

ANAX INTERNATIONAL AGENCIES, INC.

GENERAL CORPORATE POLICY,
MARITIME ENVIRONMENTAL PROTECTION
POLICY,
AND
MARITIME COMPLIANCE PROGRAM

September 15, 1999

EXHIBIT B

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INTRODUCTION

Anax International Agencies, Inc. (hereinafter Anax or Company) always has been, and continues to be, committed to conducting its business with integrity and in accordance with all federal, state, and local laws to which its business activities are subject. It is the long-standing policy of the Company to prevent the occurrence of unethical or unlawful behavior, to halt such behavior as soon as reasonably possible after its discovery, to discipline personnel who violate Company policies, including individuals responsible for the failure to detect a violation, and to implement any changes in policy and procedure necessary to prevent recurrences of a violation. The Company has instituted various policies and programs to reflect these commitments.

Anax encourages all personnel to internally report all actual and potential non-compliance with its Maritime Compliance Program. The program details a variety of means to report such non-compliance, protecting confidentiality where appropriate. No individual's position or influence is considered to be more important than the goal of institutional integrity. Those who honestly report wrongdoing will be protected from retaliation.



SPYROS VAGLAS

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I. GENERAL CORPORATE POLICY

The General Corporate Policy of Anax provides officers, directors and employees and crew members, as well as those with whom we do business with a formal statement of the Company's commitment to the standards and rules of ethical business conduct spelled out in this Policy. Anax wants to ensure that the waters on which its ships operate are protected to the maximum practicable extent from degradation. To that end, we have also instituted a policy addressing that specific issue, entitled the Anax Maritime Environmental Protection Policy. Finally, we have instituted a Maritime Compliance Program, which contains a number of specific commitments to protect the maritime environment in our routine operations.

It is the policy of Anax to deter, detect, and prevent the occurrence of unethical or unlawful behavior, to halt any such behavior as soon as reasonably possible after its discovery, and to discipline its personnel who violate the standards contained in the Policy, including individuals responsible for the failure to detect a violation. It is therefore imperative that all Anax personnel comply with the standards contained in the Policy, immediately report any apparent or alleged violations thereof to his or her supervisor or to the Corporate Compliance Officer and assist any other compliance personnel in investigating any allegations of wrongdoing.

No policy statement or compliance program can cover all circumstances or anticipate every situation. Consequently, employees and crew members encountering situations not addressed specifically by this policy statement and related documents should apply the overall philosophy and concepts of this General Corporate Policy to the situation, along with the highest ethical standards observed by honorable people everywhere. If a question still exists in your mind after so doing, the particular circumstances should be reviewed with your supervisor, a member of senior management, or the Corporate Compliance Officer.

A. The Powers and Fiduciary Duties of Directors and Officers

Anax acts through its directors, officers, employees, crew members, and agents. The Board of Directors makes fundamental management and policy decisions through adopting provisions in the bylaws or through resolutions at Board of Directors' meetings, such as the through adoption of this General Corporate Policy and the related Maritime Environmental Protection Policy and Maritime Compliance Program. Directors and officers occupy a fiduciary relationship to the Company. However, the directors do not carry out the day-to-day management of the Company; that function is left to the officers and other individuals in supervisory roles.

The directors and officers are required to exercise the utmost good faith and to exercise their powers solely in the interests of Anax. An individual accepting the position of director or officer contracts to give diligent attention to the Company's concerns and to be faithful and honest in the discharge of the duties which the position imposes. A director or officer is not expected to be infallible, but should act with an honest belief and in good faith, and in doing so, has carried out his or her fiduciary obligations to the Company.

The Board of Directors of Anax has five primary functions:

- to select management and to determine its compensation;
- to review and approve Company policies, financial objectives, major strategies, and plans;
- to provide advice and counsel to top management;
- to select and recommend a slate of candidates for the Board of Directors and to evaluate Board processes and performance; and
- to institute policies and procedures to further the goals of Anax.

In order to carry out its primary functions, the Board is charged with obligations and duties in overseeing the business conduct and ethical standards of the Company.

