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Statutes

Carriage of Goods by Sea 1971 (HVR)
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CARRIAGE OF GOODS BY SEA ACT 1971

An Act to amend the law with respect to the carriage of goods by sea.

[8 April 1971]

Application of Hague Rules as amended

1.—(1) In this Act, “the Rules” means the International Convention for the unification of certain rules of law relating to bills of lading signed at Brussels on 25th August 1924, as amended by the Protocol signed at Brussels on 23rd February 1968 and by the Protocol signed at Brussels on 21st December 1979.

(2) The provisions of the Rules, as set out in the Schedule to this Act, shall have the force of law.

(3) Without prejudice to subsection (2) above, the said provisions shall have effect (and have the force of law) in relation to and in connection with the carriage of goods by sea in ships where the port of shipment is a port in the United Kingdom, whether or not the carriage is between ports in two different States within the meaning of Article X of the Rules.

(4) Subject to subsection (6) below, nothing in this section shall be taken as applying anything in the Rules to any contract for the carriage of goods by sea, unless the contract expressly or by implication provides for the issue of a bill of lading or any similar document of title.

(5) [*Repealed by Merchant Shipping Act 1981 (c.10), s. 5(3), Sch*]

(6) Without prejudice to Article X(c) of the Rules, the Rules shall have the force of law in relation to—

- (a) any bill of lading if the contract contained in or evidenced by it expressly provides that the Rules shall govern the contract, and
- (b) any receipt which is a non-negotiable document marked as such if the contract contained in or evidenced by it is a contract for the carriage of goods by sea which expressly provides that the Rules are to govern the contract as if the receipt were a bill of lading,

but subject, where paragraph (b) applies, to any necessary modifications and in particular with the omission in Article III of the Rules of the second sentence of paragraph 4 and of paragraph 7.

(7) If and so far as the contract contained in or evidenced by a bill of lading or receipt within paragraph (a) or (b) of subsection (6) above applies to deck cargo or live animals, the Rules as given the force of law by that subsection shall have effect as if Article I(c) did not exclude deck cargo and live animals.

In this subsection “deck cargo” means cargo which by the contract of carriage is stated as being carried on deck and is so carried.

Conversion of special drawing rights into sterling

1A.—(1) For the purposes of Article IV of the Rules the value on a particular day of one special drawing right shall be treated as equal to such a sum in sterling as the International Monetary Fund have fixed as being the equivalent of one special drawing right—

- (a) for that day; or
- (b) if no sum has been so fixed for that day, for the last day before that day for which a sum has been so fixed.

(2) A certificate given by or on behalf of the Treasury stating—

- (a) that a particular sum in sterling has been fixed as aforesaid for a particular day; or
- (b) that no sum has been so fixed for a particular day and that a particular sum in sterling has been so fixed for a day which is the last day for which a sum has been so fixed before the particular day,

shall be conclusive evidence of those matters for the purposes of subsection (1) above; and a document purporting to be such a certificate shall in any proceedings be received in evidence and, unless the contrary is proved, be deemed to be such a certificate.

(3) The Treasury may charge a reasonable fee for any certificate given in pursuance of subsection (2) above, and any fee received by the Treasury by virtue of this subsection shall be paid into the Consolidated Fund.

Contracting States, etc.

2.—(1) If Her Majesty by Order in Council certifies to the following effect, that is to say, that for the purposes of the Rules—

- (a) a State specified in the Order is a contracting State, or is a contracting State in respect of any place or territory so specified, or
- (b) any place or territory specified in the Order forms part of a State so specified (whether a contracting State or not),

the Order shall, except so far as it has been superseded by a subsequent Order, be conclusive evidence of the matters so certified.

(2) An Order in Council under this section may be varied or revoked by a subsequent Order in Council.

Absolute warranty of seaworthiness not to be implied in contracts to which Rules apply.

3. There shall not be implied in any contract for the carriage of goods by sea to which the Rules apply by virtue of this Act any absolute undertaking by the carrier of the goods to provide a seaworthy ship.

Application of Act to British possessions, etc.

4.—(1) Her Majesty may by Order in Council direct that this Act shall extend, subject to such exceptions, adaptations and modifications as may be specified in the Order, to all or any of the following territories, that is—

- (a) any colony (not being a colony for whose external relations a country other than the United Kingdom is responsible),
- (b) any country outside Her Majesty's dominions in which Her Majesty has jurisdiction in right of Her Majesty's Government of the United Kingdom.

(2) An Order in Council under this section may contain such transitional and other consequential and incidental provisions as appear to Her Majesty to be expedient, including provisions amending or repealing any legislation about the carriage of goods by sea forming part of the law of any of the territories mentioned in paragraphs (a) and (b) above.

(3) An Order in Council under this section may be varied or revoked by a subsequent Order in Council.

Extension of application of Rules to carriage from ports in British possessions, etc.

5.—(1) Her Majesty may by Order in Council provide that section 1(3) of this Act shall have effect as if the reference therein to the United Kingdom included a reference to all or any of the following territories, that is—

- (a) the Isle of Man;
- (b) any of the Channel Islands specified in the Order;
- (c) any colony specified in the Order (not being a colony for whose external relations country other than the United Kingdom is responsible);
- (d) [*Repealed by Statute Law (Repeals) Act 1989 (c.43), s. 1(1), Sch. 1, Pt. VI*]
- (d) any country specified in the Order, being a country outside Her Majesty's dominions in which Her Majesty has jurisdiction in right of Her Majesty's Government of the United Kingdom.

(2) An Order in Council under this section may be varied or revoked by a subsequent Order in Council.

Supplemental.

6.—(1) This Act may be cited as the Carriage of Goods by Sea Act 1971.

(2) It is hereby declared that this Act extends to Northern Ireland

(3) The following enactments shall be repealed, that is—

- (a) the Carriage of Goods by Sea Act 1924,
- (b) section 12(4)(a) of the Nuclear Installations Act 1965,

and without prejudice to section 38(1) of the Interpretation Act 1889, the reference to the said Act of 1924 in section 1(1)(i)(ii) of the Hovercraft Act 1968 shall include a reference to this Act.

(4) It is hereby declared that for the purposes of Article VIII of the Rules section 186 of the Merchant Shipping Act 1995 (which entirely exempts shipowners and others in certain circumstances from liability for loss of, or damage to, goods) is a provision relating to limitation of liability.

(5) This Act shall come into force on such day as Her Majesty may by Order in Council appoint, and, for the purposes of the transition from the law in force immediately before the day appointed under this subsection to the provisions of this Act, the Order appointing the day may provide that those provisions shall have effect subject to such transitional provisions as may be contained in the Order.

SCHEDULE

THE HAGUE RULES AS AMENDED BY THE BRUSSELS PROTOCOL 1968

ARTICLE I

In these Rules the following words are employed, with the meanings set out below:—

- (a) “Carrier” includes the owner or the charterer who enters into a contract of carriage with a shipper.
- (b) “Contract of carriage” applies only to contracts of carriage covered by a bill of lading or any similar document of title, in so far as such document relates to the carriage of goods by sea, including any bill of lading or any similar document as aforesaid issued under or pursuant to a charter party from the moment at which such bill of lading or similar document of title regulates the relations between a carrier and a holder of the same.
- (c) “Goods” includes goods, wares, merchandise, and articles of every kind whatsoever except live animals and cargo which by the contract of carriage is stated as being carried on deck and is so carried.
- (d) “Ship” means any vessel used for the carriage of goods by sea.
- (e) “Carriage of goods” covers the period from the time when the goods are loaded on to the time they are discharged from the ship.

ARTICLE II

Subject to the provisions of Article VI, under every contract of carriage of goods by sea the carrier, in relation to the loading, handling, stowage, carriage, custody, care and discharge of such goods, shall be subject to the responsibilities and liabilities, and entitled to the rights and immunities hereinafter set forth.

ARTICLE III

1. The carrier shall be bound before and at the beginning of the voyage to exercise due diligence to—

- (a) Make the ship seaworthy.
- (b) Properly man, equip and supply the ship.
- (c) Make the holds, refrigerating and cool chambers, and all other parts of the ship in which goods are carried, fit and safe for their reception, carriage and preservation.

2. Subject to the provisions of Article IV, the carrier shall properly and carefully load, handle, stow, carry, keep, care for, and discharge the goods carried.

3. After receiving the goods into his charge the carrier or the master or agent of the carrier shall, on demand of the shipper, issue to the shipper a bill of lading showing among other things—

- (a) The leading marks necessary for identification of the goods as the same are furnished in writing by the shipper before the loading of such goods starts, provided such marks are stamped or otherwise shown clearly upon the goods if uncovered, or on the cases or coverings in which such goods are contained, in such a manner as should ordinarily remain legible until the end of the voyage.

- (b) Either the number of packages or pieces, or the quantity, or weight, as the case may be, as furnished in writing by the shipper.
- (c) The apparent order and condition of the goods.

Provided that no carrier, master or agent of the carrier shall be bound to state or show in the bill of lading any marks, number, quantity, or weight which he has reasonable ground for suspecting not accurately to represent the goods actually received, or which he has had no reasonable means of checking.

4. Such a bill of lading shall be *prima facie* evidence of the receipt by the carrier of the goods as therein described in accordance with paragraph 3(a), (b) and (c). However, proof to the contrary shall not be admissible when the bill of lading has been transferred to a third party acting in good faith.

5. The shipper shall be deemed to have guaranteed to the carrier the accuracy at the time of shipment of the marks, number, quantity and weight, as furnished by him, and the shipper shall indemnify the carrier against all loss, damages and expenses arising or resulting from inaccuracies in such particulars. The right of the carrier to such indemnity shall in no way limit his responsibility and liability under the contract of carriage to any person other than the shipper.

6. Unless notice of loss or damage and the general nature of such loss or damage be given in writing to the carrier or his agent at the port of discharge before or at the time of the removal of the goods into the custody of the person entitled to delivery thereof under the contract of carriage, or, if the loss or damage be not apparent, within three days, such removal shall be *prima facie* evidence of the delivery by the carrier of the goods as described in the bill of lading.

The notice in writing need not be given if the state of the goods has, at the time of their receipt, been the subject of joint survey or inspection.

Subject to paragraph 6 *bis* the carrier and the ship shall in any event be discharged from all liability whatsoever in respect of the goods, unless suit is brought within one year of their delivery or of the date when they should have been delivered. This period may, however, be extended if the parties so agree after the cause of action has arisen.

In the case of any actual or apprehended loss or damage the carrier and the receiver shall give all reasonable facilities to each other for inspecting and tallying the goods.

6 *bis*. An action for indemnity against a third person may be brought even after the expiration of the year provided for in the preceding paragraph if brought within the time allowed by the law of the Court seized of the case. However, the time allowed shall be not less than three months, commencing from the day when the person bringing such action for indemnity has settled the claim or has been served with process in the action against himself

7. After the goods are loaded the bill of lading to be issued by the carrier, master, or agent of the carrier, to the shipper shall, if the shipper so demands, be a "shipped" bill of lading, provided that if the shipper shall have previously taken up any document of title to such goods, he shall surrender the same as against the issue of the "shipped" bill of lading, but at the option of the carrier such document of title may be noted at the port of shipment by the carrier, master, or agent with the name or names of the ship or ships upon which the goods have been shipped and the date or dates of shipment, and when so noted, if it shows the particulars mentioned in paragraph 3 of Article III, shall for the purpose of this article be deemed to constitute a "shipped" bill of lading.

8. Any clause, covenant, or agreement in a contract of carriage relieving the carrier or the ship from liability for loss or damage to, or in connection with, goods arising from negligence, fault, or failure in the duties and obligations provided in this article or lessening such liability otherwise than as provided in these Rules, shall be null and void and of no effect. A benefit of insurance in favour of the carrier or similar clause shall be deemed to be a clause relieving the carrier from liability.

ARTICLE IV

1. Neither the carrier nor the ship shall be liable for loss or damage arising or resulting from unseaworthiness unless caused by want of due diligence on the part of the carrier to make the ship seaworthy, and to secure that the ship is properly manned, equipped and supplied, and to make the holds, refrigerating and cool chambers and all other parts of the ship in which goods are carried fit and safe for their reception, carriage and preservation in accordance with the provisions of paragraph 1 of Article III. Whenever loss or damage has resulted from unseaworthiness the burden of proving the exercise of due diligence shall be on the carrier or other person claiming exemption under this article.

2. Neither the carrier nor the ship shall be responsible for loss or damage arising or resulting from—

- (a) Act, neglect, or default of the master, mariner, pilot, or the servants of the carrier in the navigation or in the management of the ship;
- (b) Fire, unless caused by the actual fault or privity of the carrier;
- (c) Perils, dangers and accidents of the sea or other navigable waters;
- (d) Act of God;
- (e) Act of War;
- (f) Act of public enemies;
- (g) Arrest or restraint of princes, rulers or people, or seizure under legal process;
- (h) Quarantine restrictions;
- (i) Act or omission of the shipper or owner of the goods, his agent or representative;
- (j) Strikes or lockouts or stoppage or restraint of labour from whatever cause, whether partial or general;
- (k) Riots and civil commotions;
- (l) Saving or attempting to save life or property at sea;
- (m) Wastage in bulk or weight or any other loss or damage arising from inherent defect, quality or vice of the goods;
- (n) Insufficiency of packing;
- (o) Insufficiency or inadequacy of marks;
- (p) Latent defects not discoverable by due diligence;
- (q) Any other cause arising without the actual fault or privity of the carrier, or without the fault or neglect of the agents or servants of the carrier, but the burden of proof shall be on the person claiming the benefit of this exception to show that neither the actual fault or privity of the carrier nor the fault or neglect of the agents or servants of the carrier contributed to the loss or damage.

3. The shipper shall not be responsible for loss or damage sustained by the carrier or the ship arising or resulting from any cause without the act, fault or neglect of the shipper, his agents or his servants.

4. Any deviation in saving or attempting to save life or property at sea or any reasonable deviation shall not be deemed to be an infringement or breach of these Rules or of the contract of carriage, and the carrier shall not be liable for any loss or damage resulting therefrom.

5.(a) Unless the nature and value of such goods have been declared by the shipper before shipment and inserted in the bill of lading, neither the carrier nor the ship shall in any event be or become liable for any loss or damage to or in connection with the goods in an amount exceeding 666.67 units of account per package or unit or 2 units of account per kilogramme of gross weight of the goods lost or damaged, whichever is the higher.

(b) The total amount recoverable shall be calculated by reference to the value of such goods at the place and time at which the goods are discharged from the ship in accordance with the contract or should have been so discharged.

The value of the goods shall be fixed according to the commodity exchange price, or, if there be no such price, according to the current market price, or, if there be no commodity exchange price or current market price, by reference to the normal value of goods of the same kind and quality.

(c) Where a container, pallet or similar article of transport is used to consolidate goods, the number of packages or units enumerated in the bill of lading as packed in such article of transport shall be deemed the number of packages or units for the purpose of this paragraph as far as these packages or units are concerned. Except as aforesaid such article of transport shall be considered the package or unit.

(d) The unit of account mentioned in this Article is the special drawing right as defined by the International Monetary Fund. The amounts mentioned in sub-paragraph (a) of this paragraph shall be converted into national currency on the basis of the value of that currency on a date to be determined by the law of the Court seized of the case.

(e) Neither the carrier nor the ship shall be entitled to the benefit of the limitation of liability provided for in this paragraph if it is proved that the damage resulted from an act or omission of the carrier done with intent to cause damage, or recklessly and with knowledge that damage would probably result.

(f) The declaration mentioned in sub-paragraph (a) of this paragraph, if embodied in the bill of lading, shall be *prima facie* evidence, but shall not be binding or conclusive on the carrier.

(g) By agreement between the carrier, master or agent of the carrier and the shipper other maximum amounts than those mentioned in sub-paragraph (a) of this paragraph may be fixed, provided that no maximum amount so fixed shall be less than the appropriate maximum mentioned in that sub-paragraph.

(h) Neither the carrier nor the ship shall be responsible in any event for loss or damage to, or in connection with, goods if the nature or value thereof has been knowingly mis-stated by the shipper in the bill of lading.

6. Goods of an inflammable, explosive or dangerous nature to the shipment whereof the carrier, master or agent of the carrier has not consented with knowledge of their nature and character, may at any time before discharge be landed at any place, or destroyed or rendered innocuous by the carrier without compensation and the shipper of such goods shall be liable for all damages and expenses directly or indirectly arising out of or resulting from such shipment. If any such goods shipped with such knowledge and consent shall become a danger to the ship or cargo, they may in like manner be landed at any place, or destroyed or rendered innocuous by the carrier without liability on the part of the carrier except to general average, if any.

ARTICLE IV *bis*

1. The defences and limits of liability provided for in these Rules shall apply in any action against the carrier in respect of loss or damage to goods covered by a contract of carriage whether the action be founded in contract or in tort.

2. If such an action is brought against a servant or agent of the carrier (such servant or agent not being an independent contractor), such servant or agent shall be entitled to avail himself of the defences and limits of liability which the carrier is entitled to invoke under these Rules.

3. The aggregate of the amounts recoverable from the carrier, and such servants and agents, shall in no case exceed the limit provided for in these Rules.

4. Nevertheless, a servant or agent of the carrier shall not be entitled to avail himself of the provisions of this article, if it is proved that the damage resulted from an act or omission of the servant or agent done with intent to cause damage or recklessly and with knowledge that damage would probably result.

ARTICLE V

A carrier shall be at liberty to surrender in whole or in part all or any of his rights and immunities or to increase any of his responsibilities and obligations under these Rules, provided such surrender or increase shall be embodied in the bill of lading issued to the shipper. The provisions of these Rules shall not be applicable to charter parties, but if bills of lading are issued in the case of a ship under a charter party they shall comply with the terms of these Rules. Nothing in these Rules shall be held to prevent the insertion in a bill of lading of any lawful provision regarding general average.

ARTICLE VI

Notwithstanding the provisions of the preceding articles, a carrier, master or agent of the carrier and a shipper shall in regard to any particular goods be at liberty to enter into any agreement in any terms as to the responsibility and liability of the carrier for such goods, and as to the rights and immunities of the carrier in respect of such goods, or his obligation as to seaworthiness, so far as this stipulation is not contrary to public policy, or the care or diligence of his servants or agents in regard to the loading, handling, stowage, carriage, custody, care and discharge of the goods carried by sea, provided that in this case no bill of lading has been or shall be issued and that the terms agreed shall be embodied in a receipt which shall be a non-negotiable document and shall be marked as such.

Any agreement so entered into shall have full legal effect.

Provided that this article shall not apply to ordinary commercial shipments made in the ordinary course of trade, but only to other shipments where the character or condition of the property to be carried or the circumstances, terms and conditions under which the carriage is to be performed are such as reasonably to justify a special agreement.

ARTICLE VII

Nothing herein contained shall prevent a carrier or a shipper from entering into any agreement, stipulation, condition, reservation or exemption as to the responsibility and liability of the carrier or the ship for the loss or damage to, or in connection with, the custody and care and handling of goods prior to the loading on, and subsequent to the discharge from, the ship on which the goods are carried by sea.

ARTICLE VIII

The provisions of these Rules shall not affect the rights and obligations of the carrier under any statute for the time being in force relating to the limitation of the liability of owners of sea-going vessels.

ARTICLE IX

These Rules shall not affect the provisions of any international Convention or national law governing liability for nuclear damage.

ARTICLE X

The provisions of these Rules shall apply to every bill of lading relating to the carriage of goods between ports in two different States if:

- (a) the bill of lading is issued in a contracting State, or
- (b) the carriage is from a port in a contracting State, or
- (c) the contract contained in or evidenced by the bill of lading provides that these Rules or legislation of any State giving effect to them are to govern the contract,

whatever may be the nationality of the ship, the carrier, the shipper, the consignee, or any other interested person.

(The last two paragraphs of this article are not reproduced. They require contracting States to apply the Rules to bills of lading mentioned in the article and authorise them to apply the Rules to other bills of lading.)

(Articles 11 - 16 of the International Convention for the unification of certain rules of law relating to bills of lading signed at Brussels on 25th August 1924 are not reproduced. They deal with the coming into force of the Convention, procedure for ratification, accession and denunciation, and the right to call for a fresh conference to consider amendments to the Rules contained in the Convention.)

CARRIAGE OF GOODS BY SEA ACT 1992

An Act to replace the Bills of Lading Act 1855 with new provision with respect to bills of lading and certain other shipping documents. [16 July 1992]

Shipping documents etc. to which Act applies

1.—(1) This Act applies to the following documents, that is to say—

- (a) any bill of lading;
- (b) any sea waybill; and
- (c) any ship's delivery order.

(2) References in this Act to a bill of lading—

- (a) do not include references to a document which is incapable of transfer either by indorsement or, as a bearer bill, by delivery without indorsement; but
- (b) subject to that, do include references to a received for shipment bill of lading.

(3) References in this Act to a sea waybill are references to any document which is not a bill of lading but—

- (a) is such a receipt for goods as contains or evidences a contract for the carriage of goods by sea; and
- (b) identifies the person to whom delivery of the goods is to be made by the carrier in accordance with that contract.

(4) References in this Act to a ship's delivery order are references to any document which is neither a bill of lading nor a sea waybill but contains an undertaking which—

- (a) is given under or for the purposes of a contract for the carriage by sea of the goods to which the document relates, or of goods which include those goods; and
- (b) is an undertaking by the carrier to a person identified in the document to deliver the goods to which the document relates to that person.

(5) The Secretary of State may by regulations make provision for the application of this Act to cases where a telecommunication system or any other information technology is used for effecting transactions corresponding to—

- (a) the issue of a document to which this Act applies;
- (b) the indorsement, delivery or other transfer of such a document; or
- (c) the doing of anything else in relation to such a document.

(6) Regulations under subsection (5) above may—

- (a) make such modifications of the following provisions of this Act as the Secretary of State considers appropriate in connection with the application of this Act to any case mentioned in that subsection; and

- (b) contain supplemental incidental consequential and transitional provision;

and the power to make regulations under that subsection shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.

Rights under shipping documents

2.—(1) Subject to the following provisions of this section a person who becomes—

- (a) the lawful holder of a bill of lading;
- (b) the person who (without being an original party to the contract of carriage) is the person to whom delivery of the goods to which a sea waybill relates is to be made by the carrier in accordance with that contract; or
- (c) the person to whom delivery of the goods to which a ship's delivery order relates is to be made in accordance with the undertaking contained in the order,

shall (by virtue of becoming the holder of the bill or, as the case may be, the person to whom delivery is to be made) have transferred to and vested in him all rights of suit under the contract of carriage as if he had been a party to that contract.

(2) Where, when a person becomes the lawful holder of a bill of lading, possession of the bill no longer gives a right (as against the carrier) to possession of the goods to which the bill relates, that person shall not have any rights transferred to him by virtue of subsection (1) above unless he becomes the holder of the bill—

- (a) by virtue of a transaction effected in pursuance of any contractual or other arrangements made before the time when such a right to possession ceased to attach to possession of the bill; or
- (b) as a result of the rejection to that person by another person of goods or documents delivered to the other person in pursuance of any such arrangements.

(3) The rights vested in any person by virtue of the operation of subsection (1) above in relation to a ship's delivery order—

- (a) shall be so vested subject to the terms of the order; and
- (b) where the goods to which the order relates form a part only of the goods to which the contract of carriage relates, shall be confined to rights in respect of the goods to which the order relates.

