

RICKMERS MARITIME

RICKMERS TRUST MANAGEMENT PTE. LTD.

Newsletter

17th Edition,
OCTOBER 2012



Dear Investor,

As we move into the final quarter of the year, all stakeholders of the container industry will be watching the market intently. Will the top carriers close the 2012 books with black or red figures on the bottom line? Tough call to make at this point. The final result will probably be a mixed bag but in any case it should be considerably better than the significant losses suffered by the carriers in 2011. The liner companies are trying to push through new rate increases from early November, which will be necessary if our industry is to close the year on a positive note. As a tonnage provider to the liner industry, it

comforts us to see the heightened level of freight rate discipline among the key carriers, and although this discipline seems shaky at times, there are clear indications that most carriers' focus has shifted back to profitability rather than market share.

Despite the difficult economic climate, our business continues to perform well, with good visibility over future revenues. As the trustee-manager of Rickmers Maritime, we constantly monitor the global economy and its daily effect on the container market.

Our special feature in this issue looks at the Maritime Labour Convention, the first ever global standard for seafarers' employment. We take the welfare

of our crew seriously, as without competent, professional, and fairly paid merchant seamen, our ships would not perform as well as they do. This feature shares more on the global efforts to improve the working and living environments for seafarers throughout the industry.

Also in this issue, we continue our series on the major container ports of the world. In our last issue, we introduced you to the historic Port of Rotterdam. In this issue we cross the border into Belgium to introduce you to the Port of Antwerp, a trading harbour located some 80 kilometres from the nearest open sea. Nevertheless, due to its position and historical significance, it remains the second busiest container port in Europe.

On the last page, we put the spotlight on the role and responsibilities of the Second Engineer, a crucial member of the team that keeps our ships running efficiently below deck. Last but not least, our glossary in this edition offers definitions of more legal terms commonly used in shipping.

I wish you an interesting and enjoyable read. Should you have any feedback or suggestions, please feel free to let us know.

Thomas Preben Hansen

Chief Executive Officer

Rickmers Trust Management Pte. Ltd.

GLOBAL SUPPORT FOR LABOUR CONVENTION TO BENEFIT MORE THAN 1.2 MILLION SEAFARERS WORLDWIDE

Landmark ratifications received for Maritime Labour Convention (MLC) 2006 will bring treaty into effect and establish minimum requirements for almost all aspects of working conditions for seafarers

In August 2012, the International Labour Organization (ILO) announced that it has received ratifications of the MLC by 30 states, representing 60% of global tonnage. With that, the treaty would come into force 12 months later on 20 August 2013, establishing comprehensive minimum requirements for different aspects of working conditions for seafarers working on more than half of the world's international ships. The Convention also sets in place a compliance and enforcement mechanism based on inspection and certification of the seafarers' working and living conditions.

The Convention was conceived with the aim to achieve both decent work for seafarers and secure economic interests in fair competition for quality shipowners. As an estimated 90% of world trade is carried on ships, seafarers are essential to international trade and the international economic and trade system, and the new labour standard consolidates and updates more than 68 international labour standards related to the maritime sector adopted over the last 80 years.

The decision by the ILO to move forward to create this major new Maritime Labour Convention was the result of a joint resolution in 2001 by the international seafarers' and shipowners' organisations, also supported by governments, who recognise that the shipping industry is "the world's first genuinely global industry" which "requires an international regulatory response of an appropriate kind – global standards applicable to the entire industry."

Once the Convention comes into effect in August 2013, parties to the treaty must ensure that ships flying their flag meet the 'decent work' requirements set out in the Convention, and certify that those ships comply with the requirements relating to labour conditions.

All in all, this is a significant effort collectively undertaken by the majority of the international shipping community, and signals that the industry recognises the importance of a conducive working and living environment for seafarers, and the commitment to improve on provisions for them.

As one of the world's busiest ports, Singapore sets an example as the first Asian country to ratify the MLC in June 2011, with the full support of tripartite partners – the seafarer unions and the National Trades Union Congress, as well as the maritime industry and the Singapore National Employers Federation. In submitting the instrument of ratification, Mr. Loh Khum Yean, Permanent Secretary of Singapore's Ministry of Manpower, stated: "This is a significant step for Singapore, as we commit to applying the Convention's provisions to Singapore-registered ships and ships that call at our ports, as well as to achieve decent working conditions for seafarers. As a responsible flag state, Singapore had actively participated in the discussions that led to the adoption of this important Convention, which consolidates and updates over 60 ILO Conventions and Recommendations. We look forward to it entering into force in due course."

