INSIDE

PRESIDENT’S MESSAGE ........................................... 4
VESSEL AND CREW MEETINGS ................................. 6
VESSEL REFURBISHMENTS ..................................... 7
POLAR CODE COMPLIANCE ................................... 8
NEW UNIFORM ROLLOUT ...................................... 9
PERSONNEL CHANGES ........................................ 9
SAFETY MANAGEMENT SYSTEM ............................ 10
BUDGETING PROCEDURES ................................... 11
INTRODUCING ..................................................... 12
It has been a little over a year since joining CMI Ship Management, unbelievable! Your support, input and positive feedback have been much appreciated. I am thrilled with how well the newly introduced changes have been received and your confidence in our outlined strategies.

I appreciate the contributions made by many to make this happen, but I acknowledge too that we still have ways to go. When summarizing all our projects, actions, initiatives and communication, we can be proud of what we have achieved. Our plans; however, did not all come without setbacks, or without the need for adjustments, but this was anticipated. Much like the World Cup, the end result is never known until the final game has been played, but the winner in general is the one who made ‘the greater effort’, so we will continue to work hard until we achieve the results we have set out for ourselves.

It has been an exciting six months since my last message, as it is with immense pleasure that I introduce Mrs. Tatjana Espinel as our new VP Crew Operations and Captain Jens Høybye as our new Director of Performance Management.

Tatjana comes with a strong background in crew operations for ship management companies. Her presence will drive the improvements we are looking for to meet the increased demand for qualified crew and establish new alliances with strategic crewing partners and training centers.

Captain Jens will ensure our plans are executed as intended onboard our ships. In his new role he will liaise closely with the Crew Operations Department for all crew related and training programs, with the Fleet Technical Directors and Compliance Department on all initiatives that involve operational/procedural processes.

“Success always demands a greater effort.”
— WINSTON CHURCHILL

We took the opportunity to introduce both during the layup in Las Palmas onboard five of our vessels. We met with teams of THE OCEAN ENDEAVOUR, SEA SPIRIT, OCEAN ADVENTURER and OCEAN DIAMOND as we rolled out our new Safety Management System and to emphasize the ongoing importance of safety onboard our vessels.

Going forward we will continue to use this period each year to meet with the crew, conduct training sessions onboard, outline our ongoing strategy and to address specific issues to improve our services at all times.

The OCEAN DIAMOND continued her upgrading plans as we refurbished passenger cabins on Deck 4, 3 and the Observation Lounge, the OCEAN NOVA completed her scheduled dry-docking, as the other vessels in Las Palmas continued their planned maintenance schedules. The SEA DISCOVERER is now officially renamed VICTORY II as she completed a major hotel refurbishment in Helsingborg, Sweden. She now features a new (enclosed) alternative dining location on Deck 4 aft, a full-service Sun Deck with barbecue and bar, a new buffet in the main dining room, refurbished passenger cabins, main lounge and pub area, a new buffet in the Crew Mess and galley equipment.

I am pleased to announce that the InfoShip ERS Module is going live on the OCEAN DIAMOND and the DEUTSCHLAND and soon will be rolled out on all other vessels. We are working hard to finalize the purchasing modules with the support of the teams in Italy and India, which dramatically improve efficiencies in purchasing and supply logistics. Your involvement is critical during the next few phases of the install, so your continued support is highly appreciated.

Not everything will go according to plan on the first try, your understanding is highly appreciated, your active involvement and participation to get it right, even more.

“Success always demands a greater effort.”
— WINSTON CHURCHILL

We at CMI are committed to winning the World Cup!

Sincerely,

Jim Barreiro de Leon

OUR VALUES

Safety + Communication + Integrity + Accountability + Transparency
The OCEAN NOVA, OCEAN DIAMOND, SEA SPIRIT, OCEAN ADVENTURER and OCEAN ENDEAVOUR laid up for dry-docking, refurbishment or scheduled maintenance in Las Palmas during the months of April and May 2018. It is our aim going forward to do this at least once a year so that we can simply meet with all crew on a more regular basis, inspect vessels, roll out scheduled initiatives and or conduct team building sessions. This time we used to roll out our new Safety Management System; we ‘walked’ all vessels from top to bottom with the respective teams and concluded our visit with a nice dinner with our Senior Officers.

