to a new building

BSM Singapore celebrated on September 20, 2018, the inauguration of its new office, located in the Republic's Central Business District.

The ceremony was visited by more than 200 senior representatives from the global shipping community, including customers and business partners, who were invited to celebrate the opening of the new wholly-owned building named 'Bernhard Schulte House.'

Raymond Peter, Managing Director of BSM Singapore, welcomed the guests to the inauguration with an opening speech that highlighted the Organisation's growth within the country.

The recent expansion caters to the future growth of the Schulte Group's entities in Singapore and further depicts the country's relevance as a regional centre for the Group, while supporting the local government's initiative of strengthening Singapore's maritime cluster.

The nine-floor building, with a 3,884 square metres gross floor area, houses BSM, Bernhard Schulte and MariApps Marine Solutions.

"Working together with a leading Singapore-based interior designer, the new office has been renovated

with the comfort of colleagues and guests in mind. The Group has invested reasonably in this new office to ensure a pleasant and healthy workplace for our colleagues as well as a hospitable venue for our guests," Johann Schulte, Shareholder of Bernhard Schulte, added.

With more than 20 years of direct presence in Singapore and over 100 full managed vessels, BSM Singapore is now one of the leading ship managers in the Republic.

The new office is located at:
108 Middle Road
#08-00 Bernhard Schulte House
Singapore 188967



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Bernhard Schulte and Ulstein partner with DNV GL

In September 2018, Bernhard Schulte, ULSTEIN Verft and DNV GL came together for the signing of a Memorandum of Understanding (MOU) during SMM - an international maritime trade fair in Hamburg.

The signing ceremony took place following the classification of a new offshore wind farm service vessel with the Ulstein SX 195 design. The vessel is scheduled to be delivered in 2020 and built in accordance with DNV GL rules.

The Memorandum was signed by Ian Beveridge, Schulte Group CEO, Kristian Sætre, Managing Director Ulstein Verft, and Remi Eriksen, Group President and DNV GL CEO.

Accompanying them were Christoph Schulte, Schulte Group shareholder representative, Jörg Langkabel, Area Manager Germany DNV GL, Torgeir Sterri, Regional Manager West

Europe DNV GL, and Jürgen Mulisch, Business Development Manager DNV GL.

The signing ceremony was symbolic of each party's dedication and commitment to ensure the success of a fruitful partnership.



SIGTTO unveils new London headquarters

In early September 2018, the Society of International Gas Tanker & Terminal Operations (SIGTTO) unveiled their new headquarters in London based within a historical building from the 17th century.

David Furnival, BSM COO and President of SIGTTO, performed the ribbon-cutting ceremony and welcomed everyone into the new office.



David shared that within the new space the organisation will work on a new strategic plan to address an industry moving away from hydrocarbons to a future that may include some LNG along with fuels such as hydrogen and biogas.

SIGTTO was formed as an international organisation through which all industry participants can share experiences, address common problems and derive agreed criteria for best practices and acceptable standards.

Since its formation, it has been continually promoting best practices in the liquefied gas shipping and terminal industries. They have also produced a steady flow of reference material, recommendations and guidelines for industry members. This represents SIGTTO's accumulated intellectual property, much of which has been adopted by regulatory authorities for the governance of gas shipping and terminal activities.

Schulte Marine Concept successfully grows its portfolio

Schulte Marine Concept (S.M.C) has made great strides towards the expansion of their services in China this year. This was achieved with the securement of a plan approval and site supervision contract for a 7,500 cbm LNG bunkering vessel with expected delivery in 2020.

LNG bunkering vessels are developed from a tailor-made design to meet the demands of LNG bunkering carried out at sea; a more efficient operation when compared to the conventional method that requires a vessel to call at port and use shore LNG infrastructure.

Additionally, S.M.C has signed a new agreement with the Bank of Communication Financial Leasing, China, for the provision of plan approval and site supervision services for two 82,000 dwt bulk carriers, constructed

in Chengxi Shipyard in China and expected to be completed by the end of 2019.

For S.M.C this is another step towards becoming a technical consultant and business partner for non-shiping companies that enter the ship owning sector with newbuilding projects. Thus far, S.M.C has provided its services to several financial institutions, such as ICBC Leasing and CDB Financial Leasing.



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BSM Fleet Personnel leaders meet in Poland

BSM Fleet Personnel Leaders' Meetings (FLM) are focused on management and leadership skills that are being developed throughout the industry and are essential for maximising operational performance.

The goal for this year's meetings was to move away from presentations and focus on the elements that contribute to successful operations.

The most recent two-day open forum was successfully held at the Marriott Courtyard Hotel,

in Gdynia, Poland on October 10 – 11, 2018. In attendance were BSM's global leaders from all Ship Management, Crew Service and Maritime Training Centres.

The topics covered included leadership styles, decision making, situational leadership, work and stress management and situational awareness.

Further, the FLM highlighted 'Human Element' themes, which are central to the wellness of seafarers during voyages such as fatigue, mentoring, addressing the various personalities or behaviours of the crew.

The strategy meeting enabled direct collaboration through the exchange of suggestions, solutions and ideas between the leaders; combining both interactive and fun activities in a learner-centric methodology.



Dr. Schulte meets Cypriot President Anastasiades

On June 11, 2018, the Chairman of the Schulte Group, Dr. Heinrich Schulte, underlined his long-term commitment to the Cypriot shipping industry when he met with the President of the Republic of Cyprus, H.E. Mr. Nicos Anastasiades, at the Presidential Palace in Nicosia.

Dr. Schulte was accompanied by his son Johann Schulte, Shareholder of the Schulte Group, Yiannis Sykas, BSM Director of Strategy and Product Development, and Charis Charilaou, Director of Bernhard Schulte Cyprus.

During the meeting, H.E. President Nicos Anastasiades expressed his sincere gratitude towards Dr. Schulte for his invaluable contribution to the country's shipping industry.

In 1972, Dr. Schulte came to Cyprus to establish Hanseatic Shipping Co., now known as Bernhard Schulte Shipmanagement, the first shipmanagement company on the island.

He was one of the founders of Cyprus' maritime scene and contributed significantly to the development of the shipping sector as an important industry for the country's economy.

An exchange of symbolic gifts underscored the mutual appreciation and gratitude from both parties.

The delegation utilised the opportunity to add to the agenda an overview of the Schulte Group's latest developments and forthcoming plans. Further, the group had the chance to exchange views on various current affairs concerning the country with the President of the governing Democratic Rally (DISY) party, Averof Neofytou.

This meeting was a valuable opportunity for the Schulte Group to work hand-in-hand with the Cyprus government and to communicate directly with the country's leaders in order to contribute further to the Cyprus shipping industry.



Leading ship managers form global joint procurement business

BSM and Columbia Shipmanagement have combined their global buying power to create an independent procurement company that delivers greater value in ship supply costs for ship owners.

GP General Procurement Company Limited (GenPro) negotiates framework supply agreements with international ship suppliers on behalf of its members' clients. This new agreement gives BSM's and Columbia's pool of more than 800 vessels access to a wider and superior range of consumables at the best prices available globally.

Ian Beveridge, Schulte Group CEO, stated, "We are pleased to be working with Columbia Shipmanagement to set up GenPro, a new company designed to deliver maximum value to our shipowner clients in a new and innovative way."



GenPro has pledged to build the most relevant, competitive, comprehensive quality repository of supply contracts within the maritime industry, while ensuring honest and transparent dealing at all times and fair competition amongst its suppliers and service partners.

