

Ridgebury is committed to operating in a manner that emphasizes safety of human life, property and the environment.

In this regard, the company's policy related to ship recycling consists of the following elements:

- When reaching a decision regarding the scrapping of any vessel, Ridgebury will take into account the environmental impact of such decision, and will explore commercially and technically viable opportunities to lessen such impact
- Working with Classification Societies or independent consultants, Ridgebury will obtain an Inventory of Hazardous Materials (IHM) for each vessel that approaches scrapping age, defined generally as no later than the fourth intermediate survey of a vessel (approximately 17.5 years of age), but to be advanced if the company has reason to expect early recycling of a particular vessel
- Ridgebury technical personnel will work with third-party technical managers, Classification Societies and other consultants as needed to develop a ship-specific scrapping plan for each vessel, taking into account the IHM
- Ridgebury will attempt wherever practical to use yards that have demonstrated a commitment to environmental stewardship and worker safety, having obtained at a minimum the following certifications:
  - ISO 9001 (Quality)
  - ISO 14001 (Environment)
  - ISO 18001 (Occupational Health and Safety)
  - Compliance with the Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships (during current period while the HK Convention remains unratified, such certification to come from a recognized IACS Classification Society)
- Ridgebury will obtain regular updates during the recycling process and a final report that the ship was recycled responsibly in accordance with the agreed plan
- When selling vessels approaching end of life, Ridgebury will ensure the following:
  - When selling vessels to Cash Buyers, contracts will contain enforceable restrictions limiting sale to pre-approved recycling yards that are Hong Kong Convention compliant

- Ridgebury will not sell to buyers that it suspects have an intention to take advantage of the price difference between “Green” and “Non-Green” recycling by immediately recycling the vessel in a manner inconsistent with Ridgebury policy
- When selling for further trading or for conversion projects, Ridgebury will attempt to introduce clauses restricting recycling during a period of 18 to 24 months. Recognizing that these clauses are not “market”, and that buyers may have valid reasons not to accept these additional restrictive conditions, in the event that such assurances cannot be included contractually Ridgebury Management and the Board of Directors will make a good-faith determination that the buyer intends to trade the vessel or use it in a conversion project (taking into account the specific facts of the transaction, the state of the market, the buyer’s past history and performance and any other relevant factors)