

Shipping Policy for Bulk Shipments

Quest Group FZCO and affiliated companies (hereinafter "Quest Group")

Chartering & Environmental Risk Policy

1. Objective

This policy outlines the environmental, compliance, and safety standards governing the chartering of bulk vessels by Quest Group. Our goal is to minimize environmental risks, ensure the integrity of our supply chain, and align with international regulatory frameworks.

2. Scope

This policy applies to all bulk shipping activities conducted by or on behalf of Quest Group, including chartering, cargo handling, and dealings with shipping agents, vessel owners, operators, and brokers.

3. Environmental Risk Management

To reduce the risk of environmental harm from shipping operations, the following measures are mandatory:

3.1 Vessel Specifications

- Only double-hull vessels are eligible for charter.
- Checks on vessel for environmental purposes (i.e. EEXI compliance proof / CII rating higher than C)
- Vessels must be no older than 20 years at the time of charter party execution.
- Preference is given to vessels with:
 - Verified eco-efficiency certifications
 - Recent dry dock or maintenance reports demonstrating seaworthiness and compliance

3.2 Flag State and Classification

- All vessels must be flagged under White List countries (as per Paris MoU and Tokyo MoU).

- Vessels must be classed by a member of the International Association of Classification Societies (IACS).
- No vessel on the blacklist or greylist of recognized port state control authorities will be accepted.

4. Compliance & Sanctions Controls

To mitigate reputational and legal risks:

4.1 Know Your Counterparty (KYC)

- All counterparties (owners, brokers, operators) must undergo KYC screening prior to engagement.
 - Screening includes verification of:
 - Ownership and corporate structure
 - Regulatory history and reputation
 - Ultimate beneficial ownership (UBO)
- Records of KYC checks must be maintained for a minimum of 5 years.

4.2 Sanctions Screening

- We do not engage with vessels, entities, or individuals listed under UN, EU, UK, OFAC (US) or other applicable sanctions regimes.
- All transactions are subject to ongoing monitoring for changes in sanctions status.
- Any potential match triggers an immediate internal review and legal consultation before proceeding.
- Screening for AIS manipulation / hidden STS operations / check history of the vessel

5. Insurance and Liability Requirements

- Vessels must carry Protection & Indemnity (P&I) insurance from an International Group club.
- Proof of valid Hull & Machinery (H&M) insurance is required.
- Charterers must ensure pollution liability coverage complies with international conventions (e.g., MARPOL, CLC).

6. Environmental Incidents & Reporting

- Charter parties must include provisions for:
 - Immediate notification of environmental incidents (e.g., spills, emissions violations)
 - Mitigation and response obligations of owners/operators
 - Full cooperation with investigations or remedial actions

7. Audits and Reviews

- Quest Group reserves the right to audit any vessel, operator, or broker for compliance with this policy.
- This policy is reviewed annually or upon any material change in international regulations.

8. Exceptions and Approvals

- Any deviation from this policy requires written approval from the Head of Chartering and the Compliance Officer, with justification documented and retained.

Effective Date: January 3rd, 2025

Policy Owner: Chartering Department

Approved By: Marko Pavlovski, head chartering department