The partnership was formally announced with a ceremony held in Athens, Greece, earlier in the year. Both companies expressed their commitment to strengthening and sustaining their partnership for their mutual benefit, while engendering and upholding a relationship of complete trust.

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BSM: A strong partner for the Greek shipping industry

In May 2018, BSM demonstrated its commitment to the Greek shipping industry by hosting a hospitality event on 'The future of shipmanagement' in Athens, Greece.

The evening, co-organised with MariApps Marine Solutions and hosted by BSM Greece, had over 120 distinguished figures from the maritime industry in attendance; representatives from the local government, customers, business partners, members from industry associations and BSM's key management.



*Theophanis Theophanous
Managing Director - BSM Greece*

The welcome address was presented by Ian Beveridge, Schulte Group CEO, and Christoph Schulte, Schulte Group shareholder representative.

An informative event ensued with presenters covering key topics such as digitalisation trends in the shipping industry, an area in which the Schulte Group is investing significantly, and an overview of the new Athens-based BSM Fleet Performance Centre (FPC).

Speakers included Sankar Ragavan, CEO of MariApps Marine Solutions, who presented the importance of effective data management and Frank Paleokrassas, BSM Manager - Fleet Performance, who outlined how the FPC will further enhance the shipmanager's ability to monitor vessel performance in real time, aiming for maximum energy and operational efficiency.

The event was a precursor to the bi-annual Posidonia exhibition in Athens, a gathering of ship owners and the global maritime community, at which BSM exhibited.

MariApps Marine Solutions opens office in Dubai

MariApps Marine Solutions, the technology arm of BSM, celebrated a new milestone by formally opening a new office in Dubai this August.

An inauguration ceremony took place with Ian Beveridge, Schulte Group CEO, and Sankar Ragavan, MariApps CEO, cutting the ribbon and welcoming the guests. BSM executives along with members of the local business community and maritime industry were present at the ceremony.

The Dubai office provides digital solutions and management services for existing and new customers from the marine sector. It marks MariApps' commitment to Dubai as a regional hub in the Middle East and Europe. Located in the Jumeirah Lake Towers, with access to world class infrastructure, the office is shared by MariApps, BSM and Waypoint Port Services.

Sankar said, "This new office will strengthen our near shore sales and delivery capabilities for our customers in Europe. Also, we will use this office to expand further into the Middle East market, where we already have some strong customers."

With steady growth, MariApps has extended its global presence to six locations including Singapore, India, Cyprus, Greece, Germany and now Dubai.



Waypoint services a further ten ports

Rapidly progressing with an outlined geographical expansion plan, Waypoint Port Services has increased their number of serviced ports from 13 to 23 in less than a year.

Each new country has been selected due to its strategic location in the maritime global trade, being mainly situated at the crossroads of international shipping lanes. This ensures Waypoint's development as a key partner, while increasing their client list within regions of major interest, spanning from the Americas, Africa, India, Middle East, Far East and South East Asia.

Waypoint focuses not only on offering exceptional quality, but a competitive price as well. With an enhanced coverage they will continue to uphold the same values and principles for their clients, who entrust them with the management of their vessels globally.

"A dollar saved is a dollar made," said Angelo Cachia, Managing Director of Waypoint.

By the end of 2018, further growth is expected in Europe and the Far East. In early 2019, a strong expansion campaign will launch in the Americas region, starting with a new branch opening in Panama.



BSM discusses emerging topics facing the industry

Since the announcement of 2020 as the year for IMO enforcement on 0.5 percent Global Sulphur Cap on fuel content, the industry decision-makers are discussing and exploring various alternatives to comply with the regulation. The viability of LNG as an alternative vessel fuel is being discussed intensively at conferences around the world. BSM as a leading ship manager is part of these discussions, attending various conferences to share its viewpoints.

Angus Campbell, Director of Energy Projects at BSM, and John Eltringham, Project Director of BSM, as well-respected thought leaders in the shipping industry specialising in energy-related topics, represented BSM as key note speakers at various conferences in the last quarter of the year.

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BSM Singapore also continues its active participation at regional key conferences, discussing trading and emerging topics facing the industry with other key players.



LNG Bunkering Roundtable 2018

Angus attended the Maritime and Port Authority of Singapore's 2nd 'LNG Bunkering Roundtable 2018' themed "Advancing to the next phase of LNG as a Marine Fuel", as panel speaker and presented the view of BSM as a ship manager specifically on LNG shipping and the Blue Baltics Project.



John Eltringham, BSM Project Director

Small-Mid Scale LNG Summit 2018

BSM sponsored the Amsterdam-based event 'Small-Mid Scale LNG Summit 2018'. With LNG as the focus and various industry experts present, John presented as panel speaker the changes and drivers impacting the maritime industry. He shared BSM's views on why LNG is the cleaner option for ships from the perspective of a ship manager.



Angus Campbell, BSM Director Energy Projects

SHIPPINGInsight 2018 Fleet Optimisation and Innovation Conference

For another year, Angus proudly chaired the ‘SHIPPINGInsight 2018 Fleet Optimisation and Innovation Conference’, an annual industry symposium in Stamford, Connecticut, attended by over 250 maritime professionals. The main objectives of the conference were to fully explore fleet optimisation options for today’s shipping industry and understanding the innovations that are shaping the new shipping world.

Gas Asia Summit 2018

BSM was present at ‘Gas Asia Summit 2018’, the only natural gas-focused conference within the Singapore International Energy Week framework, organised by Gastech. For the third consecutive year, BSM was proud to be bronze sponsor of the conference, which was attended by over 400 participants. As part of the panel session discussing about LNG for power, maritime and trucking, Angus presented one of BSM’s most recent initiatives ‘Babcock Schulte Energy’, a joint venture between Bernhard Schulte and Babcock International, providing solutions for a cleaner energy future.

LNG Ship/Shore Interface Conference - Asia 2018

Raymond Peter, Managing Director BSM Singapore, participated at the ‘LNG Ship/Shore Interface Conference - Asia 2018’ as speaker. Organised by

the Society of International Gas Tanker and Terminal Operators (SIGGTO), the conference focused on best practices in Asia and discussed various aspects of the ship and shore interface, including where LNG carriers and terminal operations link to discharge LNG, cargo and custody transfer systems.

Raymond shared BSM’s viewpoints as a ship manager on a panel discussion focusing on best practice standards for safety.



Raymond Peter, Managing Director - BSM Singapore

17th Vessel Efficiency & Fuel Management Summit

Gideon Herbst, Fleet Director BSM Singapore, was given the opportunity to chair the ‘17th Vessel Efficiency & Fuel Management Summit’, an industry event supported by the Singapore Shipping Association.

This summit offered an industry discussion platform to identify priority areas for international action against the Global Sulphur Cap 2020 and exchange best practices in fuel management. Further, during the summit attendees were able to discuss about the latest developments in maritime energy-efficient technologies. Gideon, as an experienced maritime professional, led the conference and moderated the discussions on current and future challenges in shipping regulations.

With the enforcement of Emission Control Area and fuel/sulphur regulations across the world, as well as nearing to the Global Sulphur Cap of 2020, this summit focused on the regulations affecting vessel operations and companies in Singapore Waters.



18 | Singapore: A leading Maritime Centre

Singapore today is one of the world's leading maritime centres. Its shipping ecosystem comprises of more than 5,000 companies, which employ over 170,000 people, contributing about seven percent to the Republic's gross domestic product.