The Officers of Anax also have the fiduciary responsibility to act on behalf of and in the best interests of the Company. They are not to act in furtherance of their own self interests. The management of the Company will be conducted by or under the supervision of senior officers as designated by the Board.

In performing the management function, the Officers are obligated to act in a manner consistent with the standards of Anax, to execute specific plans, policies, or directions of the Board, and to work with and on behalf of the Board to ensure that every director, officer, employee, and crew member complies with this General

Corporate Policy, the Maritime Environmental Protection Policy, and the Maritime Compliance Program.

B. Ethics

Anax's unwavering commitment is to obey all applicable laws, rules, and regulations. However, the Company's commitment does not stop there. Even where the law is permissive, the Company chooses the course of the highest integrity. To some extent, customs, traditions, and mores differ from place to place, and this must be recognized. Honesty, however, is not subject to criticism in any culture. Shades of dishonesty simply invite demoralizing and reprehensible judgments. A well-founded reputation for scrupulous dealing is itself a priceless Anax asset.

All Anax personnel must understand that we do care how results are obtained, not just that they are obtained. Personnel are required to record all transactions accurately in their books and records and to be honest and forthcoming with internal and external auditors.

Equally important, we expect candor from managers at all levels, and compliance with the Company's policies, accounting rules, and controls. One harm which results when personnel conceal information from higher management or from the Corporate Compliance Officer is that subordinates within the organization think they are being given a signal that Company policies and rules can be ignored when they are inconvenient. This can result in corruption and demoralization of an organization. Anax will not tolerate this. Our organization will accept nothing short of honesty, including honest accounting, honest budget proposals, and honest economic evaluation of projects.

C. Books and Records

■ **Falsification of Records**

U.S. law requires Anax to assure that its books and records accurately reflect the true nature of the transactions represented therein. Therefore, in all of our operations, it is against Company policy, and possibly illegal, for any personnel to intentionally or negligently cause our books and records to be inaccurate. Examples would include preparing records that make it appear as though an operation was conducted in one manner when it was actually conducted in a different manner; that payments were made to one person when, in fact, they were made to another; that expenditures were made in one manner when they were actually made in a different manner; or any other situation where records that are made to reflect an event do not accurately depict the situation.

False or artificial entries must never be made in Anax's books and records nor in any public record for any reason, nor should permanent entries in the Company's records be altered in any way.

It is very important that personnel not create or participate in the creation of any records which are intended to mislead or to conceal anything that is improper.

■ Retention of Records

Disposal or destruction of Anax's records and files is not discretionary. Legal and regulatory practice require the retention of certain records for various periods of time, particularly in the personnel, health and safety, and environmental areas. In addition, when litigation or a government investigation or audit is pending, relevant records must not be destroyed until the matter is closed. Destruction of records to avoid disclosure in a legal proceeding may constitute a criminal offense. Consult with the Corporate Compliance Officer for information on retention periods and restrictions.

D. Safety, Health, and the Environment

Anax is committed to providing a safe and healthy work place for our employees and crew members and for visitors on our vessels or our premises. We are equally committed to preventing deterioration of the environment and minimizing the impact of our operations on the land, air, and water. These commitments can only be met through the awareness and cooperation of all personnel. We each have a responsibility to abide by safe operating procedures, to guard our own and our fellow employees' and crew members' health, and to maintain and utilize pollution prevention systems.

In the United States and other countries, regulatory agencies exist at the federal, state or local levels to insure compliance with laws and regulations affecting safety, health, and environmental protection. It is the Company's policy to comply with both the letter and the spirit of the laws and regulations enforced by these agencies and to attempt to develop a cooperative attitude with inspection and enforcement personnel from the agencies. In keeping with this spirit, personnel are encouraged to report to their supervisors conditions which they perceive to be unsafe, unhealthy, or hazardous to the environment. Compliance with applicable international, flag state, and port state health, safety, and environmental requirements shall be a positive factor in the personnel evaluation process and non-compliance shall be a negative factor. Likewise, nothing in the personnel evaluation process should provide an employee or crew member with the incentive to reduce expenditures for health, safety, or environmental compliance. The

Maritime Environmental Protection Policy and Maritime Compliance Program follow this general policy statement. Pertinent environmental requirements are summarized in Appendix E.