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GLOBAL SUPPORT FOR LABOUR CONVENTION TO BENEFIT MORE THAN 1.2 MILLION SEAFARERS WORLDWIDE (CONTINUED)

About the MLC 2006

The Maritime Labour Convention (MLC) is an ILO Convention established in 2006 as the fourth pillar of international maritime law and embodies "all up-to-date standards of existing International Maritime Labour Conventions and Recommendations, as well as the fundamental principles to be found in other International Labour Conventions." The other pillars are the International Convention for the Safety of Life at Sea (SOLAS), the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW), 1978 and the International Convention for the Prevention of Pollution From Ships, 1973 as modified by the Protocol of 1978 (Marpol 73/78).

MLC 2006 is a global instrument adopted by the ILO to provide for the rights and protection of seafarers at work. It establishes comprehensive minimum requirements for different aspects of working conditions for seafarers working on board ships, including conditions of employment, hours of work and rest, accommodation, recreational facilities, food and catering, health protection, medical care, welfare and social security protection. The convention also establishes a compliance and enforcement mechanism based on inspection and certification of the seafarers' working and living conditions.

After tripartite negotiations had started in 2001, the Convention was adopted during the 94th International Labour Convention in 2006. The Convention received 314 votes in favour and none against by representatives of the government, employers and workers, who each held a single vote per country.

The Convention consists of sixteen articles containing general provisions as well as the Code, which comprises five Titles in which specific provisions are grouped by standard or mode of enforcement, and for each Title, there are general standards that are further specified in mandatory regulations and guidelines. Guidelines generally form a manner of implementation of a Regulation according to the requirements, but states which have ratified the Convention are free to have different implementation measures. Regulations should in principle be implemented fully, but a country can implement a "substantially equivalent" regulation, which it should declare upon ratification.

The five Titles of the Code are:

- Title 1: Minimum requirements for seafarers to work on a ship
- Title 2: Conditions of employment
- Title 3: Accommodation, recreational facilities, food and catering
- Title 4: Health protection, medical care, welfare and social security protection
- Title 5: Compliance and enforcement

Sources:

- <http://www.ilo.org/global/standards/maritime-labour-convention/lang--en/index.htm>
- <http://www.imo.org/MediaCentre/PressBriefings/Pages/32-MLC.aspx>
- http://en.wikipedia.org/wiki/Maritime_Labour_Convention
- http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_157734/lang--en/index.htm



JOIN US ON A RICKMERS CONTAINERSHIP!

Ever wonder what a containership looks like up close, or what the different sections of the vessel are? Join us on a vessel tour! We conduct vessel visits from time to time, whenever the vessel schedules allow. To register your interest, please drop a note to ir@rickmers-maritime.com with your name and contact details, and we will be in touch when the next vessel tour is scheduled.

CORPORATE UPDATES

6 AUGUST 2012

Rickmers Maritime announced the Trust's performance for 2Q2012 and 1H2012 ended 30 June 2012. Revenue and net profit remained stable on the back of long-term fixed-rate time charters. With all sixteen vessels fully employed, the Trust achieved a high vessel utilisation rate of 99.8% and distribution remained unchanged at 0.60 US cents per unit.

30 OCTOBER 2012

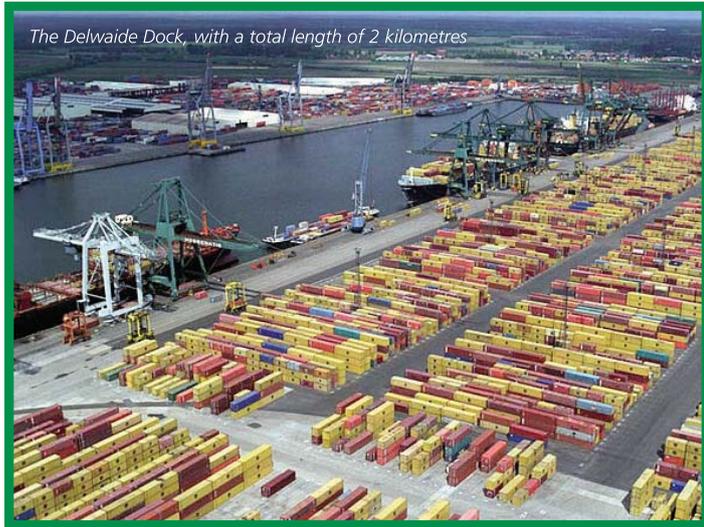
Rickmers Maritime releases its financial results for 3Q2012 and 9M2012 ended 30 September 2012. To access Rickmers Maritime's 3Q2012 and 9M2012 results announcement and presentation, please visit <http://www.rickmers-maritime.com>.