(4) Where, in the case of any document to which this Act applies—

- (a) a person with any interest or right in or in relation to goods to which the document relates sustains loss or damage in consequence of a breach of the contract of carriage; but
- (b) subsection (1) above operates in relation to that document so that rights of suit in respect of that breach are vested in another person,

the other person shall be entitled to exercise those rights for the benefit of the person who sustained the loss or damage to the same extent as they could have been exercised if they had been vested in the person for whose benefit they are exercised.

(5) Where rights are transferred by virtue of the operation of subsection (1) above in relation to any document, the transfer for which that subsection provides shall extinguish any entitlement to those rights which derives—

- (a) where that document is a bill of lading, from a person's having been an original party to the contract of carriage; or
- (b) in the case of any document to which this Act applies, from the previous operation of that subsection in relation to that document;

but the operation of that subsection shall be without prejudice to any rights which derive from a person's having been an original party to the contract contained in, or evidenced by, a sea waybill and, in relation to a ship's delivery order, shall be without prejudice to any rights deriving otherwise than from the previous operation of that subsection in relation to that order.

Liabilities under shipping documents

3.—(1) Where subsection (1) of section 2 of this Act operates in relation to any document to which this Act applies and the person in whom rights are vested by virtue of that subsection—

- (a) takes or demands delivery from the carrier of any of the goods to which the document relates;
- (b) makes a claim under the contract of carriage against the carrier in respect of any of those goods; or
- (c) is a person who, at a time before those rights were vested in him, took or demanded delivery from the carrier of any of those goods,

that person shall (by virtue of taking or demanding delivery or making the claim or, in a case falling within paragraph (c) above, of having the rights vested in him) become subject to the same liabilities under that contract as if he had been a party to that contract.

(2) Where the goods to which a ship's delivery order relates form a part only of the goods to which the contract of carriage relates, the liabilities to which any person is subject by virtue of the operation of this section in relation to that order shall exclude liabilities in respect of any goods to which the order does not relate.

(3) This section, so far as it imposes liabilities under any contract on any person, shall be without prejudice to the liabilities under the contract of any person as an original party to the contract.

Representations in bills of lading

4. A bill of lading which—

- (a) represents goods to have been shipped on board a vessel or to have been received for shipment on board a vessel; and
- (b) has been signed by the master of the vessel or by a person who was not the master but had the express, implied or apparent authority of the carrier to sign bills of lading,

shall, in favour of a person who has become the lawful holder of the bill, be conclusive evidence against the carrier of the shipment of the goods or, as the case may be, of their receipt for shipment.

Interpretation etc

5.—(1) In this Act—

“bill of lading”, “sea waybill” and “ship’s delivery order” shall be construed in accordance with section 1 above;

“the contract of carriage”—

- (a) in relation to a bill of lading or sea waybill, means the contract contained in or evidenced by that bill or waybill; and
- (b) in relation to a ship’s delivery order, means the contract under or for the purposes of which the undertaking contained in the order is given;

“holder”, in relation to a bill of lading, shall be construed in accordance with subsection (2) below;

“information technology” includes any computer or other technology by means of which information or other matter may be recorded or communicated without being reduced to documentary form; and

“telecommunication system” has the same meaning as in the Telecommunications Act 1984.

(2) References in this Act to the holder of a bill of lading are references to any of the following persons, that is to say—

- (a) a person with possession of the bill who, by virtue of being the person identified in the bill, is the consignee of the goods to which the bill relates;
- (b) a person with possession of the bill as a result of the completion, by delivery of the bill, of any indorsement of the bill or, in the case of a bearer bill, of any other transfer of the bill;
- (c) a person with possession of the bill as a result of any transaction by virtue of which he would have become a holder falling within paragraph (a) or (b) above had not the transaction been effected at a time when possession of the bill no longer gave a right (as against the carrier) to possession of the goods to which the bill relates;

and a person shall be regarded for the purposes of this Act as having become the lawful holder of a bill of lading wherever he has become the holder of the bill in good faith.

(3) References in this Act to a person’s being identified in a document include references to his being identified by a description which allows for the identity of the person in question to be varied, in accordance with the terms of the document, after its issue; and the reference in section 1(3)(b) of this Act to a document’s identifying a person shall be construed accordingly.

(4) Without prejudice to sections 2(2) and 4 above, nothing in this Act shall preclude its operation in relation to a case where the goods to which a document relates—

- (a) cease to exist after the issue of the document; or
- (b) cannot be identified (whether because they are mixed with other goods or for any other reason);

and references in this Act to the goods to which a document relates shall be construed accordingly.

(5) The preceding provisions of this Act shall have effect without prejudice to the application, in relation to any case, of the rules (the Hague-Visby Rules) which for the time being have the force of law by virtue of section 1 of the Carriage of Goods by Sea Act 1971.

Short title, repeal, commencement and extent

6.—(1) This Act may be cited as the Carriage of Goods by Sea Act 1992.

(2) The Bills of Lading Act 1855 is hereby repealed.

(3) This Act shall come into force at the end of the period of two months beginning with the day on which it is passed; but nothing in this Act shall have effect in relation to any document issued before the coming into force of this Act.

(4) This Act extends to Northern Ireland.

Charterparty forms

Gencon
Baltim 2001
SHELLVOY 6
SHELLTIME 4



1. Shipbroker	<p>RECOMMENDED THE BALTIC AND INTERNATIONAL MARITIME COUNCIL UNIFORM GENERAL CHARTER (AS REVISED 1922, 1976 and 1994) (To be used for trades for which no specially approved form is in force) CODE NAME: "GENCON"</p> <p style="text-align: right;">Part I</p>
3. Owners/Place of business (Cl. 1)	2. Place and date
5. Vessel's name (Cl. 1)	4. Charterers/Place of business (Cl. 1)
7. DWT all toid on summer load line in metric tons (abt.) (Cl. 1)	6. GT/NT (Cl. 1)
9. Expected ready to load (abt.) (Cl. 1)	8. Present position (Cl. 1)
10. Loading port or place (Cl. 1)	11. Discharging port or place (Cl. 1)
12. Cargo (also state quantity and margin in Owners' option, if agreed, if full and complete cargo not agreed state "part cargo") (Cl. 1)	
13. Freight rate (also state whether freight prepaid or payable on delivery) (Cl. 4)	14. Freight payment (state currency and method of payment also beneficiary and bank account) (Cl. 4)
15. State if vessel's cargo handling gear shall not be used (Cl. 5)	16. Laytime (if separate laytime for load and disch. is agreed, fill in a) and b) if total laytime for load and disch. fill in c) only) (Cl. 6)
17. Shippers/Place of business (Cl. 6)	a) Laytime for loading
18. Agents (loading) (Cl. 6)	b) Laytime for discharging
19. Agents (discharging) (Cl. 6)	c) Total laytime for loading and discharging
20. Demurrage rate and manner payable (loading and discharging) (Cl. 7)	21. Cancelling date (Cl. 8)
23. Freight Tax (state if for the Owners' account) (Cl. 13 (c))	22. General Average to be adjusted at (Cl. 12)
25. Law and Arbitration (state 19 (a), 19 (b) or 19 (c) of Cl. 19, if 19 (c) agreed also state Place of Arbitration) (if not filled in 19 (a) shall apply) (Cl. 19)	24. Brokerage commission and to whom payable (Cl. 15)
(a) State maximum amount for small claims/shortened arbitration (Cl. 19)	26. Additional clauses covering special provisions, if agreed

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It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter Party which shall include Part I as well as Part II. In the event of a conflict of conditions, the provisions of Part I shall prevail over those of Part II to the extent of such conflict.

Signature (Owners)	Signature (Charterers)
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PART II

"Gencon" Charter (As Revised 1922, 1976 and 1994)

1. It is agreed between the party mentioned in Box 3 as the Owners of the Vessel named in Box 5, of the G/T/NT indicated in Box 6 and carrying about the number of metric tons of deadweight capacity all told on summer loadline stated in Box 7, now in position as stated in Box 8 and expected ready to load under this Charter Party about the date indicated in Box 9, and the party mentioned as the Charterers in Box 4 that: The said Vessel shall, as soon as her prior commitments have been completed, proceed to the loading port(s) or place(s) stated in Box 10 or so near thereto as she may safely get and lie always afloat, and there load a full and complete cargo (if shipment of deck cargo agreed same to be at the Charterers' risk and responsibility) as stated in Box 12, which the Charterers bind themselves to ship, and being so loaded the Vessel shall proceed to the discharging port(s) or place(s) stated in Box 11 as ordered on signing Bills of Lading, or so near thereto as she may safely get and lie always afloat, and there deliver the cargo.	1 2 3 4 5 6 7 8 9 10 11 12 13 14	always work under the supervision of the Master. <i>(c) Stevedore Damage</i> The Charterers shall be responsible for damage (beyond ordinary wear and tear) to any part of the Vessel caused by Stevedores. Such damage shall be notified as soon as reasonably possible by the Master to the Charterers or their agents and to their Stevedores, failing which the Charterers shall not be held responsible. The Master shall endeavour to obtain the Stevedores' written acknowledgement of liability. The Charterers are obliged to repair any stevedore damage prior to completion of the voyage, but must repair stevedore damage affecting the Vessel's seaworthiness or class before the Vessel sails from the port where such damage was caused or found. All additional expenses incurred shall be for the account of the Charterers and any time lost shall be for the account of and shall be paid to the Owners by the Charterers at the demurrage rate.	75 76 77 78 79 80 81 82 83 84 85 86 87 88
2. Owners' Responsibility Clause The Owners are to be responsible for loss of or damage to the goods or to delay in delivery of the goods only in case the loss/damage or delay has been caused by personal want of due diligence on the part of the Owners or their Manager to make the Vessel in all respects seaworthy and to secure that she is properly manned, equipped and supplied, or by the personal act or default of the Owners or their Manager. And the Owners are not responsible for loss, damage or delay arising from any other cause whatsoever, even from the neglect or default of the Master or crew or some other person employed by the Owners on board or ashore for whose acts they would, but for this Clause, be responsible, or from unseaworthiness of the Vessel on loading or commencement of the voyage or at any time whatsoever.	15 16 17 18 19 20 21 22 23 24 25 26 27	6. Laytime <i>(a) Separate laytime for loading and discharging</i> The cargo shall be loaded within the number of running days/hours as indicated in Box 16, weather permitting, Sundays and holidays excepted, unless used, in which event time used shall count. The cargo shall be discharged within the number of running days/hours as indicated in Box 16, weather permitting, Sundays and holidays excepted, unless used, in which event time used shall count. <i>(b) Total laytime for loading and discharging</i> The cargo shall be loaded and discharged within the number of total running days/hours as indicated in Box 16, weather permitting, Sundays and holidays excepted, unless used, in which event time used shall count. <i>(c) Commencement of laytime (loading and discharging)</i> Laytime for loading and discharging shall commence at 13.00 hours, if notice of readiness is given up to and including 12.00 hours, and at 06.00 hours next working day if notice given during office hours after 12.00 hours. Notice of readiness at loading port to be given to the Shippers named in Box 17 or if not named, to the Charterers or their agents named in Box 18. Notice of readiness at the discharging port to be given to the Receivers or, if not known, to the Charterers or their agents named in Box 19. If the loading/discharging berth is not available on the Vessel's arrival at or off the port of loading/discharging, the Vessel shall be entitled to give notice of readiness within ordinary office hours on arrival there, whether in free pratique or not, whether customs cleared or not. Laytime or time on demurrage shall then count as if she were in berth and in all respects ready for loading/discharging provided that the Master warrants that she is in fact ready in all respects. Time used in moving from the place of waiting to the loading/discharging berth shall not count as laytime. If, after inspection, the Vessel is found not to be ready in all respects to load/dischARGE time lost after the discovery thereof until the Vessel is again ready to load/dischARGE shall not count as laytime. Time used before commencement of laytime shall count. <i>* Indicate alternative (a) or (b) as agreed, in Box 16.</i>	89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121
3. Deviation Clause The Vessel has liberty to call at any port or ports in any order, for any purpose, to sail without pilots, to tow and/or assist Vessels in all situations, and also to deviate for the purpose of saving life and/or property.	28 29 30 31	7. Demurrage Demurrage at the loading and discharging port is payable by the Charterers at the rate stated in Box 20 in the manner stated in Box 20 per day or pro rata for any part of a day. Demurrage shall be due day by day and shall be payable upon receipt of the Owners' invoice. In the event the demurrage is not paid in accordance with the above, the Owners shall give the Charterers 96 running hours written notice to rectify the failure. If the demurrage is not paid at the expiration of this time limit and if the vessel is in or at the loading port, the Owners are entitled at any time to terminate the Charter Party and claim damages for any losses caused thereby.	122 123 124 125 126 127 128 129 130 131
4. Payment of Freight (a) The freight at the rate stated in Box 13 shall be paid in cash calculated on the intaken quantity of cargo. (b) <i>Prepaid</i> . If according to Box 13 freight is to be paid on shipment, it shall be deemed earned and non-returnable, Vessel and/or cargo lost or not lost. Neither the Owners nor their agents shall be required to sign or endorse bills of lading showing freight prepaid unless the freight due to the Owners has actually been paid. (c) <i>On delivery</i> . If according to Box 13 freight, or part thereof, is payable at destination it shall not be deemed earned until the cargo is thus delivered. Notwithstanding the provisions under (a), if freight or part thereof is payable on delivery of the cargo the Charterers shall have the option of paying the freight on delivered weight/quantity provided such option is declared before breaking bulk and the weight/quantity can be ascertained by official weighing machine, joint draft survey or tally. Cash for Vessel's ordinary disbursements at the port of loading to be advanced by the Charterers, if required, at highest current rate of exchange, subject to two (2) per cent to cover insurance and other expenses.	32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49	8. Lien Clause The Owners shall have a lien on the cargo and on all sub-freights payable in respect of the cargo, for freight, deadfreight, demurrage, claims for damages and for all other amounts due under this Charter Party including costs of recovering same.	132 133 134 135 136
5. Loading/Discharging <i>(a) Costs/Risks</i> The cargo shall be brought into the holds, loaded, stowed and/or trimmed, tallied, lashed and/or secured and taken from the holds and discharged by the Charterers, free of any risk, liability and expense whatsoever to the Owners. The Charterers shall provide and lay all dunnage material as required for the proper stowage and protection of the cargo on board, the Owners allowing the use of all dunnage available on board. The Charterers shall be responsible for and pay the cost of removing their dunnage after discharge of the cargo under this Charter Party and time to count until dunnage has been removed. <i>(b) Cargo Handling Gear</i> Unless the Vessel is gearless or unless it has been agreed between the parties that the Vessel's gear shall not be used and stated as such in Box 15, the Owners shall throughout the duration of loading/discharging give free use of the Vessel's cargo handling gear and of sufficient motive power to operate all such cargo handling gear. All such equipment to be in good working order. Unless caused by negligence of the stevedores, time lost by breakdown of the Vessel's cargo handling gear or motive power - pro rata the total number of cranes/winchmen required at that time for the loading/discharging of cargo under this Charter Party - shall not count as laytime or time on demurrage. On request the Owners shall provide free of charge cranesmen/winchmen from the crew to operate the Vessel's cargo handling gear, unless local regulations prohibit this, in which latter event shore labourers shall be for the account of the Charterers. Cranesmen/winchmen shall be under the Charterers' risk and responsibility and as stevedores to be deemed as their servants but shall	50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74	9. Cancelling Clause (a) Should the Vessel not be ready to load (whether in berth or not) on the cancelling date indicated in Box 21, the Charterers shall have the option of cancelling this Charter Party. (b) Should the Owners anticipate that, despite the exercise of due diligence, the Vessel will not be ready to load by the cancelling date, they shall notify the Charterers thereof without delay stating the expected date of the Vessel's readiness to load and asking whether the Charterers will exercise their option of cancelling the Charter Party, or agree to a new cancelling date. Such option must be declared by the Charterers within 48 running hours after the receipt of the Owners' notice. If the Charterers do not exercise their option of cancelling, then this Charter Party shall be deemed to be amended such that	137 138 139 140 141 142 143 144 145 146 147 148

PART II

"Gencon" Charter (As Revised 1922, 1976 and 1994)

the seventh day after the new readiness date stated in the Owners' notification	149	at any time during the voyage to the port or ports of loading or after her arrival	220
the Charterers shall be the new cancelling date.	150	there, the Master or the Owners may ask the Charterers to declare, that they	221
The provisions of sub-clause (b) of this Clause shall operate only once, and in	151	agree to reckon the laydays as if there were no strike or lock-out. Unless the	222
case of the Vessel's further delay, the Charterers shall have the option of	152	Charterers have given such declaration in writing (by telegram, if necessary)	223
cancelling the Charter Party as per sub-clause (a) of this Clause.	153	within 24 hours, the Owners shall have the option of cancelling this Charter	224
10. Bills of Lading	154	Party. If part cargo has already been loaded, the Owners must proceed with	225
Bills of Lading shall be presented and signed by the Master as per the	155	same, (freight payable on loaded quantity only) having liberty to complete with	226
"Congenbill" Bill of Lading form, Edition 1994, without prejudice to this Charter	156	other cargo on the way for their own account.	227
Party, or by the Owners' agents provided written authority has been given by	157	(b) If there is a strike or lock-out affecting or preventing the actual discharging	228
Owners to the agents, a copy of which is to be furnished to the Charterers. The	158	of the cargo on or after the Vessel's arrival at or off port of discharge and same	229
Charterers shall indemnify the Owners against all consequences or liabilities	159	has not been settled within 48 hours, the Charterers shall have the option of	230
that may arise from the signing of bills of lading as presented to the extent that	160	keeping the Vessel waiting until such strike or lock-out is at an end against	231
the terms or contents of such bills of lading impose or result in the imposition of	161	paying half demurrage after expiration of the time provided for discharging	232
more onerous liabilities upon the Owners than those assumed by the Owners	162	until the strike or lock-out terminates and thereafter full demurrage shall be	233
under this Charter Party.	163	payable until the completion of discharging, or of ordering the Vessel to a safe	234
		port where she can safely discharge without risk of being detained by strike or	235
		lock-out. Such orders to be given within 48 hours after the Master or the	236
		Owners have given notice to the Charterers of the strike or lock-out affecting	237
		The discharge. On delivery of the cargo at such port, all conditions of this	238
		Charter Party and of the Bill of Lading shall apply and the Vessel shall receive	239
		the same freight as if she had discharged at the original port of destination,	240
		except that if the distance to the substituted port exceeds 100 nautical miles,	241
		the freight on the cargo delivered at the substituted port to be increased in	242
		proportion.	243
		(c) Except for the obligations described above, neither the Charterers nor the	244
		Owners shall be responsible for the consequences of any strikes or lock-outs	245
		preventing or affecting the actual loading or discharging of the cargo.	246
11. Both-to-Blame Collision Clause	164	17. War Risks ("Voywar 1993")	247
If the Vessel comes into collision with another vessel as a result of the	165	(1) For the purpose of this Clause, the words:	248
negligence of the other vessel and any act, neglect or default of the Master,	166	(a) The "Owners" shall include the shipowners, bareboat charterers,	249
Mariner, Pilot or the servants of the Owners in the navigation or in the	167	disponent owners, managers or other operators who are charged with the	250
management of the Vessel, the owners of the cargo carried hereunder will	168	management of the Vessel, and the Master; and	251
indemnify the Owners against all loss or liability to the other or non-carrying	169	(b) "War Risks" shall include any war (whether actual or threatened), act of	252
vessel or her owners in so far as such loss or liability represents loss of, or	170	war, civil war, hostilities, revolution, rebellion, civil commotion, warfare	253
damage to, or any claim whatsoever of the owners of said cargo, paid or	171	operations, the laying of mines (whether actual or reported), acts of piracy,	254
payable by the other or non-carrying vessel or her owners to the owners of said	172	acts of terrorists, acts of hostility or malicious damage, blockades	255
cargo and set-off, recouped or recovered by the other or non-carrying vessel	173	(whether imposed against all Vessels or imposed selectively against	256
or her owners as part of their claim against the carrying Vessel or the Owners.	174	Vessels of certain flags or ownership, or against certain cargoes or crews	257
The foregoing provisions shall also apply where the owners, operators or those	175	or otherwise howsoever), by any person, body, terrorist or political group,	258
in charge of any vessel or vessels or objects other than, or in addition to, the	176	or the Government of any state whatsoever, which, in the reasonable	259
colliding vessels or objects are at fault in respect of a collision or contact.	177	judgement of the Master and/or the Owners, may be dangerous or are	260
		likely to be or to become dangerous to the Vessel, her cargo, crew or other	261
		persons on board the Vessel.	262
		(2) If at any time before the Vessel commences loading, it appears that, in	263
		the reasonable judgement of the Master and/or the Owners, performance of	264
		the Contract of Carriage, or any part of it, may expose, or is likely to expose,	265
		the Vessel, her cargo, crew or other persons on board the Vessel to War	266
		Risks, the Owners may give notice to the Charterers cancelling this	267
		Contract of Carriage, or may refuse to perform such part of it as may	268
		expose, or may be likely to expose, the Vessel, her cargo, crew or other	269
		persons on board the Vessel to War Risks; provided always that if this	270
		Contract of Carriage provides that loading or discharging is to take place	271
		within a range of ports, and at the port or ports nominated by the Charterers	272
		the Vessel, her cargo, crew, or other persons onboard the Vessel may be	273
		exposed, or may be likely to be exposed, to War Risks, the Owners shall	274
		first require the Charterers to nominate any other safe port which lies	275
		within the range for loading or discharging, and may only cancel this	276
		Contract of Carriage if the Charterers shall not have nominated such safe	277
		port or ports within 48 hours of receipt of notice of such requirement	278
		(3) The Owners shall not be required to continue to load cargo for any voyage.	279
		or to sign Bills of Lading for any port or place, or to proceed or continue on	280
		any voyage, or on any part thereof, or to proceed through any canal or	281
		waterway, or to proceed to or remain at any port or place whatsoever,	282
		where it appears, either after the loading of the cargo commences, or at	283
		any stage of the voyage thereafter before the discharge of the cargo is	284
		completed, that, in the reasonable judgement of the Master and/or the	285
		Owners, the Vessel, her cargo (or any part thereof), crew or other persons	286
		on board the Vessel (or any one or more of them) may be, or are likely to be,	287
		exposed to War Risks. If it should so appear, the Owners may by notice	288
		request the Charterers to nominate a safe port for the discharge of the	289
		cargo or any part thereof, and if within 48 hours of the receipt of such	290
		notice, the Charterers shall not have nominated such a port, the Owners	291
		may discharge the cargo at any safe port of their choice (including the port	292
		of loading) in complete fulfilment of the Contract of Carriage. The Owners	293
		shall be entitled to recover from the Charterers the extra expenses of such	294
		discharge and, if the discharge takes place at any port other than the	295
		loading port, to receive the full freight as though the cargo had been	296
12. General Average and New Jason Clause	178		
General Average shall be adjusted in London unless otherwise agreed in Box	179		
22 according to York-Antwerp Rules 1994 and any subsequent modification	180		
thereof. Proprietors of cargo to pay the cargo's share in the general expenses	181		
even if same have been necessitated through neglect or default of the Owners'	182		
servants (see Clause 2).	183		
If General Average is to be adjusted in accordance with the law and practice of	184		
the United States of America, the following Clause shall apply: "In the event of	185		
accident, danger, damage or disaster before or after the commencement of the	186		
voyage, resulting from any cause whatsoever, whether due to negligence or	187		
not, for which, or for the consequence of which, the Owners are not	188		
responsible, by statute, contract or otherwise, the cargo shippers, consignees	189		
or the owners of the cargo shall contribute with the Owners in General Average	190		
to the payment of any sacrifices, losses or expenses of a General Average	191		
nature that may be made or incurred and shall pay salvage and special charges	192		
incurred in respect of the cargo. If a salving vessel is owned or operated by	193		
the Owners, salvage shall be paid for as fully as if the said salving vessel or vessels	194		
belonged to strangers. Such deposit as the Owners, or their agents, may deem	195		
sufficient to cover the estimated contribution of the goods and any salvage and	196		
special charges thereon shall, if required, be made by the cargo shippers	197		
consignees or owners of the goods to the Owners before delivery.	198		
13. Taxes and Dues Clause	199		
(a) <i>On Vessel</i> . -The Owners shall pay all dues, charges and taxes customarily	200		
levied on the Vessel, howsoever the amount thereof may be assessed.	201		
(b) <i>On cargo</i> . -The Charterers shall pay all dues, charges, duties and taxes	202		
customarily levied on the cargo, howsoever the amount thereof may be	203		
assessed.	204		
(c) <i>On freight</i> . -Unless otherwise agreed in Box 23, taxes levied on the freight	205		
shall be for the Charterers' account.	206		
14. Agency	207		
In every case the Owners shall appoint their own Agent both at the port of	208		
loading and the port of discharge.	209		
15. Brokerage	210		
A brokerage commission at the rate stated in Box 24 on the freight, dead-freight	211		
and demurrage earned is due to the party mentioned in Box 24.	212		
In case of non-execution 1/3 of the brokerage on the estimated amount of	213		
freight to be paid by the party responsible for such non-execution to the	214		
Brokers as indemnity for the latter's expenses and work. In case of more	215		
voyages the amount of indemnity to be agreed.	216		
16. General Strike Clause	217		
(a) If there is a strike or lock-out affecting or preventing the actual loading of the	218		
cargo, or any part of it, when the Vessel is ready to proceed from her last port or	219		