E. Drugs and Alcohol

Anax prohibits the use or possession of any illegal drugs or any alcohol on Company vessels. Personnel are also prohibited from being on Company vessels under the influence of either illegal drugs or alcohol.

II. MARITIME ENVIRONMENTAL PROTECTION POLICY

Anax, its Directors and Senior Management are fully committed to the protection of the environment and to the prevention of pollution. Pollution of the environment by a ship can be caused in a number of ways, including, but not limited to, discharge from the ship of oil, sewage, garbage, and ballast water. The predominant cause of a pollution incident is human error. Anax is committed to minimising the risk of human error as a source of pollution through to adoption of this Maritime Environmental Protection Policy and Maritime Compliance Program.

Through the commitment of all personnel to the Maritime Environmental Protection Policy and Maritime Compliance Program, the company goal is to eliminate pollution incidents on its vessels.

The purpose of this Maritime Environmental Protection Policy is:

- To provide that the Environmental Compliance Program is reviewed on a regular basis so as to ensure that it encompasses the environmental requirements established under applicable international, flag state, and port state law, including, but not limited, to the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto (MARPOL 73/78) and Title 33, U.S. Code of Federal Regulations (CFR), Subchapter O.
- To educate company staff, both ashore and onboard, in respect of environmental protection, including, but not limited to, the management, handling and disposal of oil and waste oil, including slops and bilge waste.
- To identify the shipboard operations that may lead to pollution.
- To establish procedures governing these operations with a view to reducing to the maximum extent feasible the risk of pollution from these operations.
- To implement a training and auditing program that will ensure compliance with company policies.
- To provide that compliance with the environmental requirements of MARPOL 73/78, U.S. law, and other applicable provisions is a positive factor in all appropriate personnel evaluations and that failure to comply with those requirements is a negative factor in the evaluations.
- To establish procedures for the reporting of pollution incidents and of non-compliance with company policy.

- To identify, on each ship, an officer who shall be responsible for ensuring compliance with reporting requirements under MARPOL 73/78, U.S. law, or other applicable requirements.
- To identify, on each ship, an officer who shall be responsible for regular "all hands" training on environmental compliance and reporting requirements.
- To identify a senior management official who shall be directly responsible for monitoring, maintaining, and enforcing the Anax Maritime Environmental Protection Policy and Maritime Compliance Program, including making regular reports to the Board of Directors on environmental compliance and training.
- To provide that the Board of Directors reviews the internal reports submitted to it on environmental policies, incidents, and training with the view of ensuring that those reports evidence compliance with the Anax Maritime Environmental Protection Policy and Maritime Compliance Program.

III. MARITIME COMPLIANCE PROGRAM

The purpose of Anax's Maritime Compliance Program is twofold. First, it provides a mechanism to enforce the Company's Corporate and Maritime Environmental Protection Policies. Second, and perhaps more important, the Maritime Compliance Program coupled with those policies sets an ethical tone for conducting business and creates a corporate culture which enhances the reputation of the company.

The Maritime Compliance Program is simply a mechanism to educate Anax personnel as to our expectations with regard to the proper conduct of the Company's maritime business, sensitize them to the potential for and the problems caused by unethical and criminal misconduct, monitor for compliance with the Company's expectations, audit for and investigate wrongdoing, and sanction violators.

The definition of a Maritime Compliance Program is spelled out in law. See Guidelines for an Effective Compliance Program set out in Appendix A. The hallmark of an effective Maritime Compliance Program is "due diligence." It is a program designed to promote due diligence in everything from the hiring of employees and crew members to the auditing of records. It is a mechanism to ensure that Anax diligently strives to deter, detect, and prevent misconduct and criminal activity.