MAJOR CONTAINER PORTS AROUND THE WORLD

The Port of Antwerp

In the first four instalments of this series, we visited the ports of Singapore, Shanghai, Los Angeles/ Long Beach and Rotterdam. In the 5th instalment, we travel to Antwerp to investigate a port which is located 80 kilometres from the sea!



The Delwaide Dock, with a total length of 2 kilometres

The Port of Antwerp, located in Belgium, does indeed sit 80 kilometres inland from the North Sea, at the upper end of the tidal estuary of the Scheldt River. Although such a position does not seem ideal for an ocean-going port, thanks to the great width and depth of the Scheldt River, the harbour is navigable for the world's largest container vessels. Combined with the port's strong links to central Europe, it ranks second in Europe, and eighth in the world, in terms of total freight shipped.

Feuding nations

Antwerp is a relatively new port in European terms. Its modern foundations were laid by the French Emperor Napoleon Bonaparte who ordered construction of its first proper lock and dock in 1811 to use as a base to attack the British. The Bonaparte Dock was followed in 1813 by the Willem Dock, named after the Dutch king. Due to its superior position and facilities, the port quickly assumed great importance and by 1830 it also became significant politically. When the Belgians revolted against Holland, the Dutch in revenge began levying a stiff toll for ships to access the Scheldt River in their territory, through which vessels passed to reach Antwerp. When Belgium as a country was founded, the British Prime Minister Lord Palmerston, who was a strong supporter of the newborn state as a buffer between the European nations, realised that the country could not succeed with the toll in place. With his support it was scrapped in 1863 and the port's economic success was transferred wholly to Belgium. As a result, Antwerp experienced a boom period with eight new docks and transport connections built by 1908. These included the Royers Lock, which opened the port to ships drawing up to 31 metres of water, and the Iron Rhine Railway, which connected the port to the industrial heartland of the Germanic states.

Strategic relevance

The port has always been vital strategically, most notably during the World Wars. In World War One, Winston Churchill, the British First Lord of the Admiralty, personally travelled to Antwerp to oversee the defence of the city. And in the Second World War, the port was a main target of the Allied forces on their invasion of Europe, who used it as a key supply point for the liberation forces. Commanded by the American and British armies, and manned by 9,000 civilians, the port received an average of half a million tonnes of ammunition, tanks and personnel a month.

The world's largest locks

One of the key reasons for Antwerp's success in the modern era is its ability to take in large post-panamax vessels (ships that do not fit in the Panama Canal). In the post-war period, the locks were extended in an ambitious period of revitalisation and growth that has consistently set records for the 'world's largest lock.' In 1967, the Zandvliet Lock held the title at 500 metres long, 57 metres wide and 13.58 metres deep. In 1989, this was bettered with the opening of the Berendrecht Lock, right next to the Zandvliet Lock, but 11 metres wider. This lock allowed Antwerp to develop its docks much further along the shoreline and to create fast turnaround tidal berths. The Berendrecht Lock will be bettered again in 2016 when a new lock will be finished with the same dimensions but with a depth of 17.8 metres. Construction of the lock was started in November 2011, and will use 22,000 tonnes of structural steel to complete, three times the amount in the Eiffel Tower.

2011 Facts

187.2 million tonnes of freight were loaded or discharged
250 loaded freight trains left the port daily
59,428 barges arrived or departed; an average of 163 a day
15,420 ocean-going vessels visited the port; an average of 42 a day
900 companies are located in the port area
62,577 people work in the port
Including indirect employment, 149,326 jobs are due to the port

Futuristic investment

To support its leading position as the second-largest port in Europe, the port authority decided in 2010 to invest €1.6 billion over 15 years to upgrade their facilities. New tug and dredger boat fleets will be bought and a stunning and futuristic addition to the Port House is being built by the cutting-edge architecture firm, Zaha Hadid Architects. The huge investment demonstrates how important Antwerp Port is to Belgium. In fact an economic study by the National Bank of Belgium showed that the port generated €9.8 billion of direct added value in 2010, equal to 5.4% of the country's GDP. Not bad for a port 80 kilometres from the nearest sea.



The Antwerp Port House

Sources:
<http://www.portofantwerp.com/>
http://en.wikipedia.org/wiki/Port_of_Antwerp
http://en.wikipedia.org/wiki/Berendrecht_Lock

Image sources:
http://en.wikipedia.org/wiki/File:Zicht_op_het_Delwaidedok.jpg
<http://www.dezeen.com/2009/01/21/port-house-antwerp-by-zaha-hadid-architects/>



SPECIAL FEATURE: WHAT DOES IT TAKE TO BE A SECOND ENGINEER?