It was impressive to see everyone interact and surprising that after so many years some did not even know each other, but with events like this, it will be a thing of the past. There was a lot of hard work and serious conversations, but there were some good laughs too. During dinner everyone was asked to tell a little bit about themselves, and in fact, all were asked to tell two lies and one truth about themselves with guesses being made as to what was what! Hmmm….it makes for interesting conversation – ask Chief Engineer Marenko!

Chief Officer Elizbar was kind enough to take some incredible drone shots from all vessels. 

THANK YOU!
— JIM BARREIRO

VESSEL AND CREW MEETINGS – LAS PALMAS APRIL 2018

The planned refurbishment for the Ocean Diamond continues. This time the passenger decks and cabins on Decks 4 and 3 were upgraded and the Observation Lounge now outfitted with a brand-new globe.

OCEAN DIAMOND

After an extended period of layup for the SEA DISCOVERER (now officially renamed VICTORY II), the hotel refurbishment project on this vessel commenced. Together with teams from Victory Cruise Lines and CMI Leisure Management the guest comments from the Victory I were reviewed, identifying buffet traffic flows, seating capacities and the need for additional equipment. The most requested feature was for an alternative dining area, and the decision was made to enclose the open bar area on Deck 4 aft into a full-service dining room with 40 plus seats. A sliding door to the pub area was added offering more privacy; all passenger cabins and the Main Lounge were refreshed and the Main Dining Room now features a well-designed buffet line. We hope everyone will enjoy these new features!

VICTORY II

— JIM BARREIRO

VESSEL REFURBISHMENTS
CMI’s preparations for POLAR CODE compliance started over a year ago, with our first draft of a generic Polar Waters Operations Manual (PWOM). This first draft was based on the Company’s experience gained over many years of operating vessels in polar regions; however, we soon realized that we would need the assistance of a third party to assist with development of the ship specific Operational Risk Assessments, to meet Polar Code requirements. In August 2017, CMI contracted with Lloyd’s Register Consultancy Services to assist with assessing the expedition fleets’ existing operational envelope or profile, and defining limitations of operation based on specific vessel ice class, polar service temperature, maximum latitude of operations and estimated time to rescue. After conducting an initial Polar Code compliance evaluation to determine gaps in required equipment and/or systems onboard, Lloyd’s Register facilitated the vessel specific Operational Assessments. The outcome of the vessel specific operational assessments led to updates to the PWOM, and identification of equipment required to meet POLAR Code requirements based on our fleet operational profile. Prior to scheduling the onboard confirmation surveys, our vessel specific PWOMs were placed onboard our vessels and submitted to our classification society (BV) for review and comments. During the fleets’ repositioning/lay-up period from Antarctic season to Arctic season trading, Bureau Veritas (BV) attended all our managed expedition vessels for issuance of Short Term Polar Ship Certificates. Currently, BV is in the process of completing their review of our vessel specific Polar Water Operations Manuals, with the intention for issuance of full term certificates, demonstrating Polar Code compliance.

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CHRIS DLUGOKECKI
VP Compliance

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CHARMAINE MORRIS
DIRECTOR CORPORATE AFFAIRS

It is with great pleasure that we announce the return of Charmaine to our organization. This time she has taken on an expanded role as Director of Corporate Affairs, working for SunStone Ships, CMI Ship Management, CMI Leisure Management and Victory Cruise Lines. She will be responsible for the office administration, personnel affairs, managing all corporate initiatives and events across our businesses.

LOURDES PENA
MARINE INSURANCE MANAGER

Lourdes Peña, you have known for years as CMI’s Claims Manager primarily for P&I crew and passenger claims. We have now extended Lourdes’ role to encompass all insurance-related matters, inclusive of H&M, control of all certification, claims management for both P&I and H&M. All matters should be directed to her as she will continue to work with our Insurance Brokers and all departments. Please welcome Lourdes to her new role as I ask for your support with this very important function.