The Anax Maritime Compliance Program envisions education, training, investigation, detection, and reporting. The maritime compliance program also requires that subsidiaries of and agents acting for or on behalf of Anax also enact and/or comply with the Company's compliance program.

Anax intends to utilize a variety of tools to implement the Maritime Compliance Program. These tools include training and education, employee and crew member performance evaluations, a "whistleblower" reporting system and internal audits. It is the Company's intention to monitor this program to verify compliance with the Company's published standards.

A. Standards and Procedures

Anax has established compliance standards and procedures to be followed by its employees, crews, and other agents that are designed to foster ethical conduct and compliance both the letter and the spirit of applicable laws and regulations, while also reducing the prospect of criminal conduct. These compliance standards and procedures are summarized in Appendix E.

B. Corporate Compliance Officer

The Board of Directors shall appoint a Corporate Compliance Officer who may be removed only for cause. The Corporate Compliance Officer will have ultimate responsibility for overseeing compliance by Anax, its employees, its crews, and its agents with all applicable laws, the Maritime Compliance Program, and all related Company policies and procedures. The Corporate Compliance Officer shall assign an officer on each ship who shall be responsible for ensuring that the ship and its crew operate in accordance with the Maritime Compliance Program, including all applicable training and reporting requirements. This officer shall, in the performance of these duties, report directly to the Master and the Corporate Compliance Officer.

The designation of a Corporate Compliance Officer in no way diminishes or vitiates the responsibility of all personnel to comply with all Company policies and procedures, nor does it diminish every supervisor's responsibility to ensure that those personnel for which he or she has responsibility comply with the Maritime Compliance Program and related policies and procedures.

The Corporate Compliance Officer will be responsible for coordinating the annual review and updating of the Maritime Compliance Program, and related policies and procedures. In accordance with the U.S. Government Consent Decree, the Corporate Compliance Officer will also oversee the hiring by the Company of an independent auditing firm acceptable to the United States that will assist in inspecting all ships under the Company's operational and management control to look for possible pollution and/or safety problems and make at least yearly reports to the U.S. Coast Guard and Environmental Protection Agency concerning safety, waste stream, and pollution issues. The Corporate Compliance Officer also will be responsible for reporting to the Board of Directors, any special Committee of the Board, and the Chief Executive Officer on the implementation and enforcement of the Maritime Compliance Program.

In addition to these responsibilities, the Corporate Compliance Officer is responsible for the overall effectiveness of the program. In executing these

duties the Corporate Compliance Officer must perform a wide variety of tasks. Some of these duties are set out in Appendix B.

C. Delegations of Authority

Anax will exercise due care to ensure that the persons whom it entrusts with substantial authority and responsibility do not have a propensity to violate the laws or company policy. In addition to the implementation of a Maritime Compliance Program, Anax has instituted a system for reporting suspected violations, a mechanism for discipline for violations, and a program to minimize the likelihood that substantial discretionary authority or responsibility will be granted to persons who can not be trusted with that authority or responsibility.

To that end, the Corporate Compliance Officer shall ensure that those positions with substantial discretionary authority or responsibility are identified. Within the bounds of applicable privacy standards, personnel applying for or being considered for functions with substantial discretionary authority or responsibility shall be screened. The screening should consist of such matters as verification of education and prior employment and a criminal record check. The records of current employees and crews should be checked periodically to ensure that these persons are performing in compliance with their responsibilities. Applicants for positions with substantial discretionary authority or responsibility who, through this screening process, are found to be untrustworthy will not be hired for such a position. Current personnel in positions with substantial discretionary authority or responsibility who are found to be untrustworthy will be reassigned or terminated at the earliest opportunity. While awaiting reassignment or termination, such personnel will be monitored closely.

D. Communication and Training

A critical aspect of the Anax General Corporate Policy and Maritime Environmental Protection Policy is the effective communication of the Maritime Compliance Program and related policies and procedures to all personnel. The Corporate Compliance Officer is responsible for establishing procedures to ensure that every employee and crew member is familiar with the Anax policies and the Maritime Compliance Program and endeavors to abide by them. These procedures include the following:

1. Every newly hired employee and crew member will be provided a copy of the Anax General Corporate Policy, the Maritime Environmental Protection Policy, the Maritime Compliance Program, and other policy documents relevant to his or her employment. Within 14 days of

receiving this material, the new employee and crew member must sign an acknowledgement stating that the employee or crew member has read and understands these policies and agrees to abide by them.