1. What is the role of a Second Engineer, and his/her key responsibilities?

A Second Engineer is part of a vessel's management team. He or she directly reports to the Chief Engineer on board a vessel and oversees all machinery in the engine room and on deck, especially the main engine and propelling units. The responsibilities of a Second Engineer include maintaining the main engine, ensuring that machinery is in optimal working condition, managing the engine crew's work progress, ensuring a safe working environment in the engine room and supervising all engine staff, workshop, stores, maintenance and repairs of the vessel.

2. What are the qualifications required to become a Second Engineer?

A Second Engineer needs to have a Bachelor's Degree in Maritime Transportation with a major in Engineering Science or a Management of Technology (MOT) second class part B license and a Certificate of Competency in accordance with the provision of the International Convention on Standards of Training, Certification and Watchkeeping for seafarers 1978, as amended in 1995 (STCW). He or she also needs to demonstrate the ability to manage the staff in the engine department of the vessel, as well as have sufficient seagoing and working experience for the various types of engines that they have been assigned to handle.

3. How does the role of the Second Engineer differ from that of the Chief Engineer?

The difference between a Chief Engineer and a Second Engineer is quite distinct – while the Chief Engineer is responsible for the overall daily work plan for the ship's engine department, the Second Engineer is the one who delegates the work to the crew. The Second Engineer also provides assistance to the Chief Engineer and keeps him informed on matters that affect the engine department, and relieves the Chief Engineer in the engine control room.

4. How long does one usually need to be a Second Engineer before promotion to Chief Engineer?

A Second Engineer's promotion to Chief Engineer usually takes about four or more contracts, which is around two to three years of seagoing service as a Second Engineer. He or she should possess strong knowledge in main engine maintenance, and good management skills in controlling the spares and stores as well as the training of the junior engineers and the rest of the engine room crew.

5. What are ideal qualities of a successful Second Engineer?

As the scope of a Second Engineer's work spans various aspects including engine and equipment maintenance, crew management and operations control, he or she must have excellent multi-tasking, leadership and operational skills to be a successful Second Engineer.

6. Which crew members fall directly under the responsibility of the Second Engineer?

As the Second Engineer is in charge of delegating the work in the engine room, with the exception of the Chief Engineer, all the operational engineers and the crew of the engine room report directly to him or her, including the Third Engineer, the Electrician, Junior Engineer, Fitter as well as other supporting crew.



Second Engineer Than Htay of ANL Windarra

7. Describe a typical day in the life of a Second Engineer on board a containership.

The daily duties of a Second Engineer vary from day to day, but generally include:

- Taking turns with the Third Engineer to keep watch of the equipment and machinery under his or her charge
- Delegating daily work to the engine crew
- Maintaining records of work, rest and overtime hours by the engine crew
- Keeping proper maintenance of all machinery under control of the Planned Maintenance System (PMS)
- Ensuring that the bilge overboard valve is locked at all times except when pumping bilge during the operation of the Oily Water Separator
- Ensuring that the engine room staff are appropriately attired when performing tasks in the engine room and that they follow safe practices and procedures
- Maintaining good housekeeping of the engine room
- Coordinating with the Chief Engineer in repairing or maintaining deck machinery where required
- Assisting the Chief Engineer in safe vessel management and keeping the vessel in smooth running condition
- Performing any other duties as required by the Master or Chief Engineer

Contributed by Than Htay, Second Engineer of ANL Windarra.

GLOSSARY LEGAL TERMS USED IN SHIPPING (K-N)

Knot - One nautical mile (6,080 feet) per hour, the maritime measure for speed at sea.

Laytime - In a voyage charterparty, the period of time agreed between the parties during which the shipowner will make and keep the vessel available to the voyage charterer for loading or discharging without payment of additional freight.

Letter of guarantee - A written undertaking, or letter of indemnity, usually provided by a bank, promising to hold the carrier harmless up to a certain sum, for claims that may arise from the delivery of goods to a particular person who is unable to surrender the original bills of lading in return for the goods.

Load lines - Lines painted on the side of a ship, indicating the maximum depth to which the vessel may safely be loaded.

Nautical assessors - Court-appointed experts (usually on matters of navigation and seamanship) who sit with the judge on the bench during the trial of maritime disputes and give their opinions to the judge, at his request, on matters relating to their field of expertise.

Notice of abandonment - In marine insurance, a notice given by the insured to the insurer whereby the insured indicates that he wishes to treat a "constructive total loss" as an "actual total loss" and to abandon the subject-matter insured to the insurer.

Source: <http://www.mcgill.ca/maritimelaw/glossaries/maritime/>