NEW UNIFORMS ROLL-OUT

It is sometimes difficult to get a scope of just how well the company is executing new processes and procedures as there are so many areas that we are working to improve. Providing attribution and awareness of these improvements is important for both morale and cohesiveness in the effectiveness of our work and crew.

“Uniforms are a visibly important element in the moral, pride, discipline and organization” — US NAVY

Your uniform and personal appearance are an important part of CMI’s professional image. Our guests’ and client’s perception of our crew has a significant impact on their overall on-board experience. For the past few months we have been working with a new uniform provider, CINTAS, to provide our crew with new uniforms, thus enhancing a sense of uniformity and standardization across the fleet. As in any new project, we tried and tested several methods for measuring, ordering and the delivery process. Although there were some “hiccups” along the way where we are working on the corrective actions. We are closer to finalizing what will be the formal policy and procedure for all ships to follow.

As of today, the majority of our vessels have received all uniform items, with the few remaining ones in delivery status.

Thanks to all shipboard management and crew for your patience in this process and for showing your enthusiasm for new uniforms. Wear your uniform with pride and take the time each day to ensure your appearance is spotless, fresh and professional!

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BELISSA RODRIGUEZ | Senior Crew Manager

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PERSONNEL CHANGES

New Uniforms Roll-Out
The CMI managed fleet began its transition to a new Safety Management System ("SMS"), with the system being implemented on the first managed vessel, WORLD ODYSSEY, back in September 2017. Shortly thereafter the system was rolled out onboard the GEMINI in December 2017, GRAND CELEBRATION in February 2018 and GRAND CLASSICA in April 2018. By the end of May 2018, the remainder of the CMI managed fleet (except for the OCEAN ATLANTIC and FREEWINDS, which will be implemented in the coming months) had transitioned all ISM-related processes and procedures to the new system.

To ensure a smooth transition the new electronic SMS, procedures and forms library were sent to Senior Officers and crew onboard the fleet in advance of the implementation dates, to ensure they had an opportunity to provide comments and feedback on the new system. The Marine Compliance Department was responsible for collating all comments and feedback and reverting to the vessels individually. Ship visits were conducted by CMI’s Marine Compliance personnel to deliver formal presentations introducing the new SMS, which included an overview of the Company’s approach to Safety Management, as well as detailed presentations/sessions on how to “navigate” the new system. These face-to-face meetings onboard provided an excellent opportunity to respond to feedback, questions and comments, and provide additional clarity on the new SMS Roll-out, as well as future plans involving the INFOSHIP system.

To date, the fleet is well on the way to full implementation of the new system, with most of the vessels beginning their third month “reporting period” to the office. As with all management systems, the true spirit of a continuous improvement cycle has been embraced by all, as we continue to receive comments and feedback from all stakeholders. PLAN, DO, CHECK, ACT - is the foundation of continuous improvement.

— KELLY GORDON | Marine Compliance Director

**NEW CLASSICA**

An exciting moment was the announcement by Bahama Paradise Cruise Line (BPCL) to double their fleet. The GRAND CLASSICA (ex-COSTA NEOCLASSICA) was added to the CMI-managed fleet in April. The vessel, with a capacity of approximately 2,000 passengers, will operate from West Palm Beach to Freeport, joining the GRAND CELEBRATION to keep-up with the increased demand in this market segment. We are thrilled to be part of BPCL’s growth strategy as we continue to work hard to ensure the operation runs smoothly.

The purpose of this new approach was to not only achieve better budgeting accuracy and variance analysis, but also more formalized planning between office and vessels.

The new budgets were to comprise a detailed, granular outline of operational plans for the coming year and from there, show how this translated into dollar amounts required for operations and when.

During the budgeting process for 2018 we encountered challenges related to bottlenecks in the organization, inconsistent directions given to the shipboard teams, etc., which caused significant delays in the entire process and therefore in the finalization of these first budgets developed under the new scheme. These challenges were analyzed in our senior management team shore-side, and the lessons learned were considered as we planned the 2019 budgeting process. This resulted in the 2019 process being kicked off much earlier in May, followed by another round of vessel visits by Jens Hoybye and I during May, June, and July. During these vessel visits, the 2018 lessons learned were discussed with the shipboard teams, the adjusted 2019 approach explained, and we once again took the opportunity to discuss any specific issues at hand onboard each vessel.