The island Republic often comes out in international surveys as the world's leading international maritime cluster. For BSM, Singapore has been a key Ship Management Centre for more than two decades.

The Centre has reached the key milestone of over 100 vessels under full management, a cornerstone of the entire Group.

Capt. Raymond Peter was appointed as Managing Director of BSM Singapore earlier this year and he is quick to point out the vital importance of Singapore as BSM's largest Centre.

"Bernhard Schulte has been in Singapore since 2000 and BSM since 2008. It is a very important location for us and is a place where the industry works closely with the government to great effect."

Raymond notes that Singapore has seen a steady increase in the number of major owners relocating to the Republic, which is critical for BSM's role as a manager.

He highlights that, because Singapore is such a large and diverse maritime cluster, it is important for BSM to demonstrate its capability as a provider of a range of shipping related services.

BSM sees its employees as the key asset across the Group, Singapore not being different.

"Everyone understands what our values and goals are, we are one unified team," Raymond noted.

"We have a diverse fleet, with a team that has varied experience. This gives our team members the ability to move from fleet to fleet."

This has enabled BSM Singapore to diversify its skills set and the Group now caters to the needs of varying owners, including an assortment of operators of chemical and asphalt tankers.

“ *Singapore has been a key Ship Management Centre for more than two decades, and this with good reason* ”



The global gas market is one such sector that BSM has invested time and resources over the decades, also reflected in the Singapore business unit.

Raymond said, “Gas carrier management is the bloodline of BSM and we go back 50 years in this market. We are on the SIGTTO and Intertanko gas panels and it’s true to say we have very senior people in this sector, who are on top of the major changes in this specified market.”

Raymond believes that there is scope for further expansion in Singapore, but it must be measured to ensure the maintenance of quality management.

He said, “In today’s market environment, owners have very different sets of expectations from their manager. Some are with us for 20 to 30 years and some are brand new; we have both European and Asian owners with different cultures. It’s important to ensure they are all satisfied with our performance.”

One way of delivering this is with the provision of uniformly quality service. With 75 out of the 100 managed vessels being tankers, Raymond believes, a

uniform standard of safety and crew quality has been achieved.

BSM Singapore today manages vessels for some of the world’s leading tanker owners, including Koyo Kaiun, PERTAMINA, JX Ocean and Xin Yuan Enterprises Group (XYG); this year XYG has successfully completed their public listing on the Hong Kong stock exchange with the close support of BSM.

In addition to the Centre’s expertise in tankers, an Offshore team was established in 2015, broadening its capability to support offshore unit management from Singapore.

It is an exciting time for this new leader and his dedicated team, but as an experienced shipping professional, Raymond knows that BSM’s top priority is operational excellence and safety to ensure customer satisfaction at all times.



*Raymond Peter
Managing Director
BSM Singapore*

Specialised fund manager to generate attractive returns

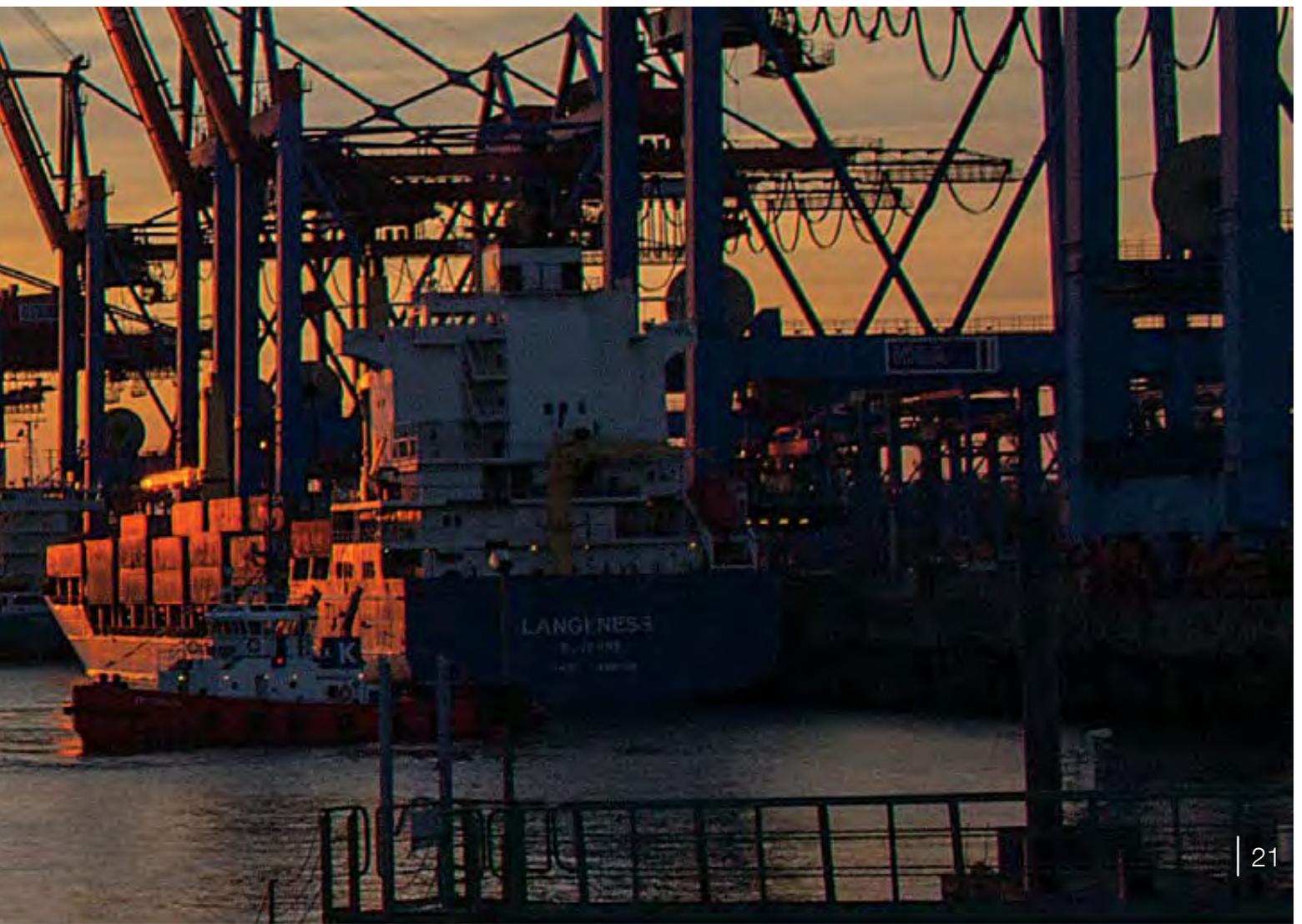
Tightening credit, volatile market conditions, increased environmental regulations and rapid technological advancements are shaping the landscape of the shipping industry. The decision by several banks to stay out of shipping finance as well as the breakdown of established finance models have led to changing conditions for the maritime investment sector. However, these developments have also created great potential for experts to enter the market.

With the launch of Hanseatic Capital Management (HCM), there is a new player that knows the shipping industry from the inside out. The latest addition to the Schulte Group acts as a specialised fund manager for investments in the maritime sector. HCM is licenced to manage Alternative Investment Funds (AIF) under the relevant EU directive by its

regulator the Cyprus Securities and Exchange Commission (CySEC).