PART II

"Gencon" Charter (As Revised 1922, 1976 and 1994)

carried to the discharging port and if the extra distance exceeds 100 miles, 297
to additional freight which shall be the same percentage of the freight 298
contracted for as the percentage which the extra distance represents to 299
the distance of the normal and customary route, the Owners having a lien 300
on the cargo for such expenses and freight. 301

(4) If at any stage of the voyage after the loading of the cargo commences, it 302
appears that, in the reasonable judgement of the Master and/or the 303
Owners, the Vessel, her cargo, crew or other persons on board the Vessel 304
may be, or are likely to be, exposed to War Risks on any part of the route 305
(including any canal or waterway) which is normally and customarily used 306
in a voyage of the nature contracted for, and there is another longer route 307
to the discharging port, the Owners shall give notice to the Charterers that 308
this route will be taken. In this event the Owners shall be entitled, if the total 309
extra distance exceeds 100 miles, to additional freight which shall be the 310
same percentage of the freight contracted for as the percentage which the 311
extra distance represents to the distance of the normal and customary 312
route. 313

(5) The Vessel shall have liberty: 314

(a) to comply with all orders, directions, recommendations or advice as to 315
departure, arrival, routes, sailing in convoy, ports of call, stoppages, 316
destinations, discharge of cargo, delivery or in any way whatsoever which 317
are given by the Government of the Nation under whose flag the Vessel 318
sails, or other Government to whose laws the Owners are subject, or any 319
other Government which so requires, or any body or group acting with the 320
power to compel compliance with their orders or directions; 321
(b) to comply with the orders, directions or recommendations of any war 322
risks underwriters who have the authority to give the same under the terms 323
of the war risks insurance; 324
(c) to comply with the terms of any resolution of the Security Council of the 325
United Nations, any directives of the European Community, the effective 326
orders of any other Supranational body which has the right to issue and 327
give the same, and with national laws aimed at enforcing the same to which 328
the Owners are subject, and to obey the orders and directions of those who 329
are charged with their enforcement; 330
(d) to discharge at any other port any cargo or part thereof which may 331
render the Vessel liable to confiscation as a contraband carrier; 332
(e) to call at any other port to change the crew or any part thereof or other 333
persons on board the Vessel when there is reason to believe that they may 334
be subject to internment, imprisonment or other sanctions; 335
(f) where cargo has not been loaded or has been discharged by the 336
Owners under any provisions of this Clause, to load other cargo for the 337
Owners' own benefit and carry it to any other port or ports whatsoever, 338
whether backwards or forwards or in a contrary direction to the ordinary or 339
customary route. 340

(6) If in compliance with any of the provisions of sub-clauses (2) to (5) of this 341
Clause anything is done or not done, such shall not be deemed to be a 342
deviation, but shall be considered as due fulfilment of the Contract of 343
Carriage. 344

18. General Ice Clause 345

Port of loading 346

(a) In the event of the loading port being inaccessible by reason of ice when the 347
Vessel is ready to proceed from her last port or at any time during the voyage or 348
on the Vessel's arrival or in case frost sets in after the Vessel's arrival, the 349
Master for fear of being frozen in is at liberty to leave without cargo, and this 350
Charter Party shall be null and void. 351

(b) If during loading the Master, for fear of the Vessel being frozen in, deems it 352
advisable to leave, he has liberty to do so with what cargo he has on board and 353
to proceed to any other port or ports with option of completing cargo for the 354
Owners' benefit for any port or ports including port of discharge. Any part 355
cargo thus loaded under this Charter Party to be forwarded to destination at the 356
Vessel's expense but against payment of freight, provided that no extra 357
expenses be thereby caused to the Charterers, freight being paid on quantity 358
delivered (in proportion if lumpsum), all other conditions as per this Charter 359
Party. 360

(c) In case of more than one loading port, and if one or more of the ports are 361
closed by ice, the Master or the Owners to be at liberty either to load the part 362
cargo at the open port and fill up elsewhere for their own account as under 363
section (b) or to declare the Charter Party null and void unless the Charterers 364
agree to load full cargo at the open port. 365

Port of discharge 366

(a) Should ice prevent the Vessel from reaching port of discharge the 367
Charterers shall have the option of keeping the Vessel waiting until the re- 368
opening of navigation and paying demurrage or of ordering the Vessel to a safe 369
and immediately accessible port where she can safely discharge without risk of 370
detention by ice. Such orders to be given within 48 hours after the Master or the 371
Owners have given notice to the Charterers of the impossibility of reaching port 372

of destination. 373

(b) If during discharging the Master for fear of the Vessel being frozen in deems 374
it advisable to leave, he has liberty to do so with what cargo he has on board and 375
to proceed to the nearest accessible port where she can safely discharge. 376

(c) On delivery of the cargo at such port, all conditions of the Bill of Lading shall 377
apply and the Vessel shall receive the same freight as if she had discharged at 378
the original port of destination, except that if the distance of the substituted port 379
exceeds 100 nautical miles, the freight on the cargo delivered at the substituted 380
port to be increased in proportion. 381

19. Law and Arbitration 382

(a) This Charter Party shall be governed by and construed in accordance with 383
English law and any dispute arising out of this Charter Party shall be referred to 384
arbitration in London in accordance with the Arbitration Acts 1950 and 1979 or 385
any statutory modification or re-enactment thereof for the time being in force. 386
Unless the parties agree upon a sole arbitrator, one arbitrator shall be 387
appointed by each party and the arbitrators so appointed shall appoint a third 388
arbitrator, the decision of the three-man tribunal thus constituted or any two of 389
them, shall be final. On the receipt by one party of the nomination in writing of 390
the other party's arbitrator, that party shall appoint their arbitrator within 391
fourteen days, failing which the decision of the single arbitrator appointed shall 392
be final. 393

For disputes where the total amount claimed by either party does not exceed 394
the amount stated in Box 25** the arbitration shall be conducted in accordance 395
with the Small Claims Procedure of the London Maritime Arbitrators 396
Association. 397

(b) This Charter Party shall be governed by and construed in accordance with 398
Title 9 of the United States Code and the Maritime Law of the United States and 399
should any dispute arise out of this Charter Party, the matter in dispute shall be 400
referred to three persons at New York, one to be appointed by each of the 401
parties hereto, and the third by the two so chosen, their decision or that of any 402
two of them shall be final, and for purpose of enforcing any award, this 403
agreement may be made a rule of the Court. The proceedings shall be 404
conducted in accordance with the rules of the Society of Maritime Arbitrators, 405
inc. 406

For disputes where the total amount claimed by either party does not exceed 407
the amount stated in Box 25** the arbitration shall be conducted in accordance 408
with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, 409
inc. 410


(c) Any dispute arising out of this Charter Party shall be referred to arbitration at 411
the place indicated in Box 25, subject to the procedures applicable there. The 412
laws of the place indicated in Box 25 shall govern this Charter Party. 413

(d) If Box 25 in Part 1 is not filled in, sub-clause (a) of this Clause shall apply. 414

(a), (b) and (c) are alternatives; indicate alternative agreed in Box 25. 415

** Where no figure is supplied in Box 25 in Part 1, this provision only shall be void but 416
the other provisions of this Clause shall have full force and remain in effect. 417

Issued 1909; Amended 1911; 1912; 1920; 1939; 1950; 1974; and 2001

1. Shipbroker		BIMCO UNIFORM TIME-CHARTER (AS REVISED 2001) CODE NAME: "BALTIME 1939"		 PART I
3. Owners/Place of business		2. Place and Date of Charter		
5. Vessel's Name		4. Charterers/Place of business		
7. Class		6. GT/NT		
9. Total tons d.w. (abt.) on summer freeboard		8. Indicated brake horse power (bhp)		
11. Permanent bunkers (abt.)		10. Cubic feet grain/bale capacity		
13. Present position		12. Speed capability in knots (abt.) on a consumption in tons (abt.) of		
15. Port of delivery (Cl. 1)		14. Period of hire (Cl. 1)		
17. (a) Trade limits (Cl. 2)		16. Time of delivery (Cl. 1)		
(b) Cargo exclusions specially agreed				
18. Bunkers on re-delivery (state min. and max. quantity)(Cl. 5)		19. Charter hire (Cl. 6)		
20. Hire payment (state currency, method and place of payment; also beneficiary and bank account) (Cl. 6)				
21. Place or range of re-delivery (Cl. 7)		22. Cancelling date (Cl. 21)		
23. Dispute resolution (state 22(A), 22(B) or 22(C); if 22(C) agreed Place of Arbitration <u>must</u> be stated) (Cl. 22)		24. Brokerage commission and to whom payable (Cl. 24)		
25. Numbers of additional clauses covering special provisions, if agreed				

It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I as well as PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict.

Signature (Owners)	Signature (Charterers)
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PART II
"BALTIME 1939" Uniform Time-Charter (as revised 2001)

It is agreed between the party mentioned in Box 3 as Owners of the Vessel named in Box 5 of the gross/net tonnage indicated in Box 6, classed as stated in Box 7 and of indicated brake horse power (bhp) as stated in Box 8, carrying about the number of tons deadweight indicated in Box 9 on summer freeboard inclusive of bunkers, stores and provisions, having as per builder's plan a cubic-foot grain/bale capacity as stated in Box 10, exclusive of permanent bunkers, which contain about the number of tons stated in Box 11, and fully loaded capable of steaming about the number of knots indicated in Box 12 in good weather and smooth water on a consumption of about the number of tons fuel oil stated in Box 12, now in position as stated in Box 13 and the party mentioned as Charterers in Box 4, as follows:	1	and discharging and any special gear, including special ropes and chains required by the custom of the port for mooring shall be for the Charterers' account. The Vessel shall be fitted with winches, derricks, wheels and ordinary runners capable of handling lifts up to 2 tons.	67
	2		68
	3		69
	4		70
	5		71
	6		
	7	5. Bunkers	72
	8	The Charterers at port of delivery and the Owners at port of re-delivery shall take over and pay for all fuel oil remaining in the Vessel's bunkers at current price at the respective ports. The Vessel shall be re-delivered with not less than the number of tons and not exceeding the number of tons of fuel oil in the Vessel's bunkers stated in Box 18.	73
	9		74
	10		75
	11		76
	12		77
	13		78
	14		79
	15		
1. Period/Port of Delivery/Time of Delivery	16	6. Hire	80
The Owners let, and the Charterers hire the Vessel for a period of the number of calendar months indicated in Box 14 from the time (not a Sunday or a legal Holiday unless taken over) the Vessel is delivered and placed at the disposal of the Charterers between 9 a.m. and 6 p.m., or between 9 a.m. and 2 p.m. if on Saturday, at the port stated in Box 15 in such available berth where she can safely lie always afloat, as the Charterers may direct, the Vessel being in every way fitted for ordinary cargo service. The Vessel shall be delivered at the time indicated in Box 16.	17	The Charterers shall pay as hire the rate stated in Box 19 per 30 days, commencing in accordance with Clause 1 until her re-delivery to the Owners.	81
	18		82
	19	Payment of hire shall be made in cash, in the currency stated in Box 20, without discount, every 30 days, in advance, and in the manner prescribed in Box 20. In default of payment the Owners shall have the right of withdrawing the Vessel from the service of the Charterers, without noting any protest and without interference by any court or any other formality whatsoever and without prejudice to any claim the Owners may otherwise have on the Charterers under the Charter.	83
	20		84
	21		85
	22		86
	23		87
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	25		89
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	27		91
			92
2. Trade	28	7. Re-delivery	93
The Vessel shall be employed in lawful trades for the carriage of lawful merchandise only between safe ports or places where the Vessel can safely lie always afloat within the limits stated in Box 17. No live stock nor injurious, inflammable or dangerous goods (such as acids, explosives, calcium carbide, ferro silicon, naphtha, motor spirit, tar, or any of their products) shall be shipped.	29	The Vessel shall be re-delivered on the expiration of the Charter in the same good order as when delivered to the Charterers (fair wear and tear excepted) at an ice-free port in the Charterers' option at the place or within the range stated in Box 21, between 9 a.m. and 6 p.m., and 9 a.m. and 2 p.m. on Saturday, but the day of re-delivery shall not be a Sunday or legal Holiday.	94
	30		95
	31	The Charterers shall give the Owners not less than ten days' notice at which port and on about which day the Vessel will be re-delivered. Should the Vessel be ordered on a voyage by which the Charter period will be exceeded the Charterers shall have the use of the Vessel to enable them to complete the voyage, provided it could be reasonably calculated that the voyage would allow redelivery about the time fixed for the termination of the Charter, but for any time exceeding the termination date the Charterers shall pay the market rate if higher than the rate stipulated herein.	96
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			111
3. Owners' Obligations	37	8. Cargo Space	112
The Owners shall provide and pay for all provisions and wages, for insurance of the Vessel, for all deck and engine-room stores and maintain her in a thoroughly efficient state in hull and machinery during service. The Owners shall provide winchmen from the crew to operate the Vessel's cargo handling gear, unless the crew's employment conditions or local union or port regulations prohibit this, in which case qualified shore-winchmen shall be provided and paid for by the Charterers.	38	The whole reach and burthen of the Vessel, including lawful deck-capacity shall be at the Charterers' disposal, reserving proper and sufficient space for the Vessel's Master, officers, crew, tackle, apparel, furniture, provisions and stores.	113
	39		114
	40		115
	41		116
	42		117
	43		
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	47		
4. Charterers' Obligations	48	9. Master	118
The Charterers shall provide and pay for all fuel oil, port charges, pilotages (whether compulsory or not), canal steersmen, boatage, lights, tug-assistance, consular charges (except those pertaining to the Master, officers and crew), canal, dock and other dues and charges, including any foreign general municipality or state taxes, also all dock, harbour and tonnage dues at the ports of delivery and re-delivery (unless incurred through cargo carried before delivery or after re-delivery), agencies, commissions, also shall arrange and pay for loading, trimming, stowing (including dunnage and shifting boards, excepting any already on board), unloading, weighing, tallying and delivery of cargoes, surveys on hatches, meals supplied to officials and men in their service and all other charges and expenses whatsoever including detention and expenses through quarantine (including cost of fumigation and disinfection). All ropes, slings and special runners actually used for loading	49	The Master shall prosecute all voyages with the utmost despatch and shall render customary assistance with the Vessel's crew. The Master shall be under the orders of the Charterers as regards employment, agency, or other arrangements. The Charterers shall indemnify the Owners against all consequences or liabilities arising from the Master, officers or Agents signing Bills of Lading or other documents or otherwise complying with such orders, as well as from any irregularity in the Vessel's papers or for overcarrying goods. The Owners shall not be responsible for shortage, mixture, marks, nor for number of pieces or packages, nor for damage to or claims on cargo caused by bad stowage or otherwise. If	119
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PART II
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the Charterers have reason to be dissatisfied with the	132	able on account of ice to reach the place or to get out	198
conduct of the Master or any officer, the Owners, on	133	after having completed loading or discharging. The	199
receiving particulars of the complaint, promptly to	134	Vessel shall not be obliged to force ice. If on account of	200
investigate the matter, and, if necessary and practicable,	135	ice the Master considers it dangerous to remain at the	201
to make a change in the appointments.	136	loading or discharging place for fear of the Vessel being	202
		frozen in and/or damaged, he has liberty to sail to a	203
10. Directions and Logs	137	convenient open place and await the Charterers' fresh	204
The Charterers shall furnish the Master with all	138	instructions. Unforeseen detention through any of above	205
instructions and sailing directions and the Master shall	139	causes shall be for the Charterers' account.	206
keep full and correct logs accessible to the Charterers	140		
or their Agents.	141		
11. Suspension of Hire etc.	142	15. Loss of Vessel	207
(A) In the event of drydocking or other necessary	143	Should the Vessel be lost or missing, hire shall cease	208
measures to maintain the efficiency of the Vessel,	144	from the date when she was lost. If the date of loss	209
deficiency of men or Owners' stores, breakdown of	145	cannot be ascertained half hire shall be paid from the	210
machinery, damage to hull or other accident, either	146	date the Vessel was last reported until the calculated	211
hindering or preventing the working of the Vessel and	147	date of arrival at the destination. Any hire paid in advance	212
continuing for more than twenty-four consecutive hours,	148	shall be adjusted accordingly.	213
no hire shall be paid in respect of any time lost thereby	149		
during the period in which the Vessel is unable to perform	150	16. Overtime	214
the service immediately required. Any hire paid in	151	The Vessel shall work day and night if required. The	215
advance shall be adjusted accordingly.	152	Charterers shall refund the Owners their outlays for all	216
(B) In the event of the Vessel being driven into port or to	153	overtime paid to officers and crew according to the hours	217
anchorage through stress of weather, trading to shallow	154	and rates stated in the Vessel's articles.	218
harbours or to rivers or ports with bars or suffering an	155		
accident to her cargo, any detention of the Vessel and/or	156	17. Lien	219
expenses resulting from such detention shall be for the	157	The Owners shall have a lien upon all cargoes and	220
Charterers' account even if such detention and/or	158	sub-freights belonging to the Time-Charterers and any	221
expenses, or the cause by reason of which either is	159	Bill of Lading freight for all claims under this Charter,	222
incurred, be due to, or be contributed to by, the	160	and the Charterers shall have a lien on the Vessel for all	223
negligence of the Owners' servants.	161	moneys paid in advance and not earned.	224
12. Responsibility and Exemption	162	18. Salvage	225
The Owners only shall be responsible for delay in	163	All salvage and assistance to other vessels shall be for	226
delivery of the Vessel or for delay during the currency of	164	the Owners' and the Charterers' equal benefit after	227
the Charter and for loss or damage to goods onboard, if	165	deducting the Master's, officers' and crew's proportion	228
such delay or loss has been caused by want of due	166	and all legal and other expenses including hire paid	229
diligence on the part of the Owners or their Manager in	167	under the charter for time lost in the salvage, also repairs	230
making the Vessel seaworthy and fitted for the voyage	168	of damage and fuel oil consumed. The Charterers shall	231
or any other personal act or omission or default of the	169	be bound by all measures taken by the Owners in order	232
Owners or their Manager. The Owners shall not be	170	to secure payment of salvage and to fix its amount.	233
responsible in any other case nor for damage or delay	171		
whatsoever and howsoever caused even if caused by	172	19. Sublet	234
the neglect or default of their servants. The Owners shall	173	The Charterers shall have the option of subletting the	235
not be liable for loss or damage arising or resulting	174	Vessel, giving due notice to the Owners, but the original	236
from strikes, lock-outs or stoppage or restraint of labour	175	Charterers shall always remain responsible to the	237
(including the Master, officers or crew) whether partial	176	Owners for due performance of the Charter.	238
or general. The Charterers shall be responsible for loss	177		
or damage caused to the Vessel or to the Owners by	178	20. War ("Conwartime 1993")	239
goods being loaded contrary to the terms of the Charter	179	(A) For the purpose of this Clause, the words:	240
or by improper or careless bunkering or loading, stowing	180	(i) "Owners" shall include the shipowners, bareboat	241
or discharging of goods or any other improper or	181	charterers, disponent owners, managers or other	242
negligent act on their part or that of their servants.	182	operators who are charged with the management of the	243
		Vessel, and the Master; and	244
		(ii) "War Risks" shall include any war (whether actual or	245
		threatened), act of war, civil war, hostilities, revolution,	246
		rebellion, civil commotion, warlike operations, the laying	247
		of mines (whether actual or reported), acts of piracy,	248
		acts of terrorists, acts of hostility or malicious damage,	249
		blockades (whether imposed against all vessels or	250
		imposed selectively against vessels of certain flags or	251
		ownership, or against certain cargoes or crews or	252
		otherwise howsoever), by any person, body, terrorist or	253
		political group, or the Government of any state	254
		whatsoever, which, in the reasonable judgement of the	255
		Master and/or the Owners, may be dangerous or are	256
		likely to be or to become dangerous to the Vessel, her	257
		cargo, crew or other persons on board the Vessel.	258
		(B) The Vessel, unless the written consent of the Owners	259
		be first obtained, shall not be ordered to or required to	260
		continue to or through, any port, place, area or zone	261
		(whether of land or sea), or any waterway or canal, where	262
13. Advances	183		
The Charterers or their Agents shall advance to the	184		
Master, if required, necessary funds for ordinary	185		
disbursements for the Vessel's account at any port	186		
charging only interest at 6 per cent. p.a., such advances	187		
shall be deducted from hire.	188		
14. Excluded Ports	189		
The Vessel shall not be ordered to nor bound to enter:	190		
(A) any place where fever or epidemics are prevalent or	191		
to which the Master, officers and crew by law are not	192		
bound to follow the Vessel;	193		
(B) any ice-bound place or any place where lights,	194		
lightships, marks and buoys are or are likely to be	195		
withdrawn by reason of ice on the Vessel's arrival or	196		
where there is risk that ordinarily the Vessel will not be	197		

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it appears that the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Master and/or the Owners, may be, or are likely to be, exposed to War Risks. Should the Vessel be within any such place as aforesaid, which only becomes dangerous, or is likely to be or to become dangerous, after her entry into it, she shall be at liberty to leave it.

(C) The Vessel shall not be required to load contraband cargo, or to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent's right of search and/or confiscation.

(D) (i) The Owners may effect war risks insurance in respect of the Hull and Machinery of the Vessel and their other interests (including, but not limited to, loss of earnings and detention, the crew and their Protection and Indemnity Risks), and the premiums and/or calls therefor shall be for their account.

(ii) If the Underwriters of such insurance should require payment of premiums and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within, any area or areas which are specified by such Underwriters as being subject to additional premiums because of War Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as the next payment of hire is due.