With this early budget kickoff, and this being the second go-around for most of the individuals involved, we are anticipating a much smoother and more efficient process, and expect to be reviewing the first drafts of the vessels’ operational plans during the second half of July. This will enable us to submit the budgets to our clients and in a format which now not only includes the usual operational (P&L) budgets, but also a full balance sheet and cash flow budget.

These added components will further improve the value of the budgets to our clients, as they will provide a much better basis for liquidity planning.

I am happy with the progress we are making on this project, and I am very excited for this opportunity to be working closely with such knowledgeable and dedicated teams on the frontlines of our operation.

Lastly, I would like to take this opportunity to once again thank all our shipboard teams for their hard work and dedication, and for the many fruitful discussions Jens and I have had onboard each vessel this year.

— CHRISTIAN LUND | VP Finance

**FOLLOW-UP ON NEW BUDGETING PROCEDURES**

As described in New Horizons, Winter 2017 issue, Jens Hoybye and I dedicated a significant part of 2017 defining and implementing new budgeting procedures for our vessels. A major component to this new procedure was to:

- make the shipboard management teams an integral part of the budgeting process;
- begin the annual planning phase by getting detailed action plans from each of the shipboard management teams;
- build the budgets bottom-up based on these detailed plans.

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— CHRISTIAN LUND | VP Finance
Within the last two years a lot has been going on within CMI. The company has grown and a multitude of new developments have taken place in many areas. As we grow, so does the complexity of issues we deal with.

It is therefore essential to increasingly operate more systematically, efficiently and consistently when managing our vessels within the guidelines of the company. To this point we will require all CMI employees to improve this understanding and to develop new skills to adapt to the new systems and culture of operating. In addition, we identified the need for increased interaction and relations between the office and the shipboard crew.

CMI has therefore established the Department of Performance Management, headed by Captain Jens Hoybye as the Director. For the last couple of years Captain Jens has been affiliated with the organization on a consulting basis. We quickly realized the need for a more structured and consistent cooperation with Captain Jens and his skills in this field will prove to be a value-added aspect to CMI, its employees and crew onboard.

The purpose of the department is to accelerate the individual improvements to deal with the many initiatives implemented in the last year. This department has been assigned the following main responsibilities, which will be carried out in close cooperation with Shipboard Management, Fleet Managers, HR and Finance:

- Ensure an efficient and realistic budget process
- Ensure the quality and relevance of various procedures
- Demand the need for - and carry out relevant training
- Identify areas with efficiency potential and initiate improvement measures
- Management - and team development of Shipboard Management

We are looking forward to experiencing the improvements created through the cooperation with Captain Jens.

Tatjana Espinel joined CMI as VP Crew Operations on April 20, 2018, and brings to the team, a wealth of experience in deck and engine recruitment for ship managers and shipowners alike.

Within her first week in the company, Tatjana was off visiting four of the ships and below is her account of her experience.

There is no better way to start one’s career as VP Crew Operations than meeting the officers and crew of four of your managed vessels within one week. Meeting all the vessels in Las Palmas was a great way to start my position with CMI Ship Management. Instantly getting to know most of the team onboard, addressing many of their concerns, while participating in the Safety Management System roll out, provided me with a quick insight into their needs and requirements onboard. I was extremely pleased to experience first-hand the exhibition of dedication and loyalty by the crew onboard, some of who have been involved for years and decades. It personally motivates me to work hard to ensure the crew receives the support it needs. Upon my arrival, we selected Crew Inspector as our new crew management software. I have been working on improvements to the crew rotations and planning, crew welfare, I am reviewing benefits for crew and establishing initiatives which I will announce as we move forward.

I look forward to working with you all and to prepare ourselves for the future!

Tatjana will work closely with the crewing team to continue building upon what has been established thus far. The newly acquired crew system, Crew Inspector, will support the team by creating the efficiencies needed to build a strong database of qualified crew, while improving the services to crew currently on the CMI roster. She will be developing a new recruitment and crew retention strategy to keep up with the demand for experienced crew in anticipation of the Company’s growth.