“There are various investment opportunities in the global shipping industry at the moment. Our experts identify efficiently performing vessels, so investors can create value through the acquisition, employment and subsequent disposal of undervalued shipping assets,” explained Kyriacos Charalambides, Chief Investment Officer at Hanseatic Capital Management.

HCM leverages on the heritage of its anchor investor the Schulte Group, whose roots date back to 1883. As a ship owner, Bernhard Schulte has been active in this kind of ventures for 135 years and thus draws on a wealth of expertise.



At the same time, this set-up ensures that the interests of the anchor investor, the fund manager and the shareholders are fully aligned so that investors can be sure that goals and risks alike are being shared.

“We seek to develop a close and long-term partnership with our investors, offering them attractive opportunities in an industry that might not have been accessible to them before,” emphasised Kyriacos.

“Being a family-owned business ourselves, we share the same set of values and understand the central goal of capital preservation. The fact that we are connected to a strong maritime organisation leads to a significant competitive edge over established or larger corporations,” Kyriacos added.

HCM is able to draw upon the capabilities of the Group, which ensures the lean and cost-efficient management of the vessels in the fund and leads to attractive investment returns.

The Chief Investment Officer added, “The Schulte Group is involved in a broad spectrum of maritime activities. Together, we have a deep understanding of the market and feature a strong and comprehensive network. And what might be most important, our Group has been through various cycles of the shipping industry. This provides investors with a capable, stable and trustworthy partner.”

“We understand the assets we manage and cover financial, technical and commercial aspects,” he said.

“ We seek to develop a close and long-term partnership with our investors ”

HCM's management combines the expertise from distinguished professionals from finance and investments to shipping, business and strategy. Together with the shipping knowledge and experience of the Schulte Group's Advisory Committee members, who are heavily involved in deal origination and execution throughout the lifecycle of an investment, HCM covers all shipping markets.

"The lessons learnt from the past crisis have paved the way for stricter regulations to safeguard and protect the interests of the investors," explained Kyriacos.

"We have embraced change and appreciate that investment structures for new equity capital placed in the shipping industry have to abide to the highest standards for investor protection and corporate governance."

HCM's first milestone was the activation of Hanseatic Fund VCIC Plc in July 2018, its first fund to be managed. EFG Bank (Luxembourg) and the international fund and corporate services provider Alter Domus act as the Fund's independent depositary and administrator respectively. The fund aims to initially raise US\$120 million and looks at all market segments of the shipping industry. It includes vessels such as dry bulk carriers, containerships, offshore vessels and tankers.

The strategy aims at income generation and capital appreciation by identifying opportunities and the right time to invest. The investment goal is to provide investors with annualised returns in excess of 10 percent per annum over the term of the fund.

Aiming for a conservative use of leverage, the fund employs a commercially balanced employment strategy, including both shorter and period charters, which lowers the risk profile for the portfolio. At the same time, it allows the upside potential in the next market upturn.

Kyriacos explained, "Applying a strong focus on investor protection at all times, we find medium-ranged product tankers, handy-size and supramax bulk carriers as well as feeder-sized containerships to be the most interesting vessel types to consider for investment in a diversified asset portfolio, right now. Based on our analysis, we see great prospect

in these types to capture the potential in the next cyclical uptrend and deliver the expected returns to our investors."

On top of managing its own funds, HCM utilises the strengths of its AIFM licence to provide the full scope of fund management services to shipping investors looking to set up externally managed funds for shipping ventures.

The units of the Hanseatic Fund VCIC Plc also qualify as an eligible investment for the 'Scheme for Naturalization of Investors in Cyprus by exception', issued by the Republic of Cyprus. This scheme allows investors, under certain conditions, to apply for citizenship in the EU member country Cyprus, when investing in an eligible vehicle.

Traditionally, these investments were made in the real estate sector. However, HCM offers alternative opportunities and adds to portfolio diversification and potential for increased returns for these investors. It also helps Cyprus to build a more diversified, sustainable and resilient economy by allocating capital to sectors other than real estate.

"It is our goal to deliver value to our investors by consistently exceeding their expectations and serving their best interests. Raising capital through investments by satisfied investors and delivering shareholder value will be a natural consequence of our investor-centric approach," Kyriacos summed up.



*Interview: Kyriacos Charalambides
Chief Investment Officer, HCM*

Drone Inspections: The faster, safer and less expensive solution

BSM's Fleet Maintenance & Repair team has established a group of experts to attend vessels using drones.

With specialisation in different type of vessels, including oil and chemical tankers, gas carriers, bulkers and containerships, this team can replace costly means of inspections, such as staging, rafting and rope access with drones to provide good results at a fraction of the costs.

This solution has been developed for customers in the marine as well as offshore oil and gas industries, looking

for a faster, less expensive and safer alternative for visual inspections in confined spaces or hazardous locations. The main features of drone inspections include the customisation of inspection based on the customer's requirements (drone size, camera quality, flight time, etc.), the ability to fly in confined spaces without GPS or compass signal and to perform Beyond Visual Line of Sight (BVLOS) inspections while the pilot and inspector remain outside the inspected area, eliminating the need for tank ventilation. Drone inspections can provide up to 12 minutes of high-resolution footage and the inspection reports are based on the customer's needs.

TYPES OF DRONE INSPECTIONS

Internal

- Class/ flag inspections
- Planned maintenance inspections
- Ad-hoc inspections (failures, breakdowns)
- Pre-repair evaluations (pre-docking, more accurate budgeting)
- Pre-purchase inspections

External

- Hull inspections (dock and in-water)
- Structural and coating
- Cargo gear inspections
- Chimneys, masts
- Anchors, fairleads, anchor chains
- Loadline marking verification

WHAT CAN DRONE INSPECTIONS BE USED FOR?

- General visual inspections
- Condition evaluation
- Coating verification
- Structural integrity
- Welding visual inspections
- Corrosion evaluation



Cyber Security: Risks and solutions in the digital transformation age

Cyber security is a topic often making headlines in the maritime media. The most publicised examples were the NotPetya attack on Maersk in 2017 and the recent Cosco Shipping Lines cyber-attack disruption.

BSM has adopted a positive and pro-active view of cyber security and believes it is an essential part of the business's digital transformation. Aimed at maximising the return in technology investment made through MariApps Marine Solutions, the maritime applications provider of BSM, the ship manager is fully committed in securing vessel and customer data.

Kyriakos Papapolydorou, MariApps Head of Business Development and Communication, said, "Ensuring secure and safe shipboard operation, as more digitalisation and automation is introduced on vessels, is our primary focus."

As shipping modernises, becoming heavily reliant on the functionality of software systems and digitalisation can make ship owners highly vulnerable to cyber-attacks.

Dorina Georgiou, BSM Insurance and Claims Manager, mentioned, "Cyber-attacks often expose owners to uninsured loss recoveries.

"The International Maritime Organisation (IMO) recognises the industry's operational risks associated with cyber-attacks and in 2021 it will require ship operators to consider cyber risk management as part of the safety management system."

Dorina further explained how in compliance to IMO regulation MSC.428(98) and in line with BSM's strategic objectives, the Company has implemented detailed procedures and guidelines for their Information and Technology units.

"Cyber security is in our Safety Management Manual and includes a risk management approach that enables us to identify, evaluate and mitigate risks," Dorina said.

Owners and operators often become liable with 'Hull & Machinery, Loss of Hire' and 'War Risks' as they do not normally fall under the traditional marine insurance policies. These incidents arise from cyber risks which do not correspond to marine related perils.