2. Each employee and crew member must annually sign an acknowledgement stating that he or she has reviewed the Anax General Corporate Policy, the Maritime Environmental Protection Policy, the Maritime Compliance Program, taken part in the Maritime Compliance Program, and intends to comply with their requirements.

The Corporate Compliance Officer is responsible for ensuring that these certifications are retained by the Company.

The Corporate Compliance Officer is responsible for overseeing and coordinating all training of personnel with respect to the Anax General Corporate Policy, the Maritime Environmental Protection Policy, and the Maritime Compliance Program. Training procedures shall, at a minimum, consist of the following:

All personnel will receive, review, and acknowledge their understanding of the Anax General Corporate Policy, the Maritime Environmental Protection Policy, the Maritime Compliance Program and relevant related policies.

Each supervisor will be responsible for ensuring that employees or crew members under his or her supervision receive training in the Anax General Corporate Policy, the Maritime Environmental Protection Policy, the Maritime Compliance Program, and relevant related policies on an annual basis. The Corporate Compliance Officer may assist in the preparation and presentation of these training seminars.

The Corporate Compliance Officer is responsible for documenting attendance of personnel at training sessions and retaining such records.

F. Monitoring and Auditing

Anax is committed to the policy that every employee and crew member has an obligation to report any suspected violation of the Anax General Corporate Policy, the Maritime Environmental Protection Policy, or the Maritime Compliance Program to his supervisor or, when appropriate, to the Corporate Compliance Officer. All supervisors must report any potential violation to the Corporate Compliance Officer. The Corporate Compliance Officer shall immediately notify, in writing, the Legal Counsel for Anax of all such reports and suspected violations. Reporting personnel may not be subject to any reprisal for a good faith report of a suspected violation of the Anax General Corporate Policy, the Maritime Environmental Protection Policy, or the Maritime Compliance Program. The Company also will establish and publicize a means for anonymous reporting of violations.

Anax is committed to establishing an environment that encourages and allows personnel to seek and receive prompt guidance before engaging in conduct that may violate the Anax General Corporate Policy, the Maritime Environmental Protection Policy, the Maritime Compliance Program, or any applicable federal law, rule or regulation. To achieve these objectives, the Corporate Compliance Officer is responsible for ensuring that the following practices and procedures are implemented and publicized in writing to all personnel:

Personnel may consult their supervisor or the Corporate Compliance Officer about any questions regarding the Anax General Corporate Policy, the Maritime Environmental Protection Policy, or the Maritime Compliance Program.

Personnel may report to their supervisors any violation of the Anax General Corporate Policy, the Maritime Environmental Protection Policy, the Maritime Compliance Program or applicable federal law, rule, or regulation. Supervisors who receive such reports from employees or crew members should immediately report the information to the Corporate Compliance Officer. Personnel may not be subject to any reprisal for a good faith report of a suspected violation of the Anax General Corporate Policy, the Maritime Environmental Protection Policy, Maritime Compliance Program, or applicable federal law, rule, or regulation. Personnel can, when appropriate, report suspected violations directly to the Corporate Compliance Officer.

The Corporate Compliance Officer is responsible for a prompt review of all reports received of suspected violations of the Anax

General Corporate Policy, the Maritime Environmental Protection Policy, Maritime Compliance Program, or applicable federal law, rule, or regulation. The Corporate Compliance Officer may request the Anax Legal Advisor to institute investigations of reported violations where further investigation is necessary.

The Corporate Compliance Officer will establish and publicize a system that permits anonymous reports of violations of the Anax General Corporate Policy, the Maritime Environmental Protection Policy, Maritime Compliance Program, or applicable federal law, rule, or regulation to the Corporate Compliance Officer. This system should also be available to answer questions regarding the Anax General Corporate Policy, the Maritime Environmental Protection Policy, or the Maritime Compliance Program.