(E) If the Owners become liable under the terms of employment to pay to the crew any bonus or additional wages in respect of sailing into an area which is dangerous in the manner defined by the said terms, then such bonus or additional wages shall be reimbursed to the Owners by the Charterers at the same time as the next payment of hire is due.

(F) The Vessel shall have liberty:-

(i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which are given by the Government of the Nation under whose flag the Vessel sails, or other Government to whose laws the Owners are subject, or any other Government, body or group whatsoever acting with the power to compel compliance with their orders or directions;

(ii) to comply with the order, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;

(iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of the European Community, the effective orders of any other Supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement;

(iv) to divert and discharge at any other port any cargo or part thereof which may render the Vessel liable to confiscation as a contraband carrier;

(v) to divert and call at any other port to change the crew or any part thereof or other persons on board the Vessel when there is reason to believe that they may be subject to internment, imprisonment or other sanctions.

(G) If in accordance with their rights under the foregoing provisions of this Clause, the Owners shall refuse to proceed to the loading or discharging ports, or any one or more of them, they shall immediately inform the Charterers. No cargo shall be discharged at any alternative port without first giving the Charterers notice of the Owners' intention to do so and requesting them to nominate a safe port for such discharge. Failing such nomination by the Charterers within 48 hours of the receipt of such notice and request, the Owners may discharge the cargo at any safe port of their own choice.

(H) If in compliance with any of the provisions of sub-clauses (B) to (G) of this Clause anything is done or not done, such shall not be deemed a deviation, but shall be considered as due fulfilment of this Charter.

21. Cancelling

Should the Vessel not be delivered by the date indicated in Box 22, the Charterers shall have the option of cancelling. If the Vessel cannot be delivered by the cancelling date, the Charterers, if required, shall declare within 48 hours after receiving notice thereof whether they cancel or will take delivery of the Vessel.

22. Dispute Resolution

(A) This Charter shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Charter shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.

The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

(B) This Charter shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.

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In cases where neither the claim nor any counterclaim exceeds the sum of US\$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	403 404 405 406 407 408	necessary to protect its interest.	445
*) (C) This Charter shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Charter shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	409 410 411 412 413 414	(v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.	446 447 448 449 450
(D) Notwithstanding (A), (B) or (C) above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Charter.	415 416 417 418	(vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.	451 452 453 454
In the case of a dispute in respect of which arbitration has been commenced under (A), (B) or (C) above, the following shall apply:-	419 420 421	(vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.	455 456 457 458 459
(i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.	422 423 *) 424 425 426	(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)	460 461
(ii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.	427 428 429 430 431 432 433 434 435 436 437 438	(E) If Box 23 in Part I is not appropriately filled in, sub-clause (A) of this Clause shall apply. Sub-clause (D) shall apply in all cases.	462 463 464
(iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.	439 440 441 442	*) (A), (B) and (C) are alternatives; indicate alternative agreed in Box 23.	465 466
(iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers	443 444	23. General Average	467
		General Average shall be settled according to York/ Antwerp Rules, 1994 and any subsequent modification thereof. Hire shall not contribute to General Average.	468 469 470
		24. Commission	471
		The Owners shall pay a commission at the rate stated in Box 24 to the party mentioned in Box 24 on any hire paid under the Charter, but in no case less than is necessary to cover the actual expenses of the Brokers and a reasonable fee for their work. If the full hire is not paid owing to breach of Charter by either of the parties the party liable therefor shall indemnify the Brokers against their loss of commission. Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of commission but in such case the commission not to exceed the brokerage on one year's hire.	472 473 474 475 476 477 478 479 480 481 482 483

DRAFT COPY

VOYAGE CHARTER PARTY
 LONDON, 20

PREAMBLE

IT IS THIS DAY AGREED between 1
 of (hereinafter referred to as "Owners"), being owners /disponent owners of the 2
 motor/steam tank vessel called with an IMO number of 3
 (hereinafter referred to as "the vessel") 4
 and of 5
 (hereinafter referred to as "Charterers"): 6
 that the service for which provision is herein made shall be subject to the terms and conditions of this Charter which includes Part I, 7
 Part II and Part III. In the event of any conflict between the provisions of Part I, Part II and Part III hereof, the provisions of Part I shall prevail. 8
 9

PART I

(A) Description of vessel	(I) Owners warrant that at the date hereof, and from the time when the obligation to proceed to the loadport(s) attaches, the vessel	11 12
	(i) Is classed	13
	(ii) (a) Has a deadweight of tonnes (1000 kg) on a salt-water draft on assigned summer freeboard of m. and if applicable,	14 15
	(b) Has on board documentation showing the following additional drafts and deadweights	16
	(iii) Has capacity for cargo of m ³	17
	(iv) Is fully fitted with heating systems for all cargo tanks capable of maintaining cargo at a temperature of up to degrees Celsius and can accept a cargo temperature on loading of up to a maximum of degrees Celcius.	18 19
	(v) Has tanks coated as follows:	20
	(vi) Is equipped with cranes/derricks capable of lifting to and supporting at the vessel's port and starboard manifolds submarine hoses of up to tonnes (1000 kg) in weight.	21 22
	(vii) Can discharge a full cargo (whether homogenous or multi grade) either within 24 hours, or can maintain a back pressure of 100 PSI at the vessel's manifold and Owners warrant such minimum performance provided receiving facilities permit and subject always to the obligation of utmost despatch set out in Part II, clause 3 (1). The discharge warranty shall only be applicable provided the kinematic viscosity does not exceed 600 centistokes at the discharge temperature required by Charterers. If the kinematic viscosity only exceeds 600 centistokes on part of the cargo or particular grade(s) then the discharge warranty shall continue to apply to all other cargo/grades.	23 24 25 26 27 28
	(viii) Has or will have carried, for the named Charterers, the following three cargoes (all grades to be identified) immediately prior to loading under this Charter:- Last Cargo/charterer 2 nd Last Cargo/charterer 3 rd Last Cargo/charterer	29 30 31 32 33
	(ix) Has a crude oil washing system complying with the requirements of the International Convention for the Prevention of Pollution from Ships 1973 as modified by the Protocol of 1978 ("MARPOL 73/78").	34 35
	(x) Has an operational inert gas system and is equipped for and able to carry out closed sampling/ullaging/loading and discharging operations in full compliance with the International Safety Guide for Oil Tankers and Terminals ("ISGOTT") guidelines current at the date of this Charter.	36 37 38
	(xi) Has on board all papers and certificates required by any applicable law, in force as at the date of this Charter, to enable the vessel to perform the charter service without any delay.	39 40

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	(xii)	Is entered in the	P&I Club, being a member of the International Group of P&I Clubs.	41
	(xiii)	Has in full force and effect Hull and Machinery insurance placed through reputable Brokers on Institute Time Clauses-Hull dated	for the value of	42 43
	(xiv)	Complies with the latest edition of the Oil Companies International Marine Forum (“OCIMF”) standards for oil tankers’ manifolds and associated equipment applicable to its size for cargo manifolds and vapour recovery systems.		44 45
	(xv)	Is equipped to comply with, and is operated in accordance with, and has on board, the latest edition of the International Chamber of Shipping (“ICS”) and/or OCIMF guidelines / publications covering:		46 47
		(a) Ship to Ship Operations		48
		(b) ISGOTT		49
		(c) Clean Seas Guide for Oil Tankers		50
		(d) Bridge Procedure Guide		51
	(II)	Throughout the charter service, Owners shall ensure that the vessel shall be maintained, or that they take all steps necessary to promptly restore vessel to be, within the description in <u>Part I clause (A)(I)</u> and any questionnaires requested by Charterers or within information provided by Owners.		52 53 54
	(III)	Owners warrant that any information provided on any Questionnaire(s) requested by Charterers or any other vessel information/details provided by Owners to Charterers is always complete and correct as at the date hereof, and from the time when the obligation to proceed to the loadport attaches and throughout the charter service. This information is an integral part of this Charter but if there is any conflict between the contents of the Questionnaire(s), or information provided by Owners, and any other provisions of this Charter then such other provisions shall govern.		55 56 57 58 59
(B) Position/ Readiness	Now	Expected ready to load		60
		In addition to the above details on the position of the vessel Owners will advise Charterers of the known programme, including any contractual options available to the Charterers in <u>Part I clause (A)(I)</u> (viii) above between current position up to expected ready to load date at Charterers nominated or indicated first load port/area. Owners will not, unless with Charterers’ prior consent, negotiate or enter into any business or give current Charterers any further options that may affect or alter the programme of the vessel as given in this clause.		61 62 63 64 65
(C) Laydays	Commencing Noon Local Time on	(Commencement Date)		66
	Terminating Noon Local Time on	(Termination Date)		67
(D) Loading port(s)/ Range				68
(E) Discharging port(s)/ Range				69
(F) Cargo description	Charterers' option			70
		Owners warrant that where different grades of cargo are carried pursuant to this Part I clause (F), they will be kept in complete segregation from each other during loading, transit, and discharge, to include the use of different pumps/lines for each grade. If, however, Charterers so require it, the vessel may be required to:		71 72 73
		(a) co-mingle different grades of cargo providing such grades fall within the cargo description set out in this Part I clause (F);		74
		(b) otherwise breach the vessel's natural segregation;		75
		(c) add dye to the cargo after loading, and/or		76
		(d) carry out such other cargo operations as Charterers may reasonably require as long as the vessel is capable of such operations		77
		provided that the Charterers will indemnify Owners for any loss damage delay or expense caused by following Charterers’ instructions, except to the extent that such loss damage delay or expense could have been avoided by the exercise of due diligence by Owners.		78 79 80
(G) Freight rate	At	% of the rate for the voyage as provided for in the New Worldwide Tanker Nominal Freight Scale current at the date of commencement of loading (hereinafter referred to as "Worldscale") per ton (2240 lbs)/tonne (1000 Kg) or, if agreed, the following lumpsum amount(s)/or freight per tonne for named load and discharge area(s)/port(s) combinations		81 82 83

(H) Freight payable to		84
(I) Laytime	running hours	85
(J) Demurrage per day (or pro rata)		86
(K) ETAs	All radio/telex/e-mail messages sent by the master to Charterers shall be addressed to	87
	All telexes must begin with the vessel name at the start of the subject line (no inverted commas, or use of MT / SS preceding the vessel name)	88 89
(L) Speed	The vessel shall perform the ballast passage with utmost despatch and the laden passage at knots weather and safe navigation permitting a consumption of tonnes of Fueloil (state grade) per day.	90 91
	Charterers shall have the option to instruct the vessel to increase speed with Charterers reimbursing Owners for the additional bunkers consumed, at replacement cost.	92 93
	Charterers shall also have the option to instruct the vessel to reduce speed on laden passage. Additional voyage time caused by such instructions shall count against laytime or demurrage, if on demurrage, and the value of any bunkers saved shall be deducted from any demurrage claim Owners may have under this Charter with the value being calculated at original purchase price.	94 95 96
	Owners shall provide documentation to fully support the claims and calculations under this clause.	97
(M) Worldscale	Worldscale Terms and Conditions apply / do not apply to this Charter. [delete as applicable]	98
(N) Casualty/ Accident contacts	In the event of an accident / marine casualty involving the vessel, Owners' technical managers can be contacted on a 24 hour basis as follows:	99
	Company Full Name:	100 101
	Contact Person:	102
	Full Address:	103
	Telephone Number:	104
	Fax Number:	105
	Telex Number:	106
	Email Address:	107
	24 Hour Emergency Telephone number:	108
(O) Special provisions		109
Signatures	IN WITNESS WHEREOF, the parties have caused this Charter consisting of the Preamble, Parts I, II and III to be executed as of the day and year first above written.	110 111
	By	112
	By	113

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Condition of vessel	1. Owners shall exercise due diligence to ensure that from the time when the obligation to proceed to the loading port(s) attaches and throughout the charter service -	1
	(a) the vessel and her hull, machinery, boilers, tanks, equipment and facilities are in good order and condition and in every way equipped and fit for the service required; and	2
	(b) the vessel has a full and efficient complement of master, officers and crew and the senior officers shall be fully conversant in spoken and written English language	3
	and to ensure that before and at the commencement of any laden voyage the vessel is in all respects fit to carry the cargo specified in Part I clause (F). For the avoidance of doubt, references to equipment in this Charter shall include but not be limited to computers and computer systems, and such equipment shall (inter alia) be required to continue to function, and not suffer a loss of functionality and accuracy (whether logical or mathematical) as a result of the run date or dates being processed.	4
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Cleanliness of tanks	2. Whilst loading, carrying and discharging the cargo the master shall at all times keep the tanks, lines and pumps of the vessel always clean for the cargo. Unless otherwise agreed between Owners and Charterers the vessel shall present for loading with cargo tanks ready and, subject to the following paragraphs, if vessel is fitted with Inert Gas System (“IGS”), fully inerted.	12
	Charterers shall have the right to inspect vessel’s tanks prior to loading and the vessel shall abide by Charterers’ instructions with regard to tank or tanks which the vessel is required to present ready for entry and inspection. If Charterer’s inspector is not satisfied with the cleanliness of the vessel’s tanks, Owners shall clean them in their time and at their expense to the satisfaction of Charterers’ inspector, provided that nothing herein shall affect the responsibilities and obligations of the master and Owners in respect of the loading, carriage and care of cargo under this Charter nor prejudice the rights of Charterers, should any contamination or damage subsequently be found, to contend that the same was caused by inadequate cleaning and/or some breach of this or any other clause of this Charter.	13
	Notwithstanding that the vessel, if equipped with IGS, shall present for loading with all cargo tanks fully inerted, any time used for de-inerting (provided that such de-inerting takes place after laytime or demurrage time has commenced or would, but for this clause, have commenced) and/or re-inerting those tanks that at Charterers’ specific request were gas freed for inspection, shall count as laytime or if on demurrage as demurrage, provided the tank or tanks inspected are found to be suitable. In such case Charterers will reimburse Owners for bunkers consumed for de-inerting/re-inerting, at replacement cost.	14
	If the vessel’s tanks are inspected and rejected, time used for de-inerting shall not count towards laytime or demurrage, and laytime or demurrage time shall not commence or recommence, as the case may be, until the tanks have been re-inspected, approved by Charterers’ inspector, and re-inerted.	15
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Voyage	3. (1) Subject to the provisions of this Charter the vessel shall perform her service with utmost despatch and shall proceed to such berths as Charterers may specify, in any port or ports within Part I clause (D) nominated by Charterers, or so near thereto as she may safely get and there, always safely afloat, load the cargo specified in Part I clause (F) of this Charter, but not in excess of the maximum quantity consistent with the International Load Line Convention for the time being in force and, being so loaded, proceed as ordered on signing bills of lading to such berths as Charterers may specify, in any port or ports within Part I clause (E) nominated by Charterers, or so near thereto as she may safely get and there, always safely afloat, discharge the cargo.	33
	Charterers shall nominate loading and discharging ports, and shall specify loading and discharging berths and, where loading or discharging is interrupted, shall provide fresh orders in relation thereto.	34
	In addition Charterers shall have the option at any time of ordering the vessel to safe areas at sea for wireless orders. Any delay or deviation arising as a result of the exercise of such option shall be compensated by Charterers in accordance with the terms of Part II clause 26 (1).	35
	(2) Owners shall be responsible for and indemnify Charterers for any time, costs, delays or loss including but not limited to use of laytime, demurrage, deviation expenses, replacement tonnage, lightening costs and associated fees and expenses due to any failure whatsoever to comply fully with Charterers’ voyage instructions and clauses in this Charter which specify requirements concerning Voyage Instructions and/ or Owners’/masters’ duties including, without limitation to the generality of the foregoing, loading more cargo than permitted under the International Load Line Convention, for the time being in force, or for not leaving sufficient space for expansion of cargo or loading more or less cargo than Charterers specified or for not loading/discharging in accordance with Charterers’ instructions regarding the cargo quantity or draft requirements.	36
	This clause 3(2) shall have effect notwithstanding the provision of Part II clause 32 (a) of this Charter or Owners’ defences under the Hague-Visby Rules.	37
	(3) Owners shall always employ pilots for berthing and unberthing of vessels at all ports and/or berths under this Charter unless prior exemption is given by correct and authorised personnel. Owners to confirm in writing if they have been exempt from using a pilot and provide Charterers with the details, including but not limited to, the authorising organisation with person’s name.	38
	(4) Without prejudice to the provisions of sub-clause (2) of this clause, and unless a specific prior agreement exists, if a conflict arises between terminal orders and Charterers’ voyage instructions, the master shall stop cargo operations, and/or other operations under dispute, and contact Charterers immediately. Terminal orders shall never	39
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	supersede Charterers’ voyage instructions and any conflict shall be resolved prior to resumption of cargo, or other, operations in dispute. Where such a conflict arises the vessel shall not sail from the port or resume cargo operations, and/or other operations under dispute, until Charterers have directed the vessel to do so.	62 63 64
	Time spent resolving the vessel/terminal conflict will count as laytime or demurrage except that failure of Owners/master to comply with the procedure set forth above shall result in the deduction from laytime or demurrage time of the time used in resolving the vessel/terminal instruction conflict	65 66 67
	(5) In this Charter, "berth" means any berth, wharf, dock, anchorage, submarine line, a position alongside any vessel or lighter or any other loading or discharging point whatsoever to which Charterers are entitled to order the vessel hereunder, and "port" means any port or location at sea to which the vessel may proceed in accordance with the terms of this Charter.	68 69 70 71
Safe berth	4. Charterers shall exercise due diligence to order the vessel only to ports and berths which are safe for the vessel and to ensure that transshipment operations conform to standards not less than those set out in the latest edition of ICS/OCIMF Ship-to-Ship Transfer Guide (Petroleum). Notwithstanding anything contained in this Charter, Charterers do not warrant the safety of any port, berth or transshipment operation and Charterers shall not be liable for loss or damage arising from any unsafety if they can prove that due diligence was exercised in the giving of the order or if such loss or damage was caused by an act of war or civil commotion within the trading areas defined in Part I clauses (D/E).	72 73 74 75 76 77 78
Freight	5. (1) Freight shall be earned concurrently with delivery of cargo at the nominated discharging port or ports and shall be paid by Charterers to Owners without any deductions, except as may be required in the Singapore Income Tax Act and/or under Part II clause 48 and/or under clause 55 and/or under Part III clause 4(a), in United States Dollars at the rate(s) specified in Part I clause (G) on the gross bill of lading quantity as furnished by the shipper (subject to Part II clauses 8 and 40), upon receipt by Charterers of notice of completion of final discharge of cargo, provided that no freight shall be payable on any quantity in excess of the maximum quantity consistent with the International Load Line Convention for the time being in force. If the vessel is ordered to proceed on a voyage for which a fixed differential is provided in <i>Worldscale</i> , such fixed differential shall be payable without applying the percentage referred to in Part I clause (G). If cargo is carried between ports and/or by an agreed route for which no freight rate is expressly quoted in <i>Worldscale</i> , then the parties shall, in the absence of agreement as to the appropriate freight rate, apply to <i>Worldscale Association (London) Ltd.</i> , or <i>Worldscale Association (NYC) Inc.</i> , for the determination of an appropriate <i>Worldscale</i> freight rate. If Owners or master unilaterally elect to proceed by a route that is different to that specified in <i>Worldscale</i> , or different to a route agreed between Owners and Charterers, freight shall always be paid in accordance with the <i>Worldscale</i> rate as published or in accordance with any special rate applicable for the agreed route. Save in respect of the time when freight is earned, the location of any transshipment at sea pursuant to Part II clause 26(2) shall not be an additional nominated port, unless otherwise agreed, for the purposes of this Charter (including this clause 5) and the freight rate for the voyage shall be the same as if such transshipment had not taken place. (2) If the freight in Part I clause (G) is a lumpsum amount and such lumpsum freight is connected with a specific number of load and discharge ports given in Part I clause (L) and Owners agree that Charterers may order the vessel to additional load and/or discharge ports not covered by the agreed lumpsum freight, the following shall apply: (a) the first load port and the final discharge port shall be deemed to be the port(s) that form the voyage and on which the lumpsum freight included in Part I clause (G) refers to; (b) freight for such additional ports shall be calculated on basis of deviation. Deviation shall be calculated on the difference in distance between the specified voyage (for which freight is agreed) and the voyage actually performed. <i>BP Shipping Marine Distance Tables (2004)</i> , produced by <i>AtoBriac</i> shall be used in both cases. Deviation time/bunker consumption shall be calculated using the charter speed and bunker consumption as per the speed and consumptions given in Part I clause(L) of this Charter. Deviation time and time spent in port shall be charged at the demurrage rate in Part I clause (J) of this Charter except that time used in port which would otherwise qualify for half rate laytime and/or demurrage under Part II clause (15) (2) of this Charter will be charged at half rate. Additional bunkers consumed shall be paid at replacement cost, and actual port costs shall be paid as incurred. Such deviation costs shall be paid against Owners’ fully documented claim.	79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115
Claims, dues and other charges	6. (1) Dues and other charges upon the vessel, including those assessed by reference to the quantity of cargo loaded or discharged, and any taxes on freight whatsoever shall be paid by Owners, and dues and other charges upon the cargo shall be paid by Charterers. However, notwithstanding the foregoing, where under a provision of <i>Worldscale</i> a due or charge is expressly for the account of Owners or Charterers then such due or charge shall be payable in accordance with such provision. (2) Any costs including those itemised under applicable “ <i>Worldscale</i> ” as being for Charterers’ account shall,	116 117 118 119 120 121