According to the Insurance and Claims expert, by default, almost all policies fall under the 'Institute Cyber-Attack Exclusion Clause' (clause 380), which excludes cover for any claims related to cyber risks.

"Protection and Indemnity Insurance (P&I) on the other hand, does not exclude cyber risks, which are within the Club rules. As such, P&I coverage will respond to liabilities arising out of cyber-attacks, if the attack does not constitute as an act of terrorism, a hostile act by or against belligerent power or war risk.

"Whether a potential loss arising from a cyber-attack falls within the scope of P&I coverage, will depend on the precise cause of the casualty. The decision lies solely at the discretion of the respective P&I Club and its board," Dorina advised.

The insurance industry is now offering specialised, high quality solutions or packages on cyber risks that cover losses to own ship, loss of hire (without damage), on-shore business interruption, trade disruption, extortion and ransomware. BSM is currently canvassing the market to obtain the best available terms, not only for the Company, but also for its customers.

BSM's proactive approach to cyber security is carried on board all vessels. Custom security management systems and controls have been implemented that work in alignment with the Company's established safety and security management systems.

"Cyber security awareness training to seafarers is offered anytime, anywhere through BSM's Seafarer Portal and on board through MariApps' PAL Training module," said Kyriakos.

BSM's seafarers must take a test after completing their training to ensure that the material has been fully comprehended and an online certificate is issued upon successful completion, which is entered in the PAL crew training record. Working with MariApps and other leading security partners, BSM takes great effort in securing its offices and vessels use a comprehensive defence in-depth approach.

Multiple layers of protection systems are implemented, such as anti-malware and anti-phishing for PCs, devices and emails, firewalls, intrusion detection, prevention systems, web filtering, multi-factor authentication, threat intelligence and vulnerability management system.

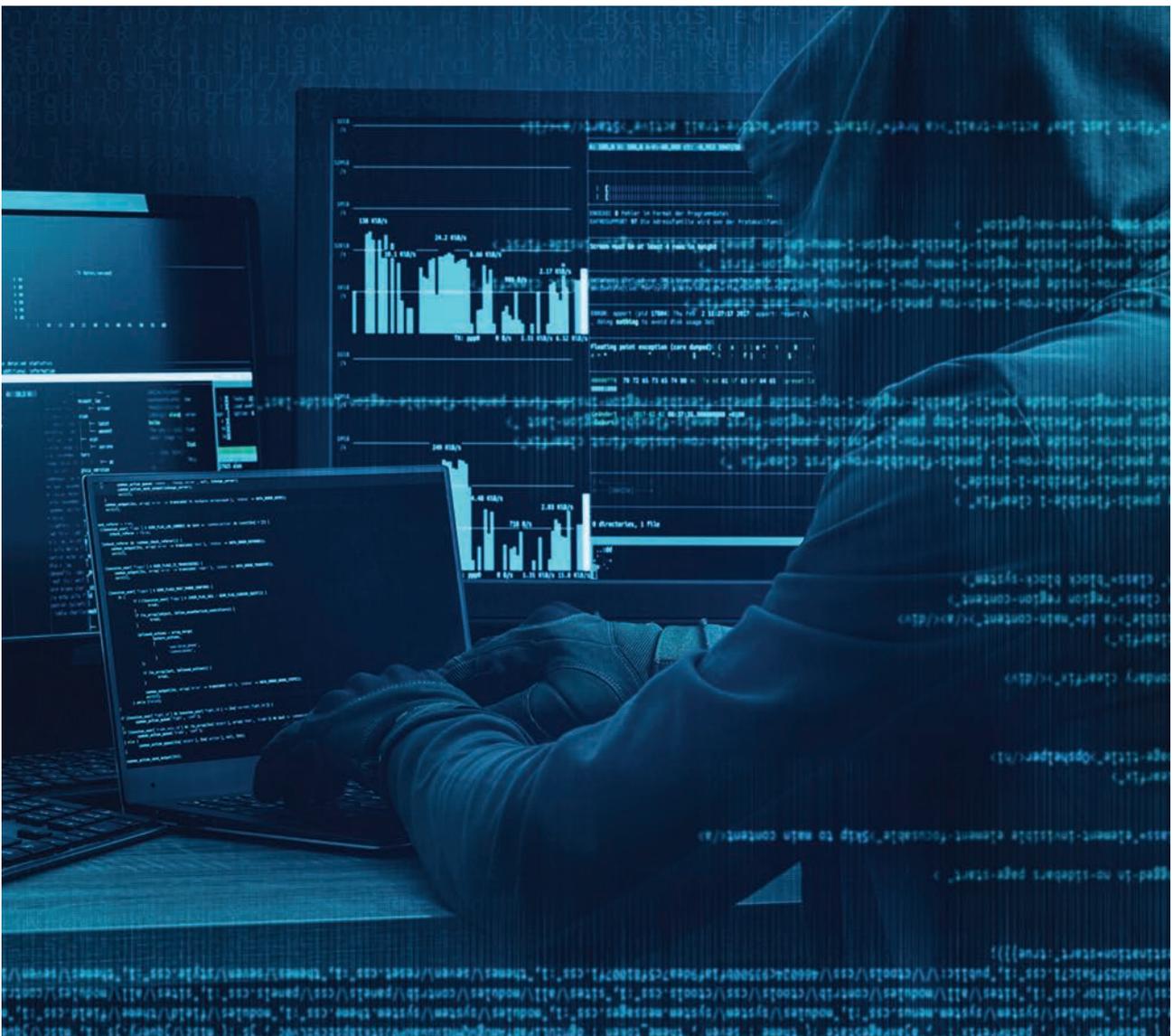
A centralised log management portal has been implemented to report and alert on all kinds of security threats and vulnerabilities, as well as a multi-factor authentication system with a dedicated 24/7 information Security Operations Centre (SOC) team that provides monitoring, analysis, response and remediation actions.

“The development of our security systems is done by using the industry’s best practises and guidance as reference, which for example includes the ISO 27001 and BIMCO guidelines on shipboard cyber security,” added Nicholas Li, MariApps Head of Vessel Systems and Governance.

“BSM ensures that updates are continuously in line with the industry’s requirements and regulations, such as the recently implemented General Data Protection Regulation (GDPR),” he said.

Part of BSM's dedication to protecting vessels under its management is to establish and maintain security systems, which are regularly reviewed and verified by external security experts, including vulnerability assessment and penetration tests.

This in combination with its in-house experts ensures that a holistic cyber security approach is firmly maintained throughout the Company.



Seafarer Profile: Miguel Alejandro Lopez Galindo

Born in Mazatlán, Sinaloa, Mexico, Miguel Alejandro Lopez Galindo grew up wanting to enter the maritime industry. He followed this dream to the Nautical Merchant Academy in his city, where his studies prepared him for a seafaring career like his father before him.

He joined BSM in December 2015 as a deck cadet on board *Rio Apure*, a tanker vessel managed by BSM Venezuela. Miguel was the first cadet from the newly established BSM Mexico office to join a vessel.

Having never worked with a multinational crew before, he expressed his nervousness turned into excitement, “The opportunity to work with many people, with many different nationalities, and learn a lot from them is what I like most about BSM.”

Following the completion of his assignment as a deck cadet, Miguel’s passion and hard work allowed him to earn his Officer’s License and Endorsements, leading to a promotion as 4th Officer on board *Rio Arauca*, the sister vessel to *Rio Apure*.