F. Disciplinary Mechanisms

Anax shall promptly and properly document all reasons behind disciplinary actions taken against its personnel for violations of the Anax General Corporate Policy, the Maritime Environmental Protection Policy, or the Maritime Compliance Program. The Corporate Compliance Officer is responsible for ensuring that such documentation is included in the individuals' personnel files.

In determining appropriate disciplinary action to impose for a violation of the Anax General Corporate Policy, the Maritime Environmental Protection Policy, or the Maritime Compliance Program, in consultation with legal counsel and appropriate supervisory personnel, Management should consider the factors listed below, as appropriate:

1. The nature of the violation and the ramifications of the violation to Anax and its customers and business contacts.
2. Whether the individual was directly or indirectly involved in the violation.
3. Whether the violation was willful, negligent, or unintentional.
4. Whether the violation represented an isolated occurrence or a pattern of misconduct.
5. Whether the individual in question reported the violation.

6. Whether the individual withheld relevant or material information concerning the violation.
7. The degree to which the individual cooperated with the investigation.
8. Whether the violation consisted of the failure to supervise another individual who violated the Anax General Corporate Policy, the Maritime Environmental Protection Policy, or the Maritime Compliance Program and, if so, the extent to which the circumstances reflect inadequate supervision or lack of due diligence.
9. Whether the violation consisted of retaliation against another individual for reporting a violation or for cooperating with an investigation and, if so, the nature of such retaliation.
10. The disciplinary action previously imposed for similar violations.
11. The individual's previous violations, if any.

G. **Remedial Action**

After an offense has been detected, Anax will take all reasonable steps to respond appropriately to the offense and prevent further similar offenses - including any necessary modifications to its program to prevent and detect violations of law. The Corporate Compliance Officer shall be responsible for identifying any necessary modifications to the Maritime Compliance Program. Tools available in this regard include interviews of individual employees and crew members, focus group interviews with representative groups of employees and crew members, employee and crew member surveys, and analysis of existing program data. Program deficiencies and inadequacies identified through this process will be reported to the Board of Directors, along with recommendations for modifications to the Maritime Compliance Program.

APPENDIX A

Guidelines for an Effective Compliance Program

An "effective program to prevent and detect violations of law" means a program that has been reasonably designed, implemented, and enforced, so that it generally will be effective in preventing and detecting criminal conduct. Failure to prevent or detect the instant offense, by itself, does not mean that the program was not effective. The hallmark of an effective program to prevent and detect violations of law is that the organization exercised due diligence in seeking to prevent and detect criminal conduct by its employees, crew members, and other agents. Due diligence requires at a minimum that the organization must have taken the following types of steps:

- (1) The organization must have established compliance standards and procedures to be followed by its employees, crew members, and other agents that are reasonably capable of reducing the prospect of criminal conduct.
- (2) Specific individual(s) within high-level personnel of the organization must have been assigned overall responsibility to oversee compliance with such standards and procedures.
- (3) The organization must have used due care not to delegate substantial discretionary authority to individuals whom the organization knew, or should have known through the exercise of due diligence, had a propensity to engage in illegal activities.
- (4) The organization must have taken steps to communicate effectively its standards and procedures to all employees, crew members, and other agents, e.g., by requiring participation in training programs or by disseminating publications that explain in a practical manner what is required.
- (5) The organization must have taken reasonable steps to achieve compliance with its standards, e.g., by utilizing monitoring and auditing systems reasonably designed to detect criminal conduct by its employees, crew members, and other agents and by having in

place and publicizing a reporting system whereby employees, crew members, and other agents could report criminal conduct by others within the organization without fear of retribution.

- (6) The standards must have been consistently enforced through appropriate disciplinary mechanisms, including, as appropriate, discipline of individuals responsible for the failure to detect an offense. Adequate discipline of individuals responsible for an offense is a necessary component of enforcement; however, the form of discipline that will be appropriate will be case specific.
- (7) After an offense has been detected, the organization must have taken all reasonable steps to respond appropriately to the offense and prevent further similar offenses - including any necessary modifications to its program to prevent and detect violations of law.