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	unless otherwise instructed by Charterers, be paid by Owners and reimbursed by Charterers against Owners' fully documented claim.	122
	(3) Charterers shall be discharged and released from all liability in respect of any charges/claims (other than demurrage and Worldscales charges/dues and indemnity claims) including but not limited to additional bunkers, detention, deviation, shifting, heating, deadfreight, speed up, slow down, drifting, port costs, additional freight, insurance, Owner may send to Charterers under this Charter unless any such charges/claims have been received by Charterer in writing, fully and correctly documented, within ninety (90) days from completion of discharge of the cargo concerned under this Charter. Part II clause 15 (3) of this Charter covers the notification and fully documented claim procedure for demurrage.	123
	(4) If, after disconnection of hoses, the vessel remains at berth for vessel's purposes, Owners shall be responsible for all direct and indirect costs whether advised to Owners in advance or not, and including charges by Terminal/Suppliers/Receivers.	124
Loading and discharging cargo	7. The cargo shall be loaded into the vessel at the expense of Charterers and, up to the vessel's permanent hose connections, at Charterers' risk. The cargo shall be discharged from the vessel at the expense of Owners and, up to the vessel's permanent hose connections, at Owners' risk. Owners shall, unless otherwise notified by Charterers or their agents, supply at Owners' expense all hands, equipment and facilities required on board for mooring and unmooring and connecting and disconnecting hoses for loading and discharging.	125
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Deadfreight	8. Charterers need not supply a full cargo, but if they do not freight shall nevertheless be paid as if the vessel had been loaded with a full cargo.	134
	The term "full cargo" as used throughout this Charter means a cargo which, together with any collected washings (as defined in Part II clause 40) retained on board pursuant to the requirements of MARPOL 73/78, fills the vessel to either her applicable deadweight or her capacity stated in Part I clause (A) (I) (iii), whichever is less, while leaving sufficient space in the tanks for the expansion of cargo. If under Part I clause (F) vessel is chartered for a minimum quantity and the vessel is unable to load such quantity due to having reached her capacity as stated in Part I clause (A) (I) (iii), always leaving sufficient space for expansion of cargo, then without prejudice to any claims which Charterers may have against Owners, no deadfreight between the quantity loaded and the quantity shown in Part I clause (F) shall be due.	135
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Shifting	9. Charterers shall have the right to require the vessel to shift at ports of loading and/or discharging from a loading or discharging berth within port limits and/or to a waiting place inside or outside port limits and back to the same or to another such berth/place once or more often on payment of all additional expenses incurred. For the purposes of freight payment and shifting the places grouped in Port and Terminal Combinations in Worldscales are to be considered as berths within a single port. If at any time before cargo operations are completed it becomes dangerous for the vessel to remain at the specified berth as a result of wind or water conditions, Charterers shall pay all additional expenses of shifting from any such berth and back to that or any other specified berth within port limits (except to the extent that any fault of the vessel contributed to such danger).	139
	Subject to Part II clause 14(a) and (c) time spent shifting shall count against laytime or if the vessel is on demurrage for demurrage.	140
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Charterers' failure to give orders	10. If the vessel is delayed due to Charterers' breach of Part II clause 3 Charterers shall, subject to the terms hereof, compensate Owners in accordance with Part II clause 15(1) and (2) as if such delay were time exceeding the laytime. Such compensation shall be Owners' sole remedy in respect of such delay.	149
	The period of such delay shall be calculated:	150
	(i) from 6 hours after Owners notify Charterers that the vessel is delayed awaiting nomination of loading or discharging port until such nomination has been received by Owners, or	151
	(ii) from 6 hours after the vessel gives notice of readiness at the loading or discharging port until commencement of loading or discharging,	152
	as the case may be, subject always to the same exceptions as those set out in Part II clause 14. Any period of delay in respect of which Charterers pay compensation pursuant to this clause 10 shall be excluded from any calculation of time for laytime or demurrage made under any other clause of this Charter.	153
	Periods of delay hereunder shall be cumulative for each port, and Owners may demand compensation after the vessel has been delayed for a total of 20 running days, and thereafter after each succeeding 5 running days of delay and at the end of any delay. Each such demand shall show the period in respect of which compensation is claimed and the amount due. Charterers shall pay the full amount due within 14 days after receipt of Owners' demand. Should Charterers fail to make any such payments Owners shall have the right to terminate this Charter by giving written notice to Charterers or their agents, without prejudice to any claims which Charterers or Owners may have against each other under this Charter or otherwise.	154
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Laydays/ Termination	11. Should the vessel not be ready to load by noon local time on the termination date set out in Part I clause (C) Charterers shall have the option of terminating this Charter unless the vessel has been delayed due to Charterers' change of orders pursuant to Part II clause 26, in which case the laydays shall be extended by the period of such delay.	159
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	As soon as Owners become aware that the vessel will not be ready to load by noon on the termination date,	181
	Owners will give notice to Charterers declaring a new readiness date and ask Charterers to elect whether or not to terminate this Charter.	182
	Within 4 days after such notice, Charterers shall either:	183
	(i) declare this Charter terminated or	184
	(ii) confirm a revised set of laydays which shall be amended such that the new readiness date stated shall be the commencement date and the second day thereafter shall be the termination date or,	185
	(iii) agree a new set of laydays or an extension to the laydays mutually acceptable to Owners and Charterers	186
	The provisions of this clause and the exercise or non-exercise by Charterers of their option to terminate shall not prejudice any claims which Charterers or Owners may have against each other.	187
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Laytime	12. (1) The laytime for loading, discharging and all other Charterers' purposes whatsoever shall be the number of running hours specified in Part I clause (I). Charterers shall have the right to load and discharge at all times, including night, provided that they shall pay for all extra expenses incurred ashore.	191
	(2) If vessel is able to, and Charterers so instruct, the vessel shall load earlier than the commencement of laydays and Charterers shall have the benefit of such time saved by way of offset from any demurrage incurred. Such benefit shall be the time between commencement of loading until the commencement of the original laydays.	192
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Notice of readiness/ Running time	13. (1) Subject to the provisions of Part II clauses 13(3) and 14,	197
	(a) Time at each loading or discharging port shall commence to run 6 hours after the vessel is in all respects ready to load or discharge and written notice thereof has been tendered by the master or Owners' agents to Charterers or their agents and the vessel is securely moored at the specified loading or discharging berth. However, if the vessel does not proceed immediately to such berth time shall commence to run 6 hours after (i) the vessel is lying in the area where she was ordered to wait or, in the absence of any such specific order, in a usual waiting area and (ii) written notice of readiness has been tendered and (iii) the specified berth is accessible. A loading or discharging berth shall be deemed inaccessible only for so long as the vessel is or would be prevented from proceeding to it by bad weather, tidal conditions, ice, awaiting daylight, pilot or tugs, or port traffic control requirements (except those requirements resulting from the unavailability of such berth or of the cargo). If Charterers fail to specify a berth at any port, the first berth at which the vessel loads or discharges the cargo or any part thereof shall be deemed to be the specified berth at such port for the purposes of this clause.	198
	Notice shall not be tendered before commencement of laydays and notice tendered by radio shall qualify as written notice provided it is confirmed in writing as soon as reasonably possible.	199
	Time shall never commence before six hours after commencement of laydays unless loading commences prior to this time as provided in clause 13 (3).	200
	If Owners fail;	201
	(i) to obtain Customs clearance; and/or	202
	(ii) to obtain free pratique unless this is not customary prior to berthing; and/or	203
	(iii) to have on board all papers/certificates required to perform this Charter, either within the 6 hours after notice of readiness originally tendered or when time would otherwise normally commence under this Charter, then the original notice of readiness shall not be valid. A new notice of readiness may only be tendered when Customs clearance and/or free pratique has been granted and/or all papers/certificates required are in order in accordance with relevant authorities' requirements. Laytime or demurrage, if on demurrage, would then commence in accordance with the terms of this Charter. All time, costs and expenses as a result of delays due to any of the foregoing shall be for Owners' account.	204
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	(2) If the vessel loads or discharges cargo by transshipment at sea time shall commence in accordance with Part II clause 13 (I) (a), and run until transshipment has been completed and the vessels have separated, always subject to Part II clause 14.	234
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	(3) Notwithstanding anything else in this clause 13, if Charterers start loading or discharging the vessel before time would otherwise start to run under this Charter, time shall run from commencement of such loading or discharging.	237
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	(4) For the purposes of this clause 13 and of Part II clause 14 and Part II clause 15 "time" shall mean laytime	240

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	or time counting for demurrage, as the case may be.	241
Suspension of time	14. Time shall not count when:	242
	(a) spent on inward passage from the vessel's waiting area to the loading or discharging berth specified by Charterers, even if lightening occurred at such waiting area; or	243
	(b) spent in carrying out vessel operations, including but not limited to bunkering, discharging slops and tank washings, and handling ballast, except to the extent that cargo operations are carried on concurrently and are not delayed thereby; or	244
	(c) lost as a result of:	245
	(i) breach of this Charter by Owners; or	246
	(ii) any cause attributable to the vessel, (including but not limited to the warranties in Part I (A) of this Charter) including breakdown or inefficiency of the vessel; or	247
	(iii) strike, lock-out, stoppage or restraint of labour of master, officers or crew of the vessel or tug boats or pilot.	248
Demurrage	15. (1) Charterers shall pay demurrage at the rate specified in Part I clause (J).	249
	If the demurrage rate specified in Part I clause (J) is expressed as a percentage of Worldscale such percentage shall be applied to the demurrage rate applicable to vessels of a similar size to the vessel as provided in Worldscale or, for the purpose of clause 10 and/or if this Charter is terminated prior to the commencement of loading, in Worldscale current at the termination date specified in Part I clause (C).	250
	Demurrage shall be paid per running day or pro rata for part thereof for all time which, under the provisions of this Charter, counts against laytime or for demurrage and which exceeds the laytime specified in Part I clause (I). Charterers' liability for exceeding the laytime shall be absolute and shall not in any case be subject to the provisions of Part II clause 32.	251
	(2) If, however, all or part of such demurrage arises out of or results from fire or explosion or strike or failure/breakdown of plant and/or machinery at ports of loading and/or discharging in or about the plant of Charterers, shippers or consignees of the cargo (not being a fire or explosion caused by the negligence or wilful act or omission of Charterers, shippers or consignees of the cargo or their respective servants or agents), act of God, act of war, riot, civil commotion, or arrest or restraint of princes, rulers or peoples, the laytime used and/or the rate of demurrage shall be reduced by half for such laytime used and/or for such demurrage or such parts thereof.	252
	(3) Owners shall notify Charterers within 60 days after completion of discharge if demurrage has been incurred and any demurrage claim shall be fully and correctly documented, and received by Charterers, within 90 days after completion of discharge. If Owners fail to give notice of or to submit any such claim with documentation, as required herein, within the limits aforesaid, Charterers' liability for such demurrage shall be extinguished.	253
	(4) If any part cargo for other charterers, shippers or consignees (as the case may be) is loaded or discharged at the same berth, then any time used by the vessel waiting at or for such berth and in loading or discharging which would otherwise count as laytime or if the vessel is on demurrage for demurrage, shall be pro-rated in the proportion that Charterers' cargo bears to the total cargo to be loaded or discharged at such berth. If however, the running of laytime or demurrage, if on demurrage, is solely attributable to other parties' cargo operations then such time shall not count in calculating laytime or demurrage, if on demurrage, against Charterers under this Charter.	254
Vessel inspection	16. Charterers shall have the right, but no duty, to have a representative attend on board the vessel at any loading and/or discharging ports and the master and Owners shall co-operate to facilitate his inspection of the vessel and observation of cargo operations. However, such right, and the exercise or non-exercise thereof, shall in no way reduce the master's or Owners' authority over, or responsibility to Charterers and third parties for, the vessel and every aspect of her operation, nor increase Charterers' responsibilities to Owners or third parties for the same.	255
Cargo inspection	17. This clause 17 is without prejudice to Part II clause 2 hereof. Charterers shall have the right to require inspection of the vessel's tanks at loading and/or discharging ports to ascertain the quantity and quality of the cargo, water and residues on board. Depressurisation of the tanks to permit inspection and/or ullaging shall be carried out in accordance with the recommendations in the latest edition of the ISGOTT guidelines. Charterers shall also have the right to inspect and take samples from the bunker tanks and other non-cargo spaces. Any delay to the vessel caused by such inspection and measurement or associated depressurising/repressurising of tanks shall count against laytime, or if the vessel is on demurrage, for demurrage.	256
Cargo measurement	18. The master shall ascertain the contents of all tanks before and after loading and before and after discharging, and shall prepare tank-by-tank ullage reports of the cargo, water and residues on board which shall be promptly made available to Charterers or their representative if requested. Each such ullage report shall show actual ullage/dips, and densities at observed and standard temperature (15° Celsius). All quantities shall be expressed in cubic metres at both observed and standard temperature.	257
Inert gas	19. The vessel's inert gas system (if any) shall comply with Regulation 62, Chapter II-2 of the 1974 Safety of	258

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	Life at Sea Convention as modified by the Protocol of 1978, and any subsequent amendments, and Owners warrant that such system shall be operated (subject to the provisions of Part II clause 2), during loading, throughout the voyage and during discharge, and in accordance with the guidance given in the IMO publication "Inert Gas System (1983)". Should the inert gas system fail, Section 8 (Emergency Procedures) of the said IMO publication shall be strictly adhered to and time lost as a consequence of such failure shall not count against laytime or, if the vessel is on demurrage, for demurrage.	299 300 301 302 303 304
Crude oil washing	20. If the vessel is equipped for crude oil washing Charterers shall have the right to require the vessel to crude oil wash, concurrently with discharge, those tanks in which Charterers' cargo is carried. If crude oil washing is required by Charterers any additional discharge time thereby incurred, always subject to the next succeeding sentences, shall count against laytime or, if the vessel is on demurrage, for demurrage. The number of hours specified in Part I clause (A) (I) (vii) shall be increased by 0.6 hours per cargo tank washed, always subject to a maximum increase of 8 hours. If vessel fails to maintain 100 PSI throughout the discharge then any time over 24 hours, plus the additional discharge performance allowance under this clause, shall not count as laytime or demurrage, if on demurrage. This clause 20 does not reduce Owners' liability for the vessel to perform her service with utmost despatch as set out in Part II, clause 3(1). The master shall provide Charterers with a crude oil washing log identifying each tank washed, and stating whether such tank has been washed to the MARPOL minimum standard or has been the subject of additional crude oil washing and whether requested by Charterers or otherwise.	305 306 307 308 309 310 311 312 313 314 315
Overage insurance account	21. Any additional insurance on the cargo required because of the age of the vessel shall be for Owners' account.	316 317
Ice	22. The vessel shall not be required to force ice or to follow icebreakers. If the master finds that a nominated port is inaccessible due to ice, the master shall immediately notify Charterers requesting revised orders and shall remain outside the ice-bound area; and if after arrival at a nominated port there is danger of the vessel being frozen in, the vessel shall proceed to the nearest safe and ice free position and at the same time request Charterers to give revised orders. In either case if the affected port is: (i) the first or only loading port and no cargo has been loaded, Charterers shall either nominate another port, or give notice cancelling this Charter in which case they shall pay at the demurrage rate in Part I clause (J) for the time from the master's notification aforesaid or from notice of readiness on arrival, as the case may be, until the time such cancellation notice is given; (ii) a loading port and part of the cargo has been loaded, Charterers shall either nominate another port, or order the vessel to proceed on the voyage without completing loading in which case Charterers shall pay for any deadfreight arising therefrom; (iii) a discharging port, Charterers shall either nominate another port or order the vessel to proceed to or return to and discharge at the nominated port. If the vessel is ordered to proceed to or return to a nominated port, Charterers shall bear the risk of the vessel being damaged whilst proceeding to or returning to or at such port, and the whole period from the time when the master's request for revised orders is received by Charterers until the vessel can safely depart after completion of discharge shall count against laytime or, if the vessel is on demurrage, for demurrage. If, as a consequence of Charterers revising orders pursuant to this clause, the nominated port(s) or the number or rotation of ports is changed, freight shall nevertheless be paid for the voyage which the vessel would otherwise have performed had the orders not been so revised, such freight to be increased or reduced by the amount by which, as a result of such revision of orders, (a) the time used including any time awaiting revised orders (which shall be valued at the demurrage rate in Part I clause (J)), and (b) the bunkers consumed, at replacement cost and (c) the port charges for the voyage actually performed are greater or less than those that would have been incurred on the voyage which, but for the revised orders under this clause, the vessel would have performed.	318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346
Quarantine	23. Time lost due to quarantine shall not count against laytime or for demurrage unless such quarantine was in force at the time when the affected port was nominated by Charterers.	347 348
Agency	24. The vessel's agents shall be nominated by Charterers at nominated ports of loading and discharging. Such agents, although nominated by Charterers, shall be employed and paid by Owners.	349 350
Charterers' obligation at shallow draft port/ Lightening in port	25.(1) If the vessel, with the quantity of cargo then on board, is unable due to inadequate depth of water in the port safely to reach any specified discharging berth and discharge the cargo there always safely afloat, Charterers shall specify a location within port limits where the vessel can discharge sufficient cargo into vessels or lighters to enable the vessel safely to reach and discharge cargo at such discharging berth, and the vessel shall lighten at such location. (2) If the vessel is lightened pursuant to clause 25(1) then, for the purposes of the calculation	351 352 353 354 355 356

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	of laytime and demurrage, the lightening place shall be treated as the first discharging berth within the port where such lightening occurs.	357 358
Charterers' orders/ Change of orders/ Part cargo transshipment	<p>26. (1) If, after loading and/or discharging ports have been nominated, Charterers wish to vary such nominations or their rotation, Charterers may give revised orders subject to Part I clause (D) and/or (E), as the case may be. Charterers shall reimburse Owners at the demurrage rate provided in Part I clause (J) for any deviation or delay which may result therefrom and shall pay at replacement cost for any extra bunkers consumed. Charterers shall not be liable for any other loss or expense which is caused by such variation.</p> <p>(2) Subject to Part II clause 33(6), Charterers may order the vessel to load and/or discharge any part of the cargo by transshipment at sea in the vicinity of any nominated port or en route between two nominated ports, in which case unless Charterers elect, (which they may do at any time) to treat the place of such transshipment as a load or discharge port (subject to the number of ports and ranges in Part I clauses (D) and (E) of this Charter), Charterers shall reimburse Owners at the demurrage rate specified in Part I clause (J) for any additional steaming time and/or delay which may be incurred as a consequence of proceeding to and from the location at sea of such transshipment and, in addition, Charterers shall pay at replacement cost for any extra bunkers consumed.</p> <p>(3) Owners warrant that the vessel, master, officers and crew are, and shall remain during this Charter, capable of safely carrying out all the procedures in the current edition of the ICS/ OCIMF Ship to Ship Transfer Guide (Petroleum). Owners further warrant that when instructed to perform a ship to ship transfer the master Officers and crew shall, at all times, comply with such procedures. Charterers shall provide, and pay for, the necessary equipment and, if necessary, mooring master, for such ship to ship operation.</p>	359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375
Heating of cargo	<p>27. If Charterers require cargo heating the vessel shall, on passage to and whilst at discharging port(s), maintain the cargo at the loaded temperature or at the temperature stated in Part I clause (A) (I) (iv), whichever is the lower. Charterers may request that the temperature of the cargo be raised above or lowered below that at which it was loaded, in which event Owners shall use their best endeavours to comply with such request and Charterers shall pay at replacement cost for any additional bunkers consumed and any consequential delay to the vessel shall count against laytime or, if the vessel is on demurrage, for demurrage.</p>	376 377 378 379 380 381
ETA	<p>28. (1) Owners shall give Charterers a time and date of expected arrival at the first load port or if the loading range is in the Arabian Gulf, the time of her expected arrival off Quoin Island (hereinafter called "load port" in this clause) at the date of this Charter. Owners shall further advise Charterers at any time between the Charter date and arrival at load port of any variation of 6 hours or more in vessel's expected arrival time/date at the load port.</p> <p>(2) Owners undertake that, unless Charterers require otherwise, the master shall:</p> <p>(a) advise Charterers immediately on leaving the final port of call on the previous voyage of the time and date of the vessel's expected arrival at the first loading port and shall further advise Charterers 72, 48, 36, and 24 hours before the expected arrival time/date.</p> <p>(b) advise Charterers immediately after departure from the final loading port, of the vessel's expected time of arrival at the first discharging port or the area at sea to which the vessel has been instructed to proceed for wireless orders, and confirm or amend such advice not later than 72, 48, 36 and 24 hours before the vessel is due at such port or area;</p> <p>(c) advise Charterers immediately of any variation of more than six hours from expected times of arrival at loading or discharging ports, Quoin Island or such area at sea to Charterers;</p> <p>(d) address all messages as specified in Part I clause (K).</p> <p>Owners shall be responsible for any consequences or additional expenses arising as a result of non-compliance with this clause.</p> <p>(3) If at any time prior to the tender of notice of readiness at the first load port, the vessel ceases to comply with the description set out in Part I clause (A) and in any questionnaire(s), the Owners shall immediately notify Charterers of the same, providing full particulars, and explaining what steps Owners are taking to ensure that the vessel will so comply. Any silence or failure on the part of Charterers to respond to or any inaction taken in respect of any such notice shall not amount to a waiver of any rights or remedies which Charterers may have in respect of the matters notified by Owners.</p>	382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405
Packed cargo	<p>29. Charterers have the option of shipping products and/or general cargo in available dry cargo space, the Quantity being subject to the master's discretion. Freight shall be payable at the bulk rate in accordance with Part II clause 5 and Charterers shall pay in addition all expenses incurred solely as a result of the packed cargo being carried. Delay occasioned to the vessel by the exercise of such option shall count against laytime or, if the vessel is on demurrage, for demurrage.</p>	406 407 408 409 410
Subletting/ Assignment	<p>30. Charterers shall have the option of sub-chartering the vessel and/or of assigning this Charter to any person or persons, but Charterers shall always remain responsible for the due fulfilment of all the terms and conditions of this Charter. Additionally Charterers may novate this charter to any company of the Royal Dutch/ Shell Group of Companies.</p>	411 412 413 414

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Liberty	31. The vessel shall be at liberty to tow or be towed, to assist vessels in all positions of distress and to deviate for the purpose of saving life or property. On the laden voyage the vessel shall not take on bunkers or deviate or stop, except as allowed in this clause 31, without prior permission of Charterers, Cargo Insurers, and Owners' P&I Club.	415 416 417 418
Exceptions	32. (1) The vessel, her master and Owners shall not, unless otherwise in this Charter expressly provided, be liable for any loss or damage or delay or failure arising or resulting from any act, neglect or default of the master, pilots, mariners or other servants of Owners in the navigation or management of the vessel; fire, unless caused by the actual fault or privity of Owners; collision or stranding; dangers and accidents of the sea; explosion, Bursting of boilers, breakage of shafts or any latent defect in hull, equipment or machinery; provided, however, that Part I clause (A) and Part II clauses 1 and 2 hereof shall be unaffected by the foregoing. Further, neither the vessel, her master or Owners, nor Charterers shall, unless otherwise in this Charter expressly provided, be liable for any loss or damage or delay or failure in performance hereunder arising or resulting from act of God, act of war, act of public enemies, seizure under legal process, quarantine restrictions, strikes, lock-outs, restraints of labour, riots, civil commotions or arrest or restraint of princes, rulers or people. (2) Nothing in this Charter shall be construed as in any way restricting, excluding or waiving the right of Owners or of any other relevant persons to limit their liability under any available legislation or law. (3) Clause 32(1) shall not apply to or affect any liability of Owners or the vessel or any other relevant person in respect of (a) loss or damage caused to any berth, jetty, dock, dolphin, buoy, mooring line, pipe or crane or other works or equipment whatsoever at or near any port to which the vessels may proceed under this Charter, whether or not such works or equipment belong to Charterers, or (b) any claim (whether brought by Charterers or any other person) arising out of any loss of or damage to or in connection with the cargo. Any such claim shall be subject to the Hague-Visby Rules or the Hague Rules, or the Hamburg Rules as the case may be, which ought pursuant to Part II clause 37 hereof to have been incorporated in the relevant bill of lading (whether or not such Rules were so incorporated) or, if no such bill of lading is issued, to the Hague-Visby rules unless the Hamburg Rules compulsory apply in which case to the Hamburg Rules.	419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443
Bills of lading	33. (1) Subject to the provisions of this clause Charterers may require the master to sign lawful bills of lading for any cargo in such form as Charterers direct. (2) The signing of bills of lading shall be without prejudice to this Charter and Charterers hereby indemnify Owners against all liabilities that may arise from signing bills of lading to the extent that the same impose liabilities upon Owners in excess of or beyond those imposed by this Charter. (3) All bills of lading presented to the master for signature, in addition to complying with the Requirements of Part II clauses 35, 36 and 37, shall include or effectively incorporate clauses substantially similar to the terms of Part II clauses 22, 33(7) and 34. (4) All bills of lading presented for signature hereunder shall show a named port of discharge. If when bills of lading are presented for signature discharging port(s) have been nominated hereunder, the discharging port(s) shown on such bills of lading shall be in conformity with the nominated port(s). If at the time of such presentation no such nomination has been made hereunder, the discharging port(s) shown on such bills of lading must be within Part I clause (E) and shall be deemed to have been nominated hereunder by virtue of such presentation. (5) Article III Rules 3 and 5 of the Hague-Visby Rules shall apply to the particulars included in the bills of lading as if Charterers were the shippers, and the guarantee and indemnity therein contained shall apply to the description of the cargo furnished by or on behalf of Charterers. (6) Notwithstanding any other provisions of this Charter, Owners shall be obliged to comply with any orders from Charterers to discharge all or part of the cargo provided that they have received from Charterers written confirmation of such orders. If Charterers by telex, facsimile or other form of written communication that specifically refers to this clause request Owners to discharge a quantity of cargo either: (a) without bills of lading and/or (b) at a discharge place other than that named in a bill of lading and/or (c) that is different from the bill of lading quantity then Owners shall discharge such cargo in accordance with Charterers' instructions in consideration of receiving the Following indemnity which shall be deemed to be given by Charterers on each and every such occasion and which is limited in value to 200 per cent of the C.I.F. value of the cargo on board: (i) Charterers shall indemnify Owners, and Owners' servants and agents in respect of any liability loss or damage of whatsoever nature (including legal costs as between attorney or solicitor and client and associated expenses) which Owners may sustain by reason of delivering such cargo in accordance with Charterers' request. (ii) If any proceeding is commenced against Owners or any of Owners' servants or agents in connection with the	444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475