In comparison to his first assignment where most operations were carried out in the Caribbean Sea, on *Rio Arauca* he travelled from Venezuela to as far as Lisbon, Portugal.

Following the completion of the first period of his journey, Miguel transferred to the newly taken over *Mar De Cortes*, a bulk carrier that came under the management of BSM Mexico.

His new role as 3rd Officer included the responsibilities of vessel maintenance and navigation, while traveling across most of the Pacific ports of Mexico.

This September 2018, Miguel formally joined the BSM Mexico managed vessel *Reforma Pemex*; an offshore DP3 ‘flotel’ accommodation vessel



*Interview: Miguel Alejandro Lopez Galindo
3rd Officer*

owned by Petróleos Mexicanos International (PMI) and chartered to the Mexican National Oil Company Petróleos Mexicanos (PEMEX).

His responsibilities now include the navigation, maintenance and management of the 131 metre in length vessel, which provides hotel-standard accommodation and services for up to 700 personnel.

When Miguel was asked what he finds the most interesting about this vessel he replied, “The Dynamic Positioning System, which is a very modern technology that requires training and hands-on experience.”

Miguel’s biggest ambition is to become a Master on board a BSM managed vessel, one day. Thus far, his career progression has been exemplary to other Mexican cadets entering the workforce with BSM.

One BSM

BSM supports the world's largest green business idea competition

For the third consecutive year, BSM supported green innovation as a sponsor of ClimateLaunchpad (CLP), the world's largest green business ideas competition.

The 2018 Global Grand Final successfully took place in Edinburgh, Scotland, at McEwan Hall, hosted by the Edinburgh Centre for Carbon Innovation (ECCI). The event was sold-out with 700 attendees, including the National Leads from all participating countries.

Among esteemed key note speakers and jury members at the event was Christoph Schulte, Schulte Group shareholder representative, and Niklas Koerner, BSM Strategy Manager.

CLP's mission is to address the negative impacts of climate change by ways of innovation, invention and entrepreneurship, aligning with the core BSM objective of becoming a sustainable business through innovative solution building. The annual competition brought together a community of experts who wish to encourage aspiring and promising clean-tech entrepreneurs from all over the world with training, coaching and networking.

The ever-growing competition was nationally organised in 45 countries this year, with boot camp trainings and

expert coaching sessions running in 50 locations across the globe. During the national programme, the teams competed in the national finals where the winning teams were selected to represent their country at the Global Grand Final.

In partnership with Chrysalis LEAP, the organiser of CLP in Greece and Cyprus, BSM provided intense training sessions to locally competing teams. The coaches representing BSM Cyprus and BSM Greece were: Marios Panteli, Hanseatic Chartering Commercial Manager, Irene Petallides, Assistant Fleet Manager BSM Cyprus, Marios Adamopoulos, Senior Accounts Officer BSM Greece, and Despina Tsoulakis, Vetting Coordinator BSM Greece.

With 135 pitching teams competing at the Global Final, the top-ten start-ups won direct access to the Climate-KIC Accelerator, a renowned business school. The overall winner was awarded EUR 10,000, the runner-up EUR 5,000 and the third-place winner EUR 2,500.

The participants of this competition have ideas with the potential for big climate impact. BSM, through CLP, is exploring how to truly unlock their potential in order to empower solutions to environmental challenges.



Shipping: A gender-diverse industry

Gender diversity is no longer a topic for general discussion, but a matter of demonstration and commitment.

BSM, a global and multinational ship manager, has demonstrated gender diversity with the fair advancement of talent found within the organisation.

Irene Petallides, Assistant Fleet Manager at BSM Cyprus, is a shining example of the experts working within the Company. Having amassed almost 30 years of experience in the shipping industry, Irene took on various managerial roles throughout her career.

Her professional development in shipping began straight out of university and Irene has since reached a multitude of milestones within BSM.

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“I actually fell into the shipping industry by accident. It was not planned. I am very happy to say that after almost 30 years, this is my life. This industry is very challenging and exciting,” she said.

Irene first joined the Company in 1990 and over the years broke the mould by becoming the first female to enter various roles within BSM Cyprus; including Fleet Personnel Manager and Assistant Fleet Personnel Manager.

Working for BSM, Irene affirms that she has received equal opportunity for advancement as her male counterparts. Further, progressing in her career has always pushed her to work harder and so her growth has never been stagnant.

“My advice is not to limit your career choices based on your gender. If you truly want something, face it with hard work, dedication and determination. It is very important that you find work that you truly enjoy doing.”

Executing vessel operation safely is at the core of Irene’s responsibilities as Assistant Fleet Manager, which she achieves through close collaboration with her expert team.

“The biggest exit from my comfort zone was becoming an Assistant Fleet Manager. I do not have a technical or

engineering background or any seafaring experience as such. So, it was a big challenge for me.”

To improve open communication, a restructuring took place that expanded the team to include technical and marine superintendents, fleet personnel and technical officers.

This change has proven to be extremely successful as the different expertise, knowledge and experience now sits together in an open area, thus promoting strong communication.

“The key is to build on and to utilise everyone’s experience and knowledge, as they have in their line of work. Through mutual respect and trust in each other’s expertise and capabilities, while building on each other’s strengths and having a common goal, you achieve a recipe for success. I am fortunate to have such a team.”

Aside from her dedication to her professional role, Irene recognises the importance of work-life balance. A wife and the mother of a 14-year-old boy, she strives to be the best version of herself at work and at home.

“It helps to have an employer like BSM who understands the value of family; it is part of the Company’s heritage. Having said that, shipping is a 24/7/365 business and after 29 years with BSM, I can say I am very lucky to have my family’s full support and understanding on what I do and the importance of being available for my job at all times.”

I am a firm believer that the key to work-life balance is not the amount of time spent but the quality of that time. This is very important to remember and the same applies both professionally and personally.”

Historically, professional roles within the shipping industry were male dominated, Irene acknowledges. However, she believes that this sector is no longer reserved just for men.

Evident from BSM’s gender diverse teams, there is equal opportunity for all experts working within the Organisation.

“*My advice is not to limit your career choices based on your gender. If you truly want something, face it with hard work*”



Ready, Set, Shoot Photo Competition 2018

For the past three years, BSM has successfully organised a global photo competition for its employees, effectively engaging a group of creative and multitalented people, both on board and ashore.

400 employees with nearly 1,000 photo submissions entered the 2018 annual maritime-themed 'Schulte Group Photo Competition'.

The photographs were as always of exceptional quality, capturing picturesque maritime-related scenes from around the world. For the first time, all BSM employees had the role of judges and voted on the finalist photos to determine the winners based on the highest accrued votes. Over 1,600 votes were submitted with four winners coming out on top.

BSM is proud to share the winning images and the inspiration behind them.

First Winner: Jan Arnofel Fortuna Yu
CSC Philippines - Ordinary Seaman

When asked about his inspiration, Arnofel mentioned, "I wanted to submit something that could reflect me as a person. My love of making sketches goes back since I was a kid. The drawing was done in one night and I took the photo on the next day. Honestly, it took me more than 50 shots to align the drawing to the background, while holding the camera in one hand and the drawing in the other. Looking at the final photo, everything I did was worth it."