The precise actions necessary for an effective program to prevent and detect violations of law will depend upon a number of factors. Among the relevant factors are:

Size of the organization – The requisite degree of formality of a program to prevent and detect violations of law will vary with the size of the organization: the larger the organization, the more formal the program typically should be. A larger organization generally should have established written policies defining the standards and procedures to be followed by its employees, crew members, and other agents.

Likelihood the certain offenses may occur because of the nature of the business – If because of the nature of an organization's business there is a substantial risk that certain types of offenses may occur, management must have taken steps to prevent and detect those types of offenses. For example, if an organization handles toxic substances, it must have established standards and procedures to ensure that those substances are properly handled at all times. If an organization employs sales personnel who have flexibility in setting prices, it must have established standards and procedures designed to prevent and detect

price-fixing. If an organization employs sales personnel who have flexibility to represent the material characteristics of a product, it must have established standards and procedures designed to prevent fraud.

Prior history of the organization – An organization's prior history may indicate types of offenses that it should have taken actions to prevent. Recurrence of misconduct similar to that which an organization has previously committed casts doubt on whether it took all reasonable steps to prevent such misconduct.

An organization's failure to incorporate and follow applicable industry practice or the standards called for by any applicable governmental regulation weighs against a finding of an effective program to prevent and detect violations of law.

U.S. Sentencing Guidelines, § 8A1.2, Commentary 3(k).

APPENDIX B

Duties of Corporate Compliance Officer

- Review and keep current with all applicable laws, regulations, standard operating procedures relevant to the Maritime Compliance Program;
- Review and approve appropriate standard operating procedures, operational checks and balances and management controls relevant to the Maritime Compliance Program;
- Maintain, for a minimum of five years, records related to the Maritime Compliance Program;
- Insure that evaluations of the Maritime Compliance Program are conducted on a periodic basis;
- Report on the implementation and effectiveness of the Maritime Compliance Program;
- Conduct periodic inspections and audits to identify problems and to recommend corrective actions;
- Assure that the Anax General Corporate Policy, the Maritime Environmental Protection Policy, and Maritime Compliance Program, as appropriate, are distributed to all third party contractors who perform services for or on behalf of the Company and to vendors who conduct significant business with the Company;
- Verify that programs and procedures exist for screening employees and crew members for propensity to engage in illegal activities. These include: verification of the employment application; screening of public records; and internal checks on existing employees and crew members;
- Verify that a reliable system of internal checks and balances exists to assure that no employee or crew member has complete autonomy in areas such as environmental or safety compliance, inventory control, purchasing, and disbursement of funds;
- Institute and maintain systems for reporting and investigating suspected violations of the Anax General Corporate Policy, the Maritime Environmental Protection Policy, and the Maritime Compliance Program as well as a method of reporting and memorializing events and protecting all applicable privileges.

APPENDIX C

Responding to Allegations of Noncompliance

Immediate Response Necessary

All personnel who are aware of a suspected noncompliance with of the Anax General Corporate Policy, the Maritime Environmental Protection Policy, the Maritime Compliance Program or related policies are responsible for reporting that information immediately to their supervisor or to the Corporate Compliance Officer. If the incident involves a discharge or suspected discharge (accidental or otherwise) into the waters of the United States, an immediate report shall be made to the U.S. Coast Guard.

The Corporate Compliance Officer shall consult with the Company's legal advisor regarding the various questions raised by a reported noncompliance with of the Anax General Corporate Policy, the Maritime Environmental Protection Policy, Maritime Compliance Program, or any applicable law, rule, or regulation. Among the issues that should be addressed when a noncompliance is reported are the following:

- Should an internal investigation be conducted?
- Should outside counsel conduct the investigation?
- Should a disclosure be made to the appropriate government agency?
- Do employees or crew members need separate counsel?
- Should the Company provide separate counsel for employees or crew members?
- Should a submission be made to the government regarding the facts and law at issue?