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	vessel having delivered cargo in accordance with such request, Charterers shall provide Owners or any of Owners’ servants or agents from time to time on demand with sufficient funds to defend the said proceedings.	476 477
(iii)	If the vessel or any other vessel or property belonging to Owners should be arrested or detained, or if the arrest or detention thereof should be threatened, by reason of discharge in accordance with Charterers’ instruction as aforesaid, Charterers shall provide on demand such bail or other security as may be required to prevent such arrest or detention or to secure the release of such vessel or property and Charterers shall indemnify Owners in respect of any loss, damage or expenses caused by such arrest or detention whether or not the same may be justified.	478 479 480 481 482
(iv)	Charterers shall, if called upon to do so at any time while such cargo is in Charterers’ possession, custody or control, redeliver the same to Owners.	483 484
(v)	As soon as all original bills of lading for the above cargo which name as discharge port the place where delivery actually occurred shall have arrived and/or come into Charterers’ possession, Charterers shall produce and deliver the same to Owners, whereupon Charterers’ liability hereunder shall cease.	485 486 487
	Provided however, if Charterers have not received all such original bills of lading by 24.00 hours on the day 36 calendar months after the date of discharge, then this indemnity shall terminate at that time unless before that time Charterers have received from Owners written notice that:	488 489 490
(a)	some person is making a claim in connection with Owners delivering cargo pursuant to Charterers’ request or	491
(b)	legal proceedings have been commenced against Owners and/or carriers and/Charterers and/or any of their respective servants or agents and/or the vessel for the same reason.	492 493
	When Charterers have received such a notice, then this indemnity shall continue in force until such claim or legal proceedings are settled. Termination of this indemnity shall not prejudice any legal rights a party may have outside this indemnity.	494 495 496
(vi)	Owners shall promptly notify Charterers if any person (other than a person to whom Charterers ordered cargo to be delivered) claims to be entitled to such cargo and/or if the vessel or any other property belonging to Owners is arrested by reason of any such discharge of cargo.	497 498 499
(vii)	This indemnity shall be governed and construed in accordance with the English law and each and any dispute arising out of or in connection with this indemnity shall be subject to the jurisdiction of the High Court of Justice of England.	500 501 502
	(7) The master shall not be required or bound to sign bills of lading for any blockaded port or for any port which the master or Owners in his or their discretion consider dangerous or impossible to enter or reach.	503 504
	(8) Charterers hereby warrant that on each and every occasion that they issue orders under Part II clauses 22, 26, 34 or 38 they will have the authority of the holders of the bills of lading to give such orders, and that such bills of lading will not be transferred to any person who does not concur therein.	505 506 507
	(9) Owners hereby agree that original bill(s) of lading, if available, will be allowed to be placed on board.	508
	If original bill(s) of lading are placed on board, Owners agree that vessel will discharge cargo against such bill(s) of lading carried on board, on receipt of receivers’ proof of identity.	509 510
War risks	34.(1) If	511
	(a) any loading or discharging port to which the vessel may properly be ordered under the provisions of this Charter or bills of lading issued pursuant to this Charter be blockaded, or	512 513
	(b) owing to any war, hostilities, warlike operation, civil commotions, revolutions, or the operation of international law (i) entry to any such loading or discharging port or the loading or discharging of cargo at any such port be considered by the master or Owners in his or their discretion dangerous or prohibited or (ii) it be considered by the master or Owners in his or their discretion dangerous or impossible or prohibited for the vessel to reach any such loading or discharging port,	514 515 516 517 518
	Charterers shall have the right to order the cargo or such part of it as may be affected to be loaded or discharged at any other loading or discharging port within the ranges specified in Part I clause (D) or (E) respectively (provided such other port is not blockaded and that entry thereto or loading or discharging of cargo thereat or reaching the same is not in the master’s or Owners’ opinion dangerous or impossible or prohibited).	519 520 521 522
	(2) If no orders be received from Charterers within 48 hours after they or their agents have received from Owners a request for the nomination of a substitute port, then	523 524
	(a) if the affected port is the first or only loading port and no cargo has been loaded, this Charter shall terminate forthwith;	525 526
	(b) if the affected port is a loading port and part of the cargo has already been loaded, the vessel may proceed on passage and Charterers shall pay for any deadfreight so incurred;	527 528
	(c) if the affected port is a discharging port, Owners shall be at liberty to discharge the cargo at any port which they or the master may in their or his discretion decide on (whether within the range specified in Part I clause (E) or not) and such discharging shall be deemed to be due fulfilment of the contract or contracts of affreightment so far as cargo so discharged is concerned.	529 530 531 532
	(3) If in accordance with clause 34(1) or (2) cargo is loaded or discharged at any such other port, freight shall be paid as for the voyage originally nominated, such freight to be increased or reduced by the amount by which, as a result of loading or discharging at such other port,	533 534 535
	(a) the time on voyage including any time awaiting revised orders (which shall be valued at the demurrage rate in Part I clause (J)), and	536 537

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	(b) the bunkers consumed, at replacement cost, and	538
	(c) the port charges	539
	for the voyage actually performed are greater or less than those which would have been incurred on the voyage originally nominated save as aforesaid, the voyage actually performed shall be treated for the purpose of this Charter as if it were the voyage originally nominated.	540 541 542
	(4) The vessel shall have liberty to comply with any directions or recommendations as to departure, arrival, routes, ports of call, stoppages, destinations, zones, waters, delivery or in any otherwise whatsoever given by the government of the nation under whose flag the vessel sails or any other government or local authority including any de facto government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or authority or by any committee or person having under the terms of the war risks insurance on the vessel the right to give any such directions or recommendations. If by reason of or in compliance with any such directions or recommendations anything is done or is not done, such shall not be deemed a deviation.	543 544 545 546 547 548 549
	If, by reason of or in compliance with any such directions or recommendations as are mentioned in clause 34 (4), the vessel does not proceed to the discharging port or ports originally nominated or to which she may have been properly ordered under the provisions of this Charter or bills of lading issued pursuant to this Charter, the vessel may proceed to any discharging port on which the master or Owners in his or their discretion may decide and there discharge the cargo. Such discharging shall be deemed to be due fulfilment of the contract or contracts of affreightment and Owners shall be entitled to freight as if discharging had been effected at the port or ports originally nominated or to which the vessel may have been properly ordered under the provisions of this Charter or bills of lading issued pursuant to this Charter. All extra expenses involved in reaching and discharging the cargo at any such other discharging port shall be paid by Charterers and Owners shall have a lien on the cargo for all such extra expenses.	550 551 552 553 554 555 556 557 558
	(5) Owners shall pay for all additional war risk insurance premiums, both for annual periods and also for the specific performance of this Charter, on the Hull and Machinery value, as per Part I clause (A) (I) (xiii) applicable at the date of this Charter, or the date the vessel was fixed “on subjects” (whichever is the earlier), and all reasonable crew war bonus. The period of voyage additional war risks premium shall commence when the vessel enters a war risk zone as designated by the London insurance market and cease when the vessel leaves such zone. If the vessel is already in such a zone the period shall commence on tendering notice of readiness under this Charter.	559 560 561 562 563 564
	Any increase or decrease in voyage additional war risk premium and any period in excess of the first fourteen days shall be for Charterers’ account and payable against proven documentation. Any discount or rebate refunded to Owners for whatever reason shall be passed on to Charterers. Any premiums, and increase thereto, attributable to closure insurance (i.e. blocking and trapping) shall be for Owners’ account.	565 566 567 568
Both to blame clause	35. If the liability for any collision in which the vessel is involved while performing this Charter falls to be determined in accordance with the laws of the United States of America, the following clause, which shall be included in all bills of lading issued pursuant to this Charter shall apply: "If the vessel comes into collision with another vessel as a result of the negligence of the other vessel and any act, neglect or default of the master, mariner, pilot or the servants of the Carrier in the navigation or in the management of the vessel, the owners of the cargo carried hereunder will indemnify the Carrier against all loss or liability to the other or non-carrying vessel or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of the said cargo, paid or payable by the other or non-carrying vessel or her owners to the owners of the said cargo and set off, recouped or recovered by the other or non-carrying vessel or her owners as part of their claim against the carrying vessel or the Carrier. The foregoing provisions shall also apply where the owners, operators or those in charge of any vessel or vessels or objects other than, or in addition to, the colliding vessels or objects are at fault in respect of a collision or contact."	569 570 571 572 573 574 575 576 577 578 579
General average/ New Jason clause	36. General average shall be payable according to the York/Antwerp Rules 1994, as amended from time to time, and shall be adjusted in London. All disputes relating to General Average shall be resolved in London in accordance with English Law. Without prejudice to the foregoing, should the adjustment be made in accordance with the Law and practice of the United States of America, the following clause, which shall be included in all bills of lading issued pursuant to this Charter, shall apply: "In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the Carrier is not responsible, by statute, contract or otherwise, the cargo, shippers, consignees or owners of the cargo shall contribute with the Carrier in general average to the payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo. If a salvaging vessel is owned or operated by the Carrier, salvage shall be paid for as fully as if the said salvaging vessel or vessels belonged to strangers. Such deposit as the Carrier or its agents may deem sufficient to cover the estimated contribution of the cargo and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or owners of the cargo to the Carrier before delivery."	580 581 582 583 584 585 586 587 588 589 590 591 592
Clause Paramount	37. The following clause shall be included in all bills of lading issued pursuant to this Charter: (1) Subject to sub-clauses (2) or (3) hereof, this bill of lading shall be governed by, and have effect subject to the rules contained in the International Convention for the Unification of Certain Rules relating to bills of lading signed at Brussels on 25 th August 1924 (hereafter the “Hague Rules”) as amended by the Protocol signed at Brussels on 23 rd February 1968 (hereafter the “Hague-Visby Rules”). Nothing contained herein shall be deemed to be either a surrender by the carrier of any of his rights or	593 594 595 596 597

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	immunities or any increase of any of his responsibilities or liabilities under the Hague-Visby Rules.	598
	(2) If there is governing legislation which applies the Hague Rules compulsorily to this bill of lading, to the exclusion of the Hague-Visby Rules, then this bill of lading shall have effect subject to the Hague Rules. Nothing herein contained shall be deemed to be either a surrender by the carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the Hague Rules.	599 600 601 602
	(3) If there is governing legislation which applies the United Nations Convention on the Carriage of Goods By Sea 1978 (hereafter the“Hamburg Rules”) compulsorily to this bill of lading to the exclusion of the Hague-Visby Rules, then this bill of lading shall have effect subject to the Hamburg Rules. Nothing herein contained shall be deemed to be either a surrender by the carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the Hamburg Rules.	603 604 605 606
	(4) If any term of this bill of lading is repugnant to the Hague-Visby Rules, or Hague Rules or Hamburg Rules, if applicable,such term shall be void to that extent but no further.	607 608
	(5) Nothing in this bill of lading shall be construed as in any way restricting, excluding or waiving the right of any relevant party or person to limit his liability under any available legislation and/or law.	609 610
Back loading	38. Charterers may order the vessel to discharge and/or backload a part or full cargo at any nominated port within the loading / discharging ranges specified within Part I clauses (D/E) and within the rotation of the ports previously nominated, provided that any cargo loaded is of the description specified in Part I clause (F) and that the master in his reasonable discretion determines that the cargo can be loaded, segregated and discharged without risk of contamination by, or of any other cargo. Charterers shall pay in respect of loading, carrying and discharging such cargo as follows:	611 612 613 614 615
	(a) a lumpsum freight calculated at the demurrage rate specified in Part I clause (J) on any additional port time used by the vessel; and	616 617
	(b) any additional expenses, including bunkers consumed (at replacement cost) over above those required to load and discharge one full cargo and port costs which included additional agency costs: and	618
	(c) if the vessel is fixed on a Worldscale rate in Part I clause (G) then freight shall always be paid for the whole voyage at the rate(s) specified in Part I clause (G) on the largest cargo quantity carried on any ocean leg.	619 620
Bunkers	39. Owners shall give Charterers or any other company in the Royal Dutch/Shell Group of Companies first option to quote for the supply of bunker requirements for the performance of this Charter.	621 622
Oil pollution prevention/ Ballast management	40.(1) Owners shall ensure that the master shall:	623
	(a) comply with MARPOL 73/78 including any amendments thereof;	624
	(b) collect the drainings and any tank washings into a suitable tank or tanks and, after maximum separation of free water,discharge the bulk of such water overboard, consistent with the above regulations; and	625 626
	(c) thereafter notify Charterers promptly of the amounts of oil and free water so retained on board and details of any other washings retained on board from earlier voyages (together called the "collected washings").	627 628
	(d) not to load on top of such ‘collected washings’ without specific instructions from Charterers.	629
	(e) provide Charterers with a slops certificate to be made up and signed by the master and an independent surveyor/terminal representative. The certificate shall indicate:	630 631
	Origin and composition of slops, Volume, Free water and API measured in barrels at 60 deg F.	632
	(2) On being so notified, Charterers, in accordance with their rights under this clause (which shall include without limitation the right to determine the disposal of the collected washings), shall before the vessel's arrival at the loading berth (or if already arrived as soon as possible thereafter) give instructions as to how the collected washings shall be dealt with. Owners shall ensure that the master on the vessel's arrival at the loading berth (or if already arrived as soon as possible thereafter) shall arrange in conjunction with the cargo suppliers for the measurement of the quantity of the collected washings and shall record the same in the vessel's ullage record.	633 634 635 636 637 638
	(3) Charterers may require the collected washings to be discharged ashore at the loading port, in which case no freight shall be payable on them.	639 640
	(4) Alternatively Charterers may require either that the cargo be loaded on top of the collected washings and the collected washings be discharged with the cargo, or that they be kept separate from the cargo in which case Charterers shall pay for any deadfreight incurred thereby in accordance with Part II clause 8 and shall, if practicable, accept discharge of the collected washings at the discharging port or ports.	641 642 643 644
	In either case, provided that the master has reduced the free water in the collected washings to a minimum consistent with the retention on board of the oil residues in them and consistent with sub-clause (1)(a) above, freight in accordance with Part II clause 5shall be payable on the quantity of the collected washings as if such quantity were included in a bill of lading and the figure therefore furnished by the shipper provided, however, that	645 646 647 648
	(i) if there is a provision in this Charter for a lower freight rate to apply to cargo in excess of an agreed quantity, freight on the collected washings shall be paid at such lower rate (provided such agreed quantity of cargo has been loaded) and	649 650 651
	(ii) if there is provision in this Charter for a minimum cargo quantity which is less than a full cargo, then whether or not such minimum cargo quantity is furnished, freight on the collected washings shall be paid as if such minimum cargo quantity had been furnished, provided that no freight shall be payable in respect of any collected washings which are kept separate from the cargo and not discharged at the discharge port.	652 653 654 655
	(5) Whenever Charterers require the collected washings to be discharged ashore pursuant to this clause, Charterers shall	656

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	provide and pay for the reception facilities, and the cost of any shifting there for shall be for Charterers' account. Any time lost discharging the collected washings and/or shifting therefore shall count against laytime or, if the vessel is on demurrage, for demurrage.	657 658 659
	(6) Owners warrant that the vessel will arrive at the load port with segregated/ clean ballast as defined by Annex I of MARPOL 73/78 including any amendments thereof.	660 661
Oil response pollution and insurance	41. (1) Owners warrant that throughout the duration of this Charter the vessel will be: (i) owned or demise chartered by a member of the 'International Tanker Owners Pollution Federation Limited, and (ii) entered in the Protection and Indemnity (P&I) Club stated in Part I clause (A) I (xii) . (2) It is a condition of this Charter that Owners have in place insurance cover for oil pollution for the maximum on offer through the International Group of P&I Clubs but always a minimum of United States Dollars 1,000,000,000 (one thousand million). If requested by Charterers, Owners shall immediately furnish to Charterers full and proper evidence of the coverage. (3) Owners warrant that the vessel carries on board a certificate of insurance as required by the Civil Liability Convention for Oil Pollution damage. Owners further warrant that said certificate will be maintained effective throughout the duration of performance under this Charter. All time, costs and expense as a result of Owners' failure to comply with the foregoing shall be for Owners' account. (4) Owners warrant that where the vessel is a "Relevant Ship", they are a "Participating Owner", both as defined in the Small Tanker Oil Pollution Indemnification Agreement ("STOPIA") and that the vessel is entered in STOPIA, and shall so remain during the currency of this Charter, provided always that STOPIA is not terminated in accordance with Clause VIII of its provisions.	662 663 664 665 666 667 668 669 670 671 672 673 674
Lien	42. Owners shall have an absolute lien upon the cargo and all subfreights for all amounts due under this charter and the cost of recovery thereof including any expenses whatsoever arising from the exercise of such lien.	675 676
Drugs and alcohol	43. Owners are aware of the problem of drug and alcohol abuse and warrant that they have a written policy in force, covering the vessel, which meets or exceeds the standards set out in the "Guidelines for the Control of Drugs and Alcohol on board Ship" as published by OCIMF dated June 1995. Owners further warrant that this policy shall remain in force during the period of this Charter and such policy shall be adhered to throughout this Charter.	677 678 679 680 681
ITWF	44. Owners warrant that the terms of employment of the vessel's staff and crew will always remain acceptable to the International Transport Workers Federation on a worldwide basis. All time, costs and expenses incurred as a result of Owners' failure to comply with foregoing shall be for Owners' account.	682 683 684
Letters of protest/ Deficiencies	45. It is a condition of this Charter that from the time the vessel sails to the first load port there will be no Letter(s) of Protest ("LOP") or deficiencies outstanding against the vessel. This refers to LOP's or deficiencies issued by Terminal Inspectorate or similar Port or Terminal or Governmental Authorities.	685 686 687
Documen- tation	46. Owners shall ensure that the master and agents produce documentation and provide Charterers with copies of all such documentation relevant to each port and berth call and all transshipments at sea, including but not limited to: Notice of Readiness / Statement of Facts / Shell Form 19x (if Charterers nominate agents under Part II clause 24) / Time sheet(s) / LOPs/ Hourly pumping logs /COW performance logs by facsimile (to the number advised in the voyage instructions). These documents to be faxed within 48 hours from sailing from each load or discharge port or transshipment area. If the vessel does not have a facsimile machine on board the master shall advise Charterers, within 48 hours from sailing from each port under this Charter, of the documents he has available and ensure copies of such documents are faxed by agents to Charterers from the relevant port of call or at latest from the next port of call. Complying with this clause does not affect the terms of Part II clause 15(3) with regard to notification and submission of a fully documented claim for demurrage or a claim described in Part II clause 6(3) of this Charter. Any documents to be faxed under this clause may be, alternatively, scanned and e-mailed to Charterers. If any actions or facilities of Suppliers / Receivers / Terminal/ Transshipment vessels or Charterers, as applicable, impinge on the vessel's ability to perform the warranties and / or guarantees of performance under this Charter the master must issue a LOP to such effect. If the master fails to issue such LOP then Owners shall be deemed to have waived any rights to claim. Master and agents shall ensure that all documents concerning port/berth and cargo activities at all ports/berths and transshipment at sea places are signed by both an officer of the vessel and a representative of either Suppliers / Receivers / Terminal / Transshipment vessels or Charterers, as applicable. If such a signature from Suppliers / Receivers / Terminal/ Transshipment vessels or Charterers, as applicable, is not obtainable the master or his agents should issue a LOP to such effect. All LOP's issued by master or his agents or received by master or his agents must be forwarded to Charterers as per the terms of this clause.	688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706
Administra- tion	47. The agreed terms and conditions of this Charter shall be recorded and evidenced by the production of a fixture note sent to both Charterers and Owners within 24 hours of the fixture being concluded. This fixture note shall state the name and date of the standard pre-printed Charter Party Form, on which the Charter is based, along with all amendments / additions/ deletions to such charter party form. All further additional clauses agreed shall be reproduced in the fixture note with full wording. This fixture note shall be approved and acknowledged as correct by both Owners and Charterers to either the Ship Broker through whom they negotiated or, if no Ship Broker was involved, to each other within two working days after fixture concluded. No formal written and signed Charter Party will be produced unless specifically requested by Charterers or Owners or is required	707 708 709 710 711 712 713