*BSM is proud to share the
winning images and the inspiration
behind them*

Second Winner: Evgenii Kuznetsov
CSC Russia - 2nd Engineer

"I always have my camera with me. The day I took this image, I saw the condition of the bow thruster's productive grid and wanted to capture the way it

looked, to see if shells were attached to it. At the same time, I took some images of the vessel's hull by using a light and long aluminium stick, to get the camera in the water. This method ensured that no one would get injured or wet during the shooting."



One BSM

Third Winner: Andrey Shcheglov

CSC Russia - Chief Engineer

“This photo is actually a panorama composed from three images. It has been shot on the outer anchorage

near Hong Kong. The idea of this photo was to show how small these large vessels are in comparison to natural elements, such as the clouds. I intentionally made the photo in sepia to emphasise the dramatic beauty and the power of nature.”



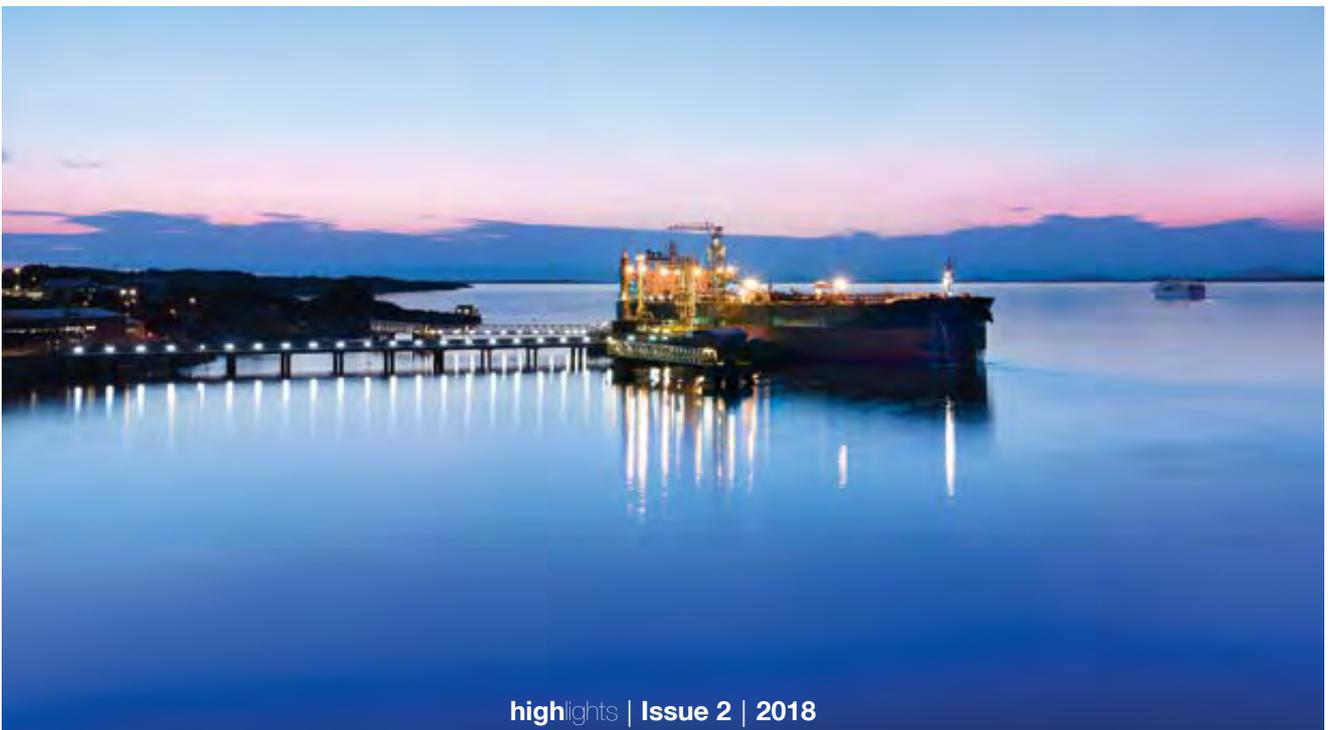
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Fourth Winner: Sharad Singh

CSC India - 2nd Engineer

Sharad stated, “The calm and serene water that evening inspired me to take this twilight shot. The reddish colour in the sky adds interest to the overall

composition. The ship and the city lights together with the sky make a lovely background. The main purpose of capturing this scene was to evoke emotions of peace and tranquillity in the viewers mind. This is a minimalist composition that contains very few elements in the frame, but still succeeds to have a strong impact.”



BSM Project Director awarded with MBE

This May, John Eltringham, Project Director at BSM, was cordially invited to Buckingham Palace in London to be awarded with a 'Member of Her Majesties Most Excellent Order of the British Empire' (MBE).

This award was for John's voluntary service to young people, as the Chairman of Trustees for the Sea Cadet Unit 'Training Ship Collingwood' over the past 17 years – having previously been President.

His work saved the unit from closure having raised over GBP 140,000 to refurbish its run-down building and a further GBP 60,000 to refurbish the unit's boating fleet through the provision of new boats and spare parts.

John has helped many cadets develop waterborne skills as well as grow in confidence and develop key personal competences. Through his own initiative he has raised funds to purchase a wheelie boat to allow mobility-



impaired children enjoy waterborne activities; gifted use of his wheelie boat to adult paraplegic groups, BLESMA and Help for Heroes; organised a 40-boat sailing regatta in the Lake District to fund local causes, over the past 27 years.

BSM recognises John's open-handedness and celebrates this astounding individual within the Organisation.

Blue.Seas.Matter.: Without plastic it's fantastic

Born out of the passion to protect the world's oceans, rivers and beaches, the inspirational initiative Blue.Seas.Matter. unites all BSM's offices to eliminate plastic pollution globally.

"As the famous French naval officer Jacques Cousteau once said, 'People protect what they love'," said Elena Pantazidou, BSM HR Director.

"For BSM people are at the heart of its business strategy. Together, with the support of its employees, customers and partners, our Organisation has made it its mission to reduce, recycle and eliminate one-use plastic in all locations globally," she said.

As a global company, BSM believes that for shipping to exist people need to protect the oceans from man-made obstructions such as plastic, pollution, energy consumption and waste. Through Blue.Seas.Matter., both sea and shore staff have come

together to organise plastic-cleansing activities and information sharing events, along with the creation and implementation of related policies.

"Being a sustainable business is about striking the balance between shareholder expectations and the needs and concerns of our employees, our customers and the environment. We truly believe that acting as a responsible business – one which is fully committed to respecting human rights – will contribute to a lasting economic success," said Elena.

Blue.Seas.Matter. is a pledge to pave the way to a better future, conscious of the health and safety of all employees, customers and partners worldwide.



BSM showcases dedication to high-potential employees

In 2016, BSM piloted a two-year accelerator programme, named HiPo Accelerator, dedicated to the development of high-potential employees (HiPos) for leadership positions within the Organisation.

This year marked the successful completion of the strategic human resources and talent management initiative, which includes 15 nominated members from various BSM Ship Management Centres globally.

Their journey was specifically designed to enhance everyone's management skills with a series of online trainings, individual interactive assignments and live face-to-face training. It also included team assignments, coaching and mentoring, individual and group assessments as well as long-term projects. The HiPo Accelerator programme supports professional development through the application of new skills within the work environment.

Covering a wide range of topics, such as presenting effectively, giving and receiving feedback, personality style management, influencing and negotiating, managing workload, innovating from idea to implementation, business financials and leadership, the programme improved both effective communication and business-specific management skills of the individuals.

