

LRQA Independent Assurance Statement Relating to Capital Ship Management Corporation's environmental performance data within the Corporate Environmental Report for the calendar year 2015

This Assurance Statement has been prepared for Capital Ship Management Corporation in accordance with our contract but is intended for the readers of this Report.

Terms of engagement

Lloyd's Register Quality Assurance (LRQA) was commissioned by Capital Ship Management Corporation (Capital) to provide independent assurance on selected environmental performance data reported in its Corporate Environmental Report 2015 ("the report") against the assurance criteria below to a "limited level of assurance and materiality at the professional judgement of the verifier using LRQA's verification procedure. LRQA's verification procedure is based on current best practise, is in accordance with ISAE 3000 and ISAE 3410, and uses the principles of AA1000AS (2008) - inclusivity, materiality, responsiveness and reliability of performance data.

Our assurance engagement covered Capital's operations of its managed fleet of 38 vessels (25 tankers, 1 bulk carrier, 12 container vessels) direct emissions from propulsion at sea, in laden condition, for the calendar year 2015 and specifically evaluated the accuracy and reliability of the following selected environmental performance data:

- Carbon dioxide (CO₂)
- Carbon monoxide (CO)
- Nitrogen oxides (NO_x)
- Sulphur oxides (SO_x).

Our assurance engagement excluded all other environmental data and information reported in the Report. Our assurance engagement excluded the data and information of Capital's suppliers, contractors and any third-parties mentioned in the report.

LRQA's responsibility is only to Capital. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Capital's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of Capital.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that Capital has not, in all material respects:

- Met the requirements above
- Disclosed accurate and reliable performance data and information as no errors or omissions were detected
- Covered all the issues that are important to the stakeholders and readers of this report.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing Capital's data management systems to confirm that there were no significant errors, omissions or mis-statements in the selected environmental performance data. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.
- Interviewing key personnel responsible for the collation of the selected environmental performance data.
- Reviewing supporting documents and other evidence made available to LRQA at Capital's Piraeus Office, Greece.

Observations

Further observations and findings, made during the assurance engagement, are:

- The accuracy could be further improved by evaluating possible deviations in the data by calculating the uncertainty of the data.
- Completeness of the data could be improved by also disclosing total emissions, i.e. from all sources and conditions.

LRQA's standards, competence and independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021 *Conformity assessment – Requirements for bodies providing audit and certification of management systems* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA is Capital's certification body for ISO 9001, ISO 14001, OHSAS 18001 and ISO50001. We also provide Capital with a range of training services related to management systems. The verification and certification assessments, together with the training, are the only work undertaken by LRQA for Capital and as such does not compromise our independence or impartiality.

Signed

Dated: 5 December 2016



Kirikos Faraklas
LRQA Verifier

On behalf of Lloyd's Register Quality Assurance
LRQA, Piraeus, Greece

LRQA Reference: PIR0362492

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