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	by additional clauses of this Charter.	714
Cargo retention	48. If on completion of discharge any liquid cargo of a pumpable nature remains on board (the presence and quantity of such cargo having been established, by application of the wedge formula in respect of any tank the contents of which do not reach the forward bulkhead, by an independent surveyor, appointed by Charterers and paid jointly by Owners and Charterers), Charterers shall have the right to deduct from freight an amount equal to the FOB loading port value of such cargo, cargo insurance plus freight thereon; provided, however, that any action or lack of action hereunder shall be without prejudice to any other rights or obligations of Charterers, under this Charter or otherwise, and provided further that if Owners are liable to any third party in respect of failure to discharge such pumpable cargo, or any part thereof, Charterers shall indemnify Owners against such liability up to the total amount deducted under this clause.	715 716 717 718 719 720 721 722
Hydrogen sulphide	49. Owners shall comply with the requirements in ISGOTT (as amended from time to time) concerning Hydrogen Sulphide and shall ensure that prior to arrival at the load port the Hydrogen Sulphide (ppm by volume in vapour) level in all bunker, ballast and empty cargo spaces is below the Threshold Limit Value (“TLV”) - Time Weighted Average (“TWA”). If on arrival at the loading terminal, the loading authorities, inspectors or other authorised and qualified personnel declare that the Hydrogen Sulphide levels in the vessels’ tanks exceed the TLV- TWA and request the vessel to reduce the said level to within the TLV-TWA then the original notice of readiness shall not be valid. A valid notice of readiness can only be tendered and laytime, or demurrage time, if on demurrage, can only start to run in accordance with Part II clause 13 when the TLV-TWA is acceptable to the relevant authorities. If the vessel is unable to reduce the levels of Hydrogen Sulphide within a reasonable time Charterers shall have the option of cancelling this Charter without penalty and without prejudice to any claims which Charterers may have against Owners under this Charter.	723 724 725 726 727 728 729 730 731 732 733
Port regulations	50. Owners warrant that the vessel will fully comply with all port and terminal regulations at any named port in this Charter, and any ports to which Charterers may order the vessel to under this Charter in accordance with Part I clauses (D/E) provided that Owners have a reasonable opportunity to acquaint themselves with the regulations at such ports.	734 735 736
Single Point/ Buoy and jetty mooring	51. (1) Owners warrant that: (a) the vessel complies with the OCIMF recommendations, current at the date of this Charter, for equipment employed in the mooring of ships at single point moorings in particular for tongue type or hinged bar type chain stoppers and that the messenger from the Chain Stopper(s) is secured on a winch drum (not a drum end) and that the operation is totally hands free. (b) the vessel complies and operates in accordance with the recommendations, current at the date of this Charter, contained in the latest edition of OCIMF’s “Mooring Equipment Procedures” (2) If requested by Charterers, or in the event of an emergency situation arising whilst the vessel is at a Single Buoy Mooring (“SBM”), the vessel shall pump sea water, either directly from the sea or from vessel’s clean ballast tanks, to flush SBMs floating hoses prior to, during or /after loading and/or discharge of the cargo; this operation to be carried out at Charterers’ expense and with time counting against laytime, or demurrage, if on demurrage. Subject to Owners exercising due diligence in carrying out such an operation Charterers hereby indemnify Owners for any cargo loss or contamination directly resulting from this request. If master or Owners are approached by Suppliers/Receivers or Terminal Operators to undertake such an operation Owners shall obtain Charterers’ agreement before proceeding.	737 738 739 740 741 742 743 744 745 746 747 748 749 750 751
ISPS/MTSA	52. (1) (a) From the date of coming into force of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (“ISPS Code”) and the US Maritime Transportation Security Act 2002 (“MTSA”) in relation to the vessel, and thereafter during the currency of this Charter, Owners shall procure that both the vessel and “the Company” (as defined by the ISPS Code) and the “owner” (as defined by the MTSA) shall comply with the requirements of the ISPS Code relating to the vessel and “the Company” and the requirements of MTSA relating to the vessel and the “owner”. Upon request Owners shall provide a copy of the relevant International Ship Security Certificate to Charterers. Owners shall provide documentary evidence of compliance with this clause 52 (1) (a). (b) Except as otherwise provided in this Charter, loss, damage, expense or delay caused by failure on the part of Owners or “the Company”/“owner” to comply with the requirements of the ISPS Code/MTSA or this clause shall be for Owners’ account. (2) (a) Charterers shall provide the Owners with their full style contact details and other relevant information reasonably required by Owners to comply with the requirements of the ISPS Code/MTSA. Additionally, Charterers shall ensure that the contact details of any sub-charterers are likewise provided to Owners. Furthermore, Charterers shall ensure that all sub-charter parties they enter into shall contain the following provision: “The Charterers shall provide the Owners with their full style contact details and, where sub-letting is permitted under the terms of the charter party, shall ensure that contact details of all sub-charterers are likewise provided to the Owners”. (b) Except as otherwise provided in this Charter, loss, damage, expense or delay caused by failure on the part of Charterers to comply with this sub clause (2) shall be for Charterers’ account.	752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771

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	(3) (a) Without prejudice to the foregoing, Owners right to tender notice of readiness and Charterers' liability for demurrage in respect of any time delays caused by breaches of this clause 52 shall be dealt with in accordance with Part II clauses 13, (Notice of readiness/Running time), 14, (Suspension of Time), and 15,(Demurrage), of the charter.	772 773 774 775
	(b) Except where the delay is caused by Owners and/or Charterers failure to comply, respectively, with clauses (1) and (2) of this clause 52, then any delay arising or resulting from measures imposed by a port facility or by any relevant authority, under the ISPS Code/MTSA, shall count as half rate laytime, or, if the vessel is on demurrage, half rate demurrage.	776 777 778 779
	(4) Except where the same are imposed as a cause of Owners and/or Charterers failure to comply, respectively, with clauses (1) and (2) of this clause 52, then any costs or expenses related to security regulations or measures required by the port facility or any relevant authority in accordance with the ISPS Code/MTSA including but not limited to, security guards, launch services, tug escorts, port security fees or taxes and inspections, shall be shared equally between Owners and Charterers. All measures required by the Owners to comply with the Ship Security Plan shall be for Owners' account.	780 781 782 783 784 785
	(5) If either party makes any payment which is for the other party's account according to this clause, the other party shall indemnify the paying party.	786 787
Business principles	53. Owners will co-operate with Charterers to ensure that the "Business Principles", as amended from time to time, of the Royal Dutch/Shell Group of Companies, which are posted on the Shell Worldwide Web (www.Shell.com), are complied with.	788 789 790
Law and litigation	54. (a) This Charter shall be construed and the relations between the parties determined in accordance with the laws of England.	791 792
Arbitration	(b) All disputes arising out of this Charter shall be referred to Arbitration in London in accordance with the Arbitration Act 1996 (or any re-enactment or modification thereof for the time being in force) subject to the following appointment procedure:	793 794 795
	(i) The parties shall jointly appoint a sole arbitrator not later than 28 days after service of a request in writing by either party to do so.	796 797
	(ii) If the parties are unable or unwilling to agree the appointment of a sole arbitrator in accordance with (i) then each party shall appoint one arbitrator, in any event not later than 14 days after receipt of a further request in writing by either party to do so. The two arbitrators so appointed shall appoint a third arbitrator before any substantive hearing or forthwith if they cannot agree on a matter relating to the arbitration.	798 799 800 801
	(iii) If a party fails to appoint an arbitrator within the time specified in (ii) (the "Party in Default"), the party who has duly appointed his arbitrator shall give notice in writing to the Party in Default that he proposes to appoint his arbitrator to act as sole arbitrator.	802 803 804
	(iv) If the Party in Default does not within 7 days of the notice given pursuant to (iii) make the required appointment and notify the other party that he has done so the other party may appoint his arbitrator as sole arbitrator whose award shall be binding on both parties as if he had been so appointed by agreement.	805 806 807
	(v) Any award of the arbitrator(s) shall be final and binding and not subject to appeal.	808
	(vi) For the purposes of this clause 54 any requests or notices in writing shall be sent by fax, e-mail or telex and shall be deemed received on the day of transmission.	809 810
	(c) It shall be a condition precedent to the right of any party to a stay of any legal proceedings in which maritime property has been, or may be, arrested in connection with a dispute under this Charter, that that party furnishes to the other party security to which that other party would have been entitled in such legal proceedings in the absence of a stay.	811 812 813 814
Small claims	(d) In cases where neither the claim nor any counterclaim exceeds the sum of United States Dollars 50,000 (or such other sum as Owners/Charterers may agree) the arbitration shall be conducted in accordance with the London Maritime Arbitrators' Association Small Claims Procedure current at the time when the arbitration proceedings are commenced.	815 816 817 818
Address commission	55. Charterers shall deduct address commission of 1.25% from all payments under this Charter.	819 820
Construction	56. The side headings have been included in this Charter for convenience of reference and shall in no way affect the construction hereof.	821 822

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Australia	(1)(a)	The vessel shall not transit the Great Barrier Reef Inner Passage, whether in ballast en route to a loadport or laden, between the Torres Strait and Cairns, Australia. If the vessel transits the Torres Strait, the vessel shall use the outer reef passage as approved by the Australian Hydrographer. Owners shall always employ a pilot, when transiting the Torres Strait and for entry and departure through the Reef for ports North of Brisbane.	1 2 3 4 5
	(b)	The vessel shall discharge all ballast water on board the vessel and take on fresh ballast water, always in accordance with safe operational procedures, prior to entering Australian waters.	6 7
	(c)	On entering, whilst within and whilst departing from the port of Sydney Owners and master shall ensure that the water line to highest fixed point distance does not exceed 51.8 (fifty one point eight) metres.	8 9
	(d)	If Charterers or Terminal Operators instruct the vessel to slow the cargo operations down or stop entirely the cargo operations in Sydney during the hours of darkness due to excessive noise caused by the vessel then all additional time shall be for Owners' account.	10 11 12
Goods Services Tax	(e)(i)	Goods Services Tax ("GST") imposed in Australia has application to any supply made under this Charter, the parties agree that the Charterer shall account for GST in accordance with Division 83 of the GST Act even if the Owner becomes registered. The Owner acknowledges that it will not recover from the Charterer an additional amount on account of GST.	13 14 15 16
	(ii)	The Owner acknowledges that it is a non-resident and that it does not make supplies through an enterprise carried on in Australia as defined in section 995-1 of the Income Tax Assessment Act 1997.	17 18
	(iii)	The Charterer acknowledges that it is registered. Where appropriate, terms in this clause have the meaning set out in section 195-1 of the GST Act.	19 20
Brazil	(2) (a)	Owners acknowledge the vessel will have, if Charterers so require, to enter a port or place of clearance within mainland Brazil, to obtain necessary clearance from the Brazilian authorities and/or to pick-up personnel required to be on board during the loading of the cargo at Fluminense FPSO. The vessel then proceeds to the Fluminense FPSO where she can tender her notice of readiness. Time at the port of clearance, taken from arrival at pilot station to dropping outward pilot to be for Charterers' account and payable at the agreed demurrage rate together with freight. However this time not to count as laytime or demurrage if on demurrage.	21 22 23 24 25 26 27
	(b)	Freight payment under Part II clause 5 of this Charter shall be made within 5 banking days of receipt by Charterers of notice of completion of final discharge	28 29
Canada	(3)	Owners warrant that the vessel complies with all the Canadian Oil Spill response regulations currently in force and that the Owner is a member of a certified oil spill response organisation and that the Owners/vessel shall continue to be members of such organisation and comply with the regulations and requirements of such organisation throughout the period of this Charter.	30 31 32 33
Egypt	(4)(a)	Any costs incurred by Charterers for vessel garbage or in vessel deballasting at Sidi Kerir shall be for Owners' account and Charterers shall deduct such costs from freight	34 35
	(b)	Charterers shall have the option for the discharge range Euromed and/or United Kingdom/ Continent (Gibraltar Hamburg range) to instruct the vessel to transit via Suez Canal. In the event that Charterers exercise this option the following shall apply: Charterers option to part discharge Ain Sukhna and reload Sidi Kerir. Charterers will pay the following with freight against Owners' fully documented claim:	36 37 38 39 40
	(c)	time incurred at the demurrage rate on the passage from the point at which the vessel deviates from the direct sailing route between last loadport and Port Suez, till the tendering of notice of readiness at Ain Sukhna, less any time lost by reason of delay beyond Charterers' reasonable control;	41 42 43
	(d)	time incurred at the demurrage rate on the passage from disconnection of hoses at Sidi Kerir to the point at which the vessel rejoins the direct sailing route between Port Said and the first discharge port UK Continent or Mediterranean, less any time lost by reason of delay beyond Charterers' reasonable control;	44 45 46
	(e)	time incurred at the demurrage rate between tendering of notice of readiness at Ain Sukhna and disconnection of hoses there;	47 48
	(f)	time incurred at the demurrage rate between tendering of notice of readiness at Sidi Kerir and disconnection of hoses there;	49 50
	(g)	all bunkers consumed during the periods (c) to (f) above at replacement cost;	51
	(h)	all port charges incurred at Ain Sukhna and Sidi Kerir. Freight rate via Suez shall be based on the Suez/Suez flat rate without the fixed Suez rate differential, other than as described below (the Worldscale rates in Part I clause (G) of this Charter to apply). All canal dues related to Suez laden transit, including Suez Canal port costs, agency fees and expenses, including but not limited to escort tugs and other expenses for canal laden transit, to be for Charterers' account and to be settled directly by them. Charterers' to pay Owners the 'ballast transit only' fixed rate differential as per Worldscale together with freight.	52 53 54 55 56 57 58
India	(5) (a)	In assessing the pumping efficiency under this Charter at ports in India, Owners agree to accept the record of pressure maintained as stated in receiver's statement of facts signed by the ship's representative.	59 60

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	(b) Owners shall be aware of and comply with the mooring requirements of Indian ports. All time, costs and expenses as a result of Owners’ failure to comply with the foregoing shall be for Owners’ account.	61 62 63
	(c) Charterers shall not be liable for demurrage unless the following conditions are satisfied:	64
	(i) the requirements of Part II clause 15 (3) are met in full; and	65
	(ii) a copy of this Charter signed by Owners is received by Charterers at least 2 (two) working days prior to the vessel’s arrival in an Indian port.	66 67
	Charterers undertake to pay agreed demurrage liabilities promptly if the above conditions have been satisfied.	68 69
Japan	(6) (a) Owners shall supply Charterers with copies of:-	70
	(i) General Arrangement/Capacity plan; and	71
	(ii) Piping/Fire Fighting Diagrams	72
	as soon as possible, but always within 4 working days after subjects lifted on this Charter.	73
	(b) If requested by Charterers, Owners shall ensure a Superintendent, fully authorised by Owners to act on Owners’ and/or master’s behalf, is available at all ports within Japan to attend safety meetings prior to vessel’s arrival at the port(s) and be in attendance throughout the time in each port and during each cargo operation.	74 75 76 77
	(c) Vessel to record and print out the position with date/time by Global Positioning System when vessel enters Japanese Territorial Waters (“JTW”) in order to perform vessel’s declaration of entering JTW for crude oil stock piling purpose.	78 79 80
	(d) If under Part I clause (E) of this Charter Japan, or in particular ports or berths in Tokyo Bay and/or the SBM at UBE Refinery, are discharge options and if the vessel is over 220,000 metric tons deadweight and has not previously discharged in Tokyo Bay or the SBM at UBE Refinery then:	81 82 83
	(i) Owners shall submit an application of Safety Pledge Letter confirming that all safety measures will be complied with; and	84 85
	(ii) Present relevant ship data to the Japanese Maritime Safety Agency.	86
	Owners shall comply with the above requirements as soon as possible but always within 4 working days after subjects lifted on this Charter.	87 88
	(e) If Charterers instruct the vessel to make adjustment to vessel’s arrival date/time at discharge port(s) in Japan, any adjustments shall be compensated in accordance with Part I clause (L) of this Charter.	89 90
	If vessel is ordered to drift off Japan, at a location in Owners’/master’s option, then the following shall apply:-	91 92
	(i) Time from vessel’s arrival at drifting location to the time vessel departs, on receipt of Charterers’ instructions, from such location shall be for Charterers’ account at the demurrage rate stipulated in Part I clause (J) of this Charter.	93 94 95
	(ii) Bunkers consumed whilst drifting as defined in sub clause (e)(i) above shall be for Charterers’ account at replacement cost.	96 97
	Owners shall provide full documentation to support any claim under this clause.	98
New Zealand	(7) (a) Owners of vessels carrying Persistent Oil - as defined by the International Group of P&I Clubs - which shall always incorporate Crude and Fuel Oil, Non Persistent Oil as defined by the International Group of P&I Clubs - which shall always incorporate Petroleum Products; and Chemicals, warrant that the vessel shall comply at all times with the Maritime Safety Authority of New Zealand’s Voluntary Routing Code for Shipping whilst transiting the New Zealand coast and / or en route to or from ports in New Zealand and whether laden or in ballast.	99 100 101 102 103 104
	(b) the following voyage routing will apply:	105
	(i) vessel is to keep a minimum of 5 miles off the New Zealand coast (and outlying islands) until approaching the port’s pilot station, with the following exceptions:	106 107
	a) to pass a minimum of 4 miles off the coast when transiting Cook Strait;	108
	b) to pass a minimum of 5 miles to the east of Poor Knights Islands and High Peaks Rocks;	109
	c) to pass a minimum of 3 miles from land when transiting the Colville or Jellicoe Channels.	110
	If due to safe navigation and or other weather related reasons the vessel proceeds on a different route to those set out above, the Owners and master shall immediately advise Charterers and Owner’s agents in New Zealand of the route being followed and the reasons for such deviation from the above warranted route.	111 112 113
Thailand	(8) If Part I clause (E) of this Charter includes option to discharge at a port/berth in Thailand then the following, which is consistent with industry practice for ships discharging in Thailand, shall apply over and above any other terms contained within this Charter:-	114 115 116
	(a) Laytime shall be 96 running hours	117
	(b) Freight payment under Part II clause 5 of this Charter shall be made within 15 days of receipt by Charterers of notice of completion of final discharge of cargo.	118 119
	(c) Cargo quantity and quality measurements shall be carried out at load and discharge ports by mutually appointed independent surveyors, with costs to be shared equally between Owners and Charterers.	120 121

	This is additional to any independent surveyors used for the Cargo Retention clause 48 in Part II of this Charter.	122 123
United Kingdom	(9) (a) It is a condition of this Charter that Owners ensure that the vessel fully complies with the latest Sullom Voe regulations, including but not limited to:- i) current minimum bulk loading rates; and ii) pilot boarding ladder arrangements. Owners shall also comply with Charterers' instructions regarding the disposal of ballast from the vessel. Charterers shall accept any deadfreight claim that may arise by complying with such instructions. (b) It is also a condition of this Charter that Owners ensure that the vessel fully complies with the latest Tranmere and Shellhaven regulations, including but not limited to:- i) being able to ballast concurrently with discharge ; or ii) maintaining double valve segregation at all times between cargo and ballast if the vessel has to part discharge, stop to ballast, then resume discharge. (c) In the event of loading or discharge at Tranmere, Shell U.K. Ltd. shall appoint tugs, pilots and boatmen on behalf of Owners. The co-ordinator of these services shall be OBC., who will submit all bills to Owners direct, irrespective of whether OBC are appointed agents or not. Owners warrant they will put OBC in funds accordingly.	124 125 126 127 128 129 130 131 132 133 134 135 136 137 138
United States of America	(10) (a) It is a condition of this Charter that in accordance with U.S. Customs Regulations, 19 CFR 4.7a and 178.2 as amended, Owners have obtained a Standard Carrier Alpha Code (SCAC) and shall include same in the Unique Identifier which they shall enter, in the form set out in the above Customs Regulations, on all the bills of lading, Cargo manifest, Cargo declarations and other cargo documents issued under this Charter allowing carriage of goods to ports in the U.S. Owners shall be liable for all time, costs and expenses and shall indemnify Charterers against all consequences whatsoever arising directly or indirectly from Owners' failure to comply with the above provisions of this clause. Owners warrant that they are aware of the requirements of the U.S Bureau of Customs and Border Protection ruling issued on December 5th 2003 under Federal Register Part II Department of Homeland Security 19 CFR Parts 4, 103, et al. and will comply fully with these requirements for entering U.S ports.	139 140 141 142 143 144 145 146 147 148 149 150
Coastguard compliance	(b) Owners warrant that during the term of this Charter the vessel will comply with all applicable U.S. Coast Guard (USCG) Regulations in effect as of the date the vessel is tendered for first loading hereunder. If waivers are held to any USCG regulation Owners to advise Charterers of such waivers, including period of validation and reason(s) for waiver. All time costs and expense as a result of Owners' failure to comply with the foregoing shall be for Owners' account. (c) Owners warrant that they will	151 152 153 154 155 156
Laws and regulation	(i) comply with the U.S. Federal Water Pollution Control Act as amended, and any amendments or successors to said Act (ii) comply with all U.S. State Laws and regulations applicable during this Charter, as they apply to the U.S. States that Charterers may order vessel to under Part I clauses (D/E) of this Charter. (iii) have secured, carry aboard the vessel, and keep current any certificates or other evidence of financial responsibility required under applicable U.S. Federal or State Laws and regulations and documentation recording compliance with the requirements of OPA 90, any amendments or succeeding legislation, and any regulations promulgated thereunder. Owners shall confirm that these documents will be valid throughout this Charter.	157 158 159 160 161 162 163 164 165
W-8BEN	(d) If the recipient of the freight due under this Charter does not file taxes within the US, then such recipient shall complete an IRS Form W-8BEN and forward the original by mail to Charterers, attention "Freight Payments". Should this not be received in a timely manner, then Charterers shall not be liable for interest on late payment of freight, or be in default of this Charter for such late payment.	166 167 168 169
Vapour Recovery System	Owners warrant that the vessel's vapour recovery system complies with the requirements of the United States Coastguard.	170 171
Vietnam	(11) If required by Charterers, when loading Bach Ho crude oil, Owners will instruct the master to start the cargo heating system(s) prior to loading commencing.	172 173

Code word for this Charter Party
" SHELLTIME 3 "

Issued June 1963
Amended March 1972

Time Charter Party

LONDON,

19

It is this day agreed between

	of	(hereinafter referred to as "Owners"), being Owners of the	1
	good	tank vessel called	2
		(hereinafter referred to as "the vessel") described as per clause 24 hereof and	3
	of	(hereinafter referred to as "Charterers").	4
Description of Vessel	1.	Owners guarantee that at the date of delivery of the vessel under this charter	5
	(a)	she shall be classed	6
	(b)	she shall be in every way fitted for burning marine diesel oil or fuel oil with a maximum viscosity of 3500 seconds Redwood I at 100 degrees F. in main motors and any commercial grade of fuel oil under boilers; and	7 8 9
	(c)	she shall be fully coiled and capable at all times of heating and maintaining cargo at a temperature of at least °F/ °C.	10 11
Condition of Vessel	2.	Owners shall, before and at the date of delivery of the vessel under this charter, exercise due diligence to make the vessel	12 13
	(a)	in every way fit to carry crude petroleum and/or its products; and	14
	(b)	tight, staunch, strong, in good order and condition, in every way fit for the service, with her machinery, boilers and hull in such a state as to obtain the most economic working and with a full and efficient complement of master, officers and crew for a vessel of her tonnage.	15 16 17
		Owners undertake that throughout the period of service under this charter they will, whenever the passage of time, wear and tear or any event (whether coming within clause 28 hereof or not) requires steps to be taken to maintain the vessel as stipulated in clause 1 hereof and in this clause or to restore the vessel to such condition, exercise due diligence to maintain or restore the vessel as aforesaid, and that they will comply with the regulations in force so as to enable the vessel to pass through the Suez and Panama Canals by day and night without delay.	18 19 20 21 22 23
Period and Trading Limits	3.	Owners agree to let and Charterers agree to hire the vessel for a period of	24
		commencing from the time and date of delivery of the vessel, for the purpose of carrying all lawful merchandise including in particular	25 26
		in any part of the world, as Charterers shall direct, subject to the limits of the current British Institute Warranties and any subsequent amendments thereof, it being understood that Charterers shall not send the vessel to ice-bound waters without Owners' consent but such consent shall not be unreasonably withheld.	27 28 29
		Charterers shall exercise due diligence to ensure that the vessel is only employed between and at safe ports, places, berths, docks, anchorages and submarine lines where she can always lie safely afloat, but notwithstanding anything contained in this or any other clause of this charter, Charterers shall not be deemed to warrant the safety of any port, place, berth, dock, anchorage or submarine line and shall be under no liability in respect thereof except for loss or damage caused by their failure to exercise due diligence as aforesaid. Subject as above, the vessel shall be loaded and discharged in any dock or at any wharf or place or anchorage or submarine line or alongside lighters or other vessels as Charterers may direct.	30 31 32 33 34 35 36
		The vessel shall be delivered by Owners at	37
		at Owners' option and redelivered to Owners at	38
		at Charterers' option.	39