Investigations of Reports of Noncompliance

All personnel are expected to cooperate in the investigation of an alleged noncompliance with the Anax General Corporate Policy, the Maritime Environmental Protection Policy, the Maritime Compliance Program or applicable law, rule, or regulation. It is imperative, however, that even the preliminary investigation of a suspected noncompliance NOT be conducted without consulting with the Corporate Compliance Officer and seeking the assistance and guidance of counsel. Investigations may raise complicated legal issues and investigations conducted without the advice of counsel could result in the waiver of important privileges. Typically, reports of noncompliance may concern potential judicial, administrative or congressional proceedings and as such gathering of information should be performed under the supervision of counsel in anticipation of such potential proceedings in order to protect all applicable privileges. Moreover, since

the approach to an investigation will vary in accordance with the specific facts of the particular circumstance, it is essential that legal counsel, after considering the ramifications of all alternatives, advise the Company of its most appropriate response.

While investigations will vary in scope and substance, the following is a brief, general description of the framework in which the Company's legal counsel will likely assist in the conduct an investigation:

- Legal counsel and the Corporate Compliance Officer will attempt to discern which Company personnel are involved in or have any information regarding the alleged noncompliance and interview all such persons.
- Legal counsel will review with the Corporate Compliance Officer all relevant documents. Identifying all relevant documents is essential. A thorough investigation will include a review of all relevant papers, computer discs and tapes. The goal of the investigation should be to learn as much as possible about the scope of the activities at issue, any potential government investigation, and to assess the possibility of potential exposure to criminal and civil penalties.
- Because of potential conflict issues, legal counsel will inform either orally or in writing all Company personnel who will be interviewed of the specific terms under which the interview will be conducted. The interviewer should be certain to convey the following information to the individual:
 - Attorneys for the Company represent the Company.
 - The Company's lawyers remain free to use any disclosure, information, or leads to other information that the individual provides.
 - A determination should be made after the initial interview as to whether the individual should retain independent legal counsel.
 - The attorney-client privilege and the work product doctrine apply to the interview, but these privileges belong to the Company and not to the individual.
 - During these interviews, legal counsel will advise the individual that although the individual has the right to speak freely about any matter, the Company prefers that the individual not speak with anyone about the investigation other than those individuals conducting the investigation, or appropriate law enforcement or judicial officers where appropriate.
 - Under all circumstances it is essential that the individual be truthful in responding to questions at any interview.

- The Corporate Compliance Officer should consult with legal counsel to determine whether voluntary disclosure to a government agency or regulatory authority is appropriate.
- Following the completion of the investigation, the Corporate Compliance Officer should consult with legal counsel to determine whether any modification to the existing policies and procedures is warranted.

Contemporaneous Written Record of Noncompliance

The officer on the ship assigned responsibility for ensuring that the ship and its crew operate in accordance with the Maritime Compliance Program shall ensure that a contemporaneous written record is made with regard to each noncompliance. The original of the contemporaneous written record shall be maintained on the ship for inspection by the independent auditing firm and the U.S. Coast Guard upon request. A copy shall be forwarded to the Corporate Compliance Officer.

Cooperating with a Government Investigation and Notifying Company Personnel of the Existence of Government Investigation

- In general, with respect to government investigations, it is the Company's policy to cooperate with the government. Because the Company should act only with the advice of its legal counsel in these matters, all efforts at cooperating with the government are best coordinated by legal counsel.
- Depending upon the circumstances, it may be appropriate to inform Company personnel that the government is conducting an investigation of certain matters and that government investigators may wish to interview individuals in connection with the investigation. Also, the Company may wish to inform its personnel that it has arranged for an attorney to be available to provide advice to its personnel (although not necessarily to represent them in the investigation) as to the nature of the investigation, the purpose of the government interview, and the individual's rights and obligations in connection with such an interview.
- The Company should state that, while it is the individual's right to deal directly with government investigators without legal counsel, the Company believes it is in the individual's best interests to confer with legal counsel prior to doing so.