In November 2018, the programme concluded with a Demo Day where the HiPos presented their six-month Innovation Sprint business ideas and recommendations.

Each idea was presented through a de-risking and business validation process taught throughout the two-year period.

Elena Pantazidou, BSM Director HR Shore, said, "We are proud to announce that we belong to the five percent of companies that successfully complete their High-Performance Optimisation programmes.

"From the participants, we are happy to announce, that more than 80 percent have already received or will receive a promotion within the next year."

The programme concluded with a graduation ceremony, held at the Prototyp Museum in Hamburg, Germany. The HiPos accompanied by the BSM management and shareholder representatives, celebrated the conclusion of the programme and their achievements.

"To our HiPos, we are proud of all your efforts, hard work, willingness and openness towards learning," Elena said.



BSM Seafarers saving lives around the globe

Earlier in the summer of 2018, two BSM managed vessels diverted course to carry out emergency rescue missions and successfully saved six lives.

In May 2018, the BSM Hong Kong managed vessel *MV CMA CGM Brazil* responded to a distress signal from a 46-foot sailing vessel in the North Atlantic Ocean that was taking on water due to a damaged rudder.

After being alerted of the situation by the coast guard San Juan, Puerto Rico, the crew immediately volunteered to divert course to aid the distressed vessel. Upon arrival, the BSM crew established communications with the vessel and continued to tow her to Saint Maarten, preventing the need for the two Swedish survivors to abandon their vessel at sea.

The BSM crew of *MV CMA CGM Brazil* was presented with a commendation by the US Coast Guard for their heroic actions and for keeping with time honoured traditions of mariners assisting those in peril at sea.

The following month, seafarers on the BSM Cyprus managed and Shell time-chartered vessel *Everhard Schulte* spotted a small boat with four fishermen in distress, while traveling through the Manado passage

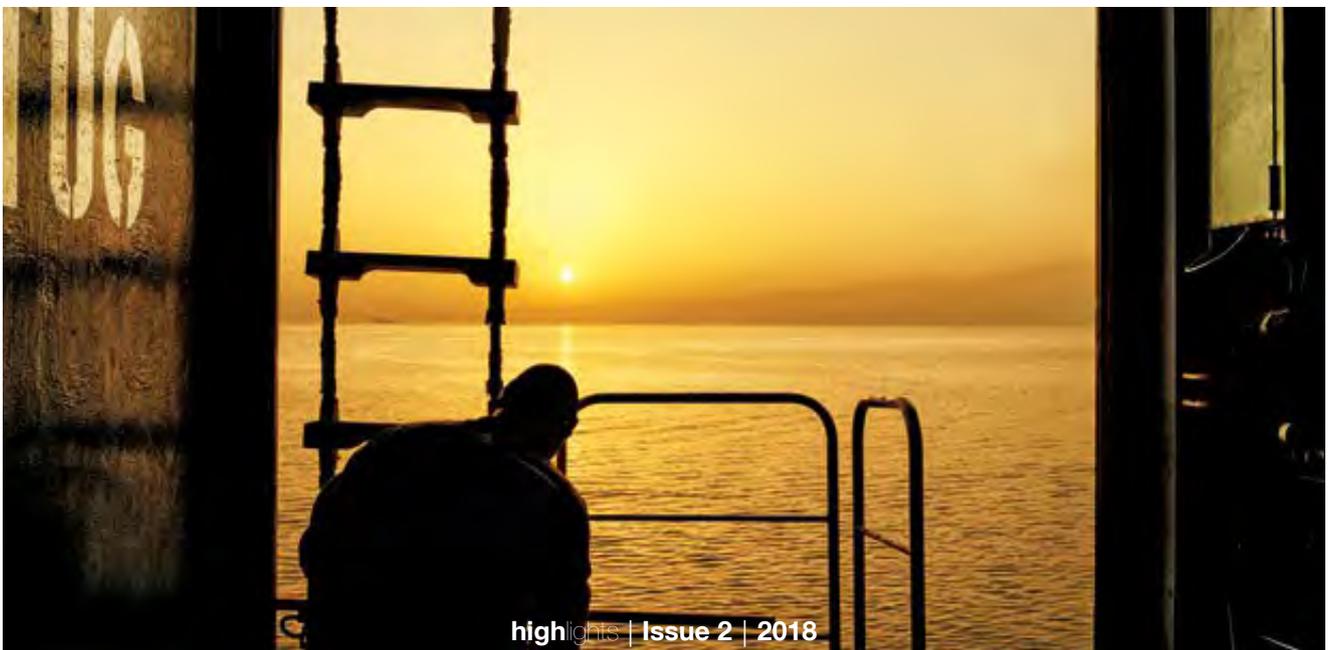
to Tangguh, Indonesia. Overnight one of the two fishing boats sunk, and while the fishermen managed to transfer safely to the other one, it developed a leak in the hull, which led to engine failure. Knowing the piracy risks of the area, Capt. Jaroslaw Masiak and the crew immediately responded by diverting course to help the stricken craft.

The crew proceeded to broadcast a request for assistance to all stations. After a successful manoeuvre alongside the boat, the four fishermen and their craft were safely taken on board. First aid was administered on the four victims, who were later comforted with a meal.

Without a radio or emergency equipment, the fishermen were extremely grateful to the BSM crew for saving their lives.

In coordination with the Manado Coast Guard, the four individuals and their boat were transferred to the safe custody of coastguard vessel *KN Pasatimpo*.

BSM is exceptionally proud of the two vessels' crew as they did not hesitate to rise to the occasion, safely returning six seafarers to their homes and loved ones.



BSM Hong Kong awarded 'Best Employer of the Year'

In August 2018, BSM Hong Kong was awarded the 'Best Employer of the Year' during the ShipTek Hong Kong Summit 2018, a ship owning and ship management conference. Firoze Mirza, Managing Director of BSM Hong Kong, accepted the prestigious award on behalf of BSM.

ShipTek belongs to a group of companies with over 25 years of industry experience, active in both the global shipping business and digital platforms.

Launched in 2008, the ShipTek Maritime Awards have marked the shipping industry with a union of innovative ideas by offering a right platform to network, strike deals and take business to the next level. They acknowledge creative contributions of outstanding significance to the shipping industry in the field of maritime services and are bestowed among various organisations and individuals.



The 2018 ShipTek Hong Kong Summit had a record participation, turning out to be one of the most successful events in recent years. Amongst the winners were other notable companies including the Hong Kong Ship Owners Association, Pacific Basin and ABS, to list a few.

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Schulte Group hosts the HH 100 Cycling Tour 2018

On September 1, 2018, the annual Schulte Group Hamburg 100 Cycling Tour (HH 100) took place in Hamburg. This was the first time the Schulte Group hosted this event, bringing together cycling enthusiasts, who work in the maritime industry from across Europe.



The first Hamburg 100 Cycling Tour was held in 2014 by Ince & Co, inspired by a cycling event hosted by Gard in Norway. The Schulte Group has participated in this event since its inception due to its close relationship with Ince & Co. However, in 2018, the baton was passed on to the Schulte Group, who in high spirits took on the event.

Cycling enthusiasts and cycling novices departed in the early morning from the Schulte Group offices and went on either a 100- or 60-kilometre ride along the Elbe river with five allocated rest stops along the route.

This annual gathering is open to all maritime professionals and they are welcome to bring along any friends and family members. The HH 100 was an occasion for partners, customers, colleagues and their families to come together and have fun on the lane.

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