Laydays/ Cancelling	4. The vessel shall not be delivered to Charterers before and Charterers shall have the option of cancelling this charter if the vessel is not ready and at their disposal on or before	40 41 42
Owners to Provide	5. Owners undertake to provide and to pay for all provisions, wages, and shipping and discharging fees and all other expenses of the master, officers and crew; also, except as provided in clauses 34 and 35 hereof, to pay for all insurance on the vessel, for all deck, cabin and engine-room stores, and water, except water for the boilers which (unless the vessel is off-hire) is to be supplied and paid for by Charterers; and for all fumigation expenses and deratisation exemption certificates. Owners' obligations under this clause extend to cover all liability for customs or import duties arising at any time during the performance of this charter in relation to the personal effects of the master, officers and crew, and in relation to the stores, provisions and other matters aforesaid which Owners are to provide and/or pay for and Owners shall refund to Charterers any sums they or their agents may have paid or been compelled to pay in respect of such liability. Any amounts allowable in general average for wages and provisions and stores shall be credited to Charterers insofar as such amounts are in respect of a period when the vessel is on hire.	43 44 45 46 47 48 49 50 51 52 53
Charters to Provide	6. Charterers shall provide and pay for all fuel (except galley fuel), towage and pilotage and shall pay agency fees, port charges, commissions, expenses of loading and unloading cargoes, canal dues and all charges other than those payable by Owners in accordance with the preceding clause hereof, provided that all charges for the said items shall be paid by Owners when incurred for Owners' purposes, whether the vessel is on hire or off-hire. The foregoing provision as to fuel shall not apply to any fuel used in connection with a general average sacrifice or expenditure or with the preparation for and the drydocking or repair of the vessel which shall in any event be paid for by Owners.	54 55 56 57 58 59 60
Rate of Hire	7. Subject as herein provided Charterers shall pay for the use and hire of the vessel at the rate of per ton of 20 cwt. on the vessel's total deadweight on summer freeboard, as assigned at the date hereof, per calendar month, commencing at and from the time and date of her delivery as aforesaid, and pro rata for any part of a month, and continuing until the time and date of her redelivery to Owners.	61 62 63 64 65
Payment of Hire	8. Payment of the said hire shall be made in London monthly in advance less any amounts disbursed on Owners' behalf and less any hire paid or expenses incurred by Charterers as may reasonably be estimated by them to relate to off-hire periods, and less any amounts due or estimated to become due to Charterers under the terms of clause 24 hereof, any adjustment to be made at the due date for the next monthly payment after the facts have been ascertained. In default of such payment Owners may withdraw the vessel from the service of Charterers, without prejudice to any claim Owners may otherwise have on Charterers under this charter.	66 67 68 69 70 71 72
Space Available to Charterers	9. The whole reach, burthen and decks of the vessel and its passenger accommodation (which shall be deemed to include Owners' suite), if any, shall be at Charterers' disposal, reserving only proper and sufficient space for the vessel's master, officers, crew, tackle, apparel, furniture, provisions and stores, provided that the weight of stores on board shall not, unless specially agreed, exceed 150 tons at any one time during the period of the charter. The vessel shall load and discharge cargo as rapidly as possible by night as well as by day when required by Charterers or their agents to do so. Charterers may consistently with the safety of the vessel remove any stanchions and ladders, which shall, if required, be replaced by them before redelivery at their own expense and to the satisfaction of Owners' surveyor.	73 74 75 76 77 78 79 80
Duties of Master	10. The master shall prosecute his voyages with the utmost despatch and shall render all reasonable assistance with the vessel's officers and crew and equipment, overtime pay of the master, officers and crew in accordance with ship's articles being at Charterers' expense when incurred as a result of complying with the request of Charterers or their agents.	81 82 83 84
Instructions and Logs	11. The master shall be furnished by Charterers from time to time with all requisite instructions and sailing directions, and shall keep a full and correct log of the voyage or voyages, which shall be open to inspection by Charterers or their agents as required. The master shall furnish Charterers or their agents when required to do so with a true copy of such log and with properly completed loading and discharging port sheets and voyage reports for each voyage and other returns as Charterers may require. Charterers shall be entitled to take copies at Owners' expense of any of such documents as are not provided by the master.	85 86 87 88 89 90 91
Conduct of Vessel's Personnel	12. If Charterers shall complain of the conduct of the master or any of the officers, Owners and Charterers jointly shall immediately investigate the complaint, and if the complaint prove to be well founded, Owners shall, without delay, make a change in the appointments.	92 93 94
Bills of Lading	13. The master (although appointed by Owners) shall be under the orders and direction of Charterers as regards employment of the vessel, agency or other arrangements. Bills of lading are to be signed at any rate of freight Charterers or their agents may direct, without prejudice to this charter, the master attending as necessary at the offices of Charterers or their agents to do so. Charterers hereby indemnify Owners against all consequences or liabilities that may arise from the master, Charterers or their agents signing bills of lading or other documents, or from the master otherwise complying with Charterers' or their agents' orders, as well as from any irregularities in papers supplied by Charterers or their agents. The said indemnity shall not extend to any consequences or liabilities or apply to any loss or damage arising from orders to proceed to, enter, remain in or at, depart from or shift berth in or at any port, place, berth, dock, anchorage or submarine line, other than consequences or liabilities or loss or damage resulting from or caused by failure to exercise due diligence as required by clause 3 hereof.	95 96 97 98 99 100 101 102 103 104 105
Stowage	14. Stevedores when required shall be employed and paid by Charterers, but this shall not relieve Owners from responsibility at all times for proper stowage, which must be controlled by the master, who shall keep a strict account of all cargo loaded and discharged. Owners hereby indemnify Charterers, their servants and agents, against all losses, claims, responsibilities and liabilities arising in any way whatsoever from the employment of pilots, tugboats or stevedores who although employed by Charterers shall be deemed to be the servants and in the service of Owners and under their instructions, but such indemnity shall not exceed the amount to which the Owners would have been entitled to limit their liability if they had themselves employed such pilots, tugboats and stevedores.	106 107 108 109 110 111 112 113
Bunkers at Delivery and Redelivery	14. Charterers shall accept and pay for all bunker oil and boiler water on board at the time of delivery, and Owners shall, on the expiry of this charter, pay for all bunker oil and boiler water then remaining on board at current market prices at the respective ports. Owners shall give Charterers the use and benefit of any fuel contracts they may have in force, at home and/or abroad, if so required by Charterers, provided suppliers agree.	114 115 116 117 118

Passengers	15. Charterers may send passengers in the vessel's available accommodation upon any voyage made under this charter, Owners finding provisions and all requisites as supplied to officers, except liquors, Charterers paying at the rate of _____ per day for each passenger while on board the vessel.	119 120 121
Sub-let	16. Charterers may sub-let the vessel, but shall always remain responsible to Owners for the due fulfilment of this charter.	122 123
Infected Area and Infraction of Local Law	17. Owners shall be liable for any delay in quarantine arising from the master, officers or crew having communication with the shore at any infected area without the written consent or instructions of Charterers or their agents, also for any loss of time through detention by customs or other authorities caused by smuggling or other infraction of local law on the part of the master, officers or crew.	124 125 126 127
Final Voyage	18. Should the vessel be on her voyage towards the port of redelivery at the time a payment of hire is due, payment of hire shall be made for such length of time as Owners and Charterers may agree upon as being the estimated time necessary to complete the voyage, less any disbursements made or expected to be made or expenses incurred or expected to be incurred by Charterers for Owners' account and less the estimated value of bunker fuel remaining at the termination of the voyage, and when the vessel is redelivered any overpayment shall be refunded by Owners or underpayment paid by Charterers. Notwithstanding the provisions of clause 3 hereof, should the vessel be upon a voyage at the expiry of the period of this charter, Charterers shall have the use of the vessel at the same rate and conditions for such extended time as may be necessary for the completion of the round voyage on which she is engaged and her return to a port of redelivery as provided by this charter.	128 129 130 131 132 133 134 135 136 137
Loss of Vessel	19. Should the vessel be lost, hire shall cease at noon on the day of her loss and, should the vessel be missing, hire shall cease at noon on the day on which she was last heard of, and any hire paid in advance and not earned shall be returned to Charterers.	138 139 140
Laying-up	20. Charterers shall have the option of laying up the vessel, in which case the hire provided for under this charter shall be reduced by the amount by which Owners can reasonably reduce the expenditure otherwise falling upon them under this charter.	141 142 143
Off-Hire	21. In the event of loss of time (whether arising from interruption in the performance of the vessel's service or from reduction in the speed of the performance thereof or in any other manner)	144 145
	(i) due to deficiency of personnel or stores, repairs, breakdown (whether partial or otherwise) of machinery or boilers, collision or stranding or accident or damage to the vessel or any other cause preventing the efficient working of the vessel; or	146 147 148
	(ii) due to strikes, refusal to sail, breach of orders or neglect of duty on the part of the master, officers or crew; or	149 150
	(iii) for the purpose of obtaining medical advice or treatment for or landing any sick or injured person (other than a passenger carried under clause 15 hereof) or for the purpose of landing the body of any person (other than such a passenger);	151 152 153
	hire shall cease to be due or payable from the commencement of such loss of time until the vessel is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which such loss of time commenced.	154 155 156
	Any such loss of time which arises wholly or partly from a reduction in the vessel's guaranteed average speed provided in clause 24 hereof shall be taken to be the difference between the time the vessel would require to perform the relevant service at the said speed and the time actually taken to perform the same and such loss of time shall be added to any loss of time arising from interruption in the performance of the vessel's service.	157 158 159 160 161
	Further and without prejudice to the foregoing, in the event of the vessel deviating (which expression includes putting back, or putting into any port other than that to which she is bound under the instructions of Charterers) for any cause or for any purpose previously mentioned in this clause, no hire shall in any case be payable as from the commencement of such deviation until the time when the vessel is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which the deviation commenced.	162 163 164 165 166 167
	In the event of the vessel, for any cause or for any purpose previously mentioned in this clause, putting into any port other than the port to which she is bound on the instructions of Charterers, the port charges, pilotage and other expenses at such port shall be borne by Owners. Should the vessel be driven into port or any anchorage by stress of weather hire shall continue to be due and payable during any loss of time caused thereby.	168 169 170 171 172
	In the event of detention of the vessel by authorities at home or abroad in consequence of legal action against Owners (unless brought about by the act or neglect of Charterers), whereby the vessel is rendered unavailable for Charterers' service, the vessel shall be off-hire until the service can again be resumed.	173 174 175
	If the nation to which the vessel belongs becomes engaged in hostilities, hire and all other charges shall cease during the continuance of such hostilities if Charterers in consequence of such hostilities find it impossible to employ the vessel and in that event Owners shall have the right to employ the vessel on their own account.	176 177 178 179
	All drydock charges shall be at Owners' expense. Time lost by the vessel gasfreeing for repairs and in and waiting her turn to enter drydock shall, irrespective of duration, count as off-hire.	180 181
	Any loss of time during which the vessel is off-hire as provided in this and the succeeding clause shall count as part of the charter period.	182 183
Periodical Drydocking	22. Owners undertake that twelve months after the vessel was last drydocked and at the expiry thereafter of each twelve months of continuous use under the charter they will put the vessel in drydock and clean and paint her bottom at their expense as soon thereafter as Charterers place the vessel at Owners' disposal, clear of cargo, at a port having suitable accommodation for the purpose.	184 185 186 187
	Notwithstanding the provision in the preceding clause as to time lost by the vessel gasfreeing, time lost in making tanks free of gas, as distinct from tank cleaning, for the purpose solely or primarily of periodical bottom cleaning and painting shall be for the account of Charterers provided Owners shall have exercised due diligence to make the tanks free of gas before the arrival of the vessel at the dry-docking port or as soon as practicable thereafter. The vessel shall be off-hire from the time of arrival at the drydocking port but provided due diligence is exercised as aforesaid any time lost thereafter in gas-	188 189 190 191 192 193

	freeing for the purpose aforesaid shall be excluded from the off-hire period and shall count as on hire. The vessel shall remain off-hire until she is again in every way ready to resume Charterers' service at the position at which the off-hire period commenced, or at an equivalent position. The expense of gasfreeing, which shall include the cost of bunkers used, shall be for Owners' account.	194 195 196 197
	If Owners require the vessel to proceed to any special port for periodical docking purposes, no hire shall be payable for time lost in proceeding to, whilst at and after leaving such special port until reaching a position equivalent to that at which the off-hire period commenced, nor for the time lost in making tanks free of gas for such docking; all fuel consumed and all other expenses incurred in the course thereof shall be paid for by Owners, Charterers crediting Owners with any benefit they may gain in purchasing fuel at the special port aforesaid. All drydocking shall be at Owners' expense. Time spent by the vessel in and waiting her turn to enter drydock shall, irrespective of duration, count as off-hire.	198 199 200 201 202 203 204
Boiler Cleaning, etc.	23. Notwithstanding the provisions of clause 21 hereof, loss of time due to any of the reasons specified therein or to cleaning of boilers and/or opening up of pistons and/or overhauling of engines shall be allowed on hire between the commencement of the charter period and the first Periodical Dry-docking as provided for in clause 22 hereof and thereafter between each consecutive Periodical Dry-docking up to a total calculated at the rate of 72 hours per year and pro rata for part of a year.	205 206 207 208 209
Detailed Description and Performance	24. Owners warrant that at the date of delivery under this charter the vessel shall be of the description set out in Form dated attached hereto and signed by them and undertake to use their best endeavours so to maintain the vessel during the period of her service hereunder. Further but otherwise without prejudice to the generality of this clause Owners guarantee that the average speed of the vessel will not be less than knots in ballast and knots fully laden, with a maximum bunker consumption of tons diesel oil/ tons fuel oil per day for all purposes excluding cargo heating and tank cleaning.	210 211 212 213 214 215 216
	The aforesaid average speeds shall be calculated in each yearly or other less period, as defined hereinafter, by reference to the observed distance from pilot station to pilot station on all sea passages and over the whole of the time the vessel is on hire during such period, otherwise than as provided in clause 23 hereof.	217 218 219 220
	If during any year from the commencement of the charter period the vessel falls below or exceeds the performance guaranteed in this clause then	221 222
	(a) If such shortfall or excess results respectively from a reduction or an increase in the average speed of the vessel, as herein defined, in relation to the average speed guaranteed hereunder then hire shall be reduced or increased as may be appropriate in an amount proportionate to the loss or gain in time involved;	223 224 225 226
	(b) If such shortfall or excess results respectively from an increase or a decrease in the vessel's average daily bunker consumption, as herein defined, in relation to the average daily consumption guaranteed hereunder, hire shall be reduced or increased as may be appropriate by an amount equivalent to the value of the excess or saving in bunkers involved based on the average price paid by Charterers for the vessel's bunkers in this period.	227 228 229 230 231
	Reduction of hire under the foregoing provisions shall be without prejudice to any other remedy available to Charterers.	232 233
	Claims in respect of reduction of hire arising under this clause during the final year or part year of the charter period as specified in clause 3 hereof and any extension thereof under this charter shall in the first instance be settled in accordance with Charterers' estimate made two months before the end of the Charter period as so specified. Any necessary adjustment after the end of the charter shall be made by payment by Owners to Charterers or Charterers to Owners as the case may require.	234 235 236 237 238
	Payments in respect of increase of hire arising under this clause shall be made promptly after receipt by Charterers of all the information necessary to calculate such increase.	239 240
	In event of any conflict between the particulars set out in the aforesaid Form and any other provision (including this clause) of this charter such other provision shall prevail.	241 242
Tanks, etc.	25. Owners guarantee that the tanks, valves and pipelines are oil-tight at the commencement of this charter, and Owners bind themselves to take every possible precaution to maintain the tanks, valves and pipelines in this condition during the charter period.	243 244 245
Salvage	26. All salvage and all proceeds from derelicts shall be divided equally between Owners and Charterers after deducting the master's, officers' and crew's share, hire of vessel for time lost and cost of fuel consumed and all other expenses incurred. Subject as aforesaid, and subject to the provisions of clause 21 hereof, all loss of time and all expenses (excluding any damage to or loss of the vessel) incurred in saving or attempting to save life and in unsuccessful attempts at salvage shall be borne equally by Owners and Charterers, provided that Charterers shall not be liable to contribute towards any salvage payable by Owners arising in any way out of services rendered under this clause.	246 247 248 249 250 251 252
Lien	27. Owners shall have a lien upon all cargoes and all freights for any amounts due under this charter; and Charterers shall have a lien on the vessel for all moneys paid in advance and not earned, and for all claims for damages arising from any breach by Owners of this charter.	253 254 255
Exceptions	28. Save that clauses 1, 2 and 24 hereof shall be unaffected hereby, the vessel, her master and Owners shall not, unless otherwise in this charter expressly provided, be responsible for any loss or damage arising or resulting from any act, neglect or default of the master, pilots, mariners or other servants of Owners in the navigation or management of the vessel; fire, unless caused by the actual fault or privity of Owners; collision or stranding; dangers and accidents of the sea; explosion, bursting of boilers, breakage of shafts or any latent defect in hull, equipment or machinery. And neither the vessel, her master or Owners, nor Charterers shall, unless otherwise in this charter expressly provided, be responsible for any loss or damage or delay or failure in performance hereunder arising or resulting from act of God, act of war, seizure under legal process, quarantine restrictions, strikes, lockouts, riots, civil commotions and arrest or restraint of princes, rulers or people. The vessel shall have liberty to sail with or without pilots, to tow or go to the assistance of vessels in distress and to deviate for the purpose of saving life or property. This clause is not to be construed as in any way affecting the provisions for cessation of hire as provided in this charter.	256 257 258 259 260 261 262 263 264 265 266 267 268

Injurious Cargoes	29. No acids, explosives or cargoes injurious to the vessel shall be shipped, nor shall any voyage be undertaken, nor goods or cargoes be loaded, that would involve risk of seizure, capture, or penalty imposed by British or foreign rulers or governments, and without prejudice to the foregoing any damage to the tanks caused by the shipment of any such cargo as aforesaid shall be at Charterers' risk and expense, and the time taken to repair such damage shall be for Charterers' account.	269 270 271 272 273
Grade of Bunkers	30. Charterers have the option of supplying for use in the main motors marine diesel oil or fuel oil with a maximum viscosity of 3500 seconds Redwood 1 at 100 degrees F. and for use under the boilers any commercial grade of fuel oil. If Owners require the vessel to be supplied with more expensive bunkers they shall be liable for the extra cost thereof.	274 275 276 277
Disbursements	31. Should the master require advances for ordinary disbursements at any port, Charterers or their agents shall make such advances to him, in consideration of which Owners shall pay a commission of 2½ per cent, and all such advances shall be deducted from hire.	278 279 280
Requisition	32. Should the vessel be requisitioned by the Government during the period of this charter, the vessel shall be deemed to be off-hire during the period of such requisition, and any hire paid by the said Government in respect of such requisition period shall be for Owners' account. The period during which the vessel is on requisition to the said Government shall count as part of the period provided for in clause 3 of this charter.	281 282 283 284 285
Outbreak of War	33. If war or hostilities break out between any two or more of the following countries Charterers shall have the right of cancelling the charter.	286 287 both Owners and 288 289
Additional War Expenses	34. Any extra expenses which may be incurred by Owners if the vessel has to trade in areas where there is war (de facto or de jure) shall be borne by Charterers, provided that before such expenses are incurred Charterers are given an opportunity to signify their approval.	290 291 292
War Insurance	35. War and/or mine risk insurance, if any, shall be for Owners' account, but notwithstanding the provisions of clause 5 hereof, war risk insurance on hull and machinery on a mutually agreed value in excess of the rate ruling at the date hereof shall be for Charterers' account.	293 294 295
War Risks	36. (1) The master shall not be required or bound to sign bills of lading for any blockaded port or for any port which the master or Owners in his or their discretion consider dangerous or impossible to enter or reach. (2) (A) If any port of loading or of discharge named in this charter or to which the vessel may properly be ordered pursuant to the terms of the bills of lading be blockaded, or (B) If owing to any war, hostilities, warlike operations, civil war, civil commotions, revolutions, or the operation of international law (a) entry to any such port of loading or of discharge or the loading or discharge of cargo at any such port be considered by the master or Owners in his or their discretion dangerous or prohibited or (b) it be considered by the master or Owners in his or their discretion dangerous or impossible for the vessel to reach any such port of loading or of discharge, Charterers shall have the right to order the cargo or such part of it as may be affected to be loaded or discharged at any other port of loading or of discharge within the range of loading or discharge ports respectively established under the provisions of the charter (provided such other port is not blockaded or that entry thereto or loading or discharge of cargo thereat is not in the master's or Owners' discretion dangerous or prohibited). If in respect of a port of discharge no orders be received from Charterers within 48 hours after they or their agents have received from Owners a request for the nomination of a substitute port, Owners shall then be at liberty to discharge the cargo at any port which they or the master may in their or his discretion decide on (whether within the range of discharge ports established under the provisions of the charter or not) and such discharge shall be deemed to be due fulfilment of the contract or contracts of affreightment so far as cargo so discharged is concerned. In the event of the cargo being loaded or discharged at any such other port within the respective range of loading or discharge ports established under the provisions of the charter, the charter shall be read in respect of freight and all other conditions whatsoever as if the voyage performed were that originally designated. However, if the vessel discharges the cargo at a port outside the range of discharge ports established under the provisions of the charter, freight shall be paid as for the voyage originally designated and all extra expenses involved in reaching the actual port of discharge and/or discharging the cargo thereat shall be paid by Charterers or cargo owners. In this latter event Owners shall have a lien on the cargo for all such extra expenses. (3) The vessel shall have liberty to comply with any directions or recommendations as to departure, arrival, routes, ports of call, stoppages, destinations, zones, waters, delivery or in any other wise whatsoever given by the government of the nation under whose flag the vessel sails or any other government or local authority including any de facto government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or authority or by any committee or person having under the terms of the war risks insurance on the vessel the right to give any such directions or recommendations. If by reason of or in compliance with any such directions or recommendations anything is done or is not done, such shall not be deemed a deviation. If by reason of or in compliance with any such direction or recommendation the vessel does not proceed to the port or ports of discharge originally designated or to which she may have been ordered pursuant to the terms of the bills of lading, the vessel may proceed to any port of discharge which the master or Owners in his or their discretion may decide on and there discharge the cargo. Such discharge shall be deemed to be due fulfilment of the contract or contracts of affreightment and Owners shall be entitled to freight as if discharge had been effected at the port or ports originally designated or to which the vessel may have been ordered pursuant to the terms of the bills of lading. All extra expenses involved in reaching and discharging the cargo at any such other port of discharge shall be paid by Charterers and/or cargo owners and Owners shall have a lien on the cargo for freight and all such expenses. Charterers shall procure that all bills of lading issued under this charter shall contain the foregoing clause so far as applicable to bills of lading.	296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343

Both to Blame Collision Clause	37. If the liability for any collision in which the vessel is involved while performing this charter falls to be determined in accordance with the laws of the United States of America, the following provision shall apply:—	344 345 346
	“If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship, the owners of the goods carried hereunder will indemnify the carrier against all loss, or liability to the other or non-carrying ship or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of the said goods, paid or payable by the other or non-carrying ship or her owners to the owners of said goods and set off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or carrier.	347 348 349 350 351 352 353 354
	“The foregoing provisions shall also apply where the owners, operators or those in charge of any ship or ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect to a collision or contact.”	355 356 357
	Charterers shall procure that all bills of lading issued under this charter shall contain a provision in the foregoing terms, to be applicable where the liability for any collision in which the vessel is involved falls to be determined in accordance with the laws of the United States of America.	358 359 360
New Jason Clause	38. General average shall be payable according to the York/Antwerp Rules, 1950, and shall be adjusted in London but should adjustment be made in accordance with the law and practice of the United States of America, the following provision shall apply:—	361 362 363
	“In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the carrier is not responsible, by statute, contract or otherwise, the goods, shippers, consignees or owners of the goods shall contribute with the carrier in general average to the payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the goods.	364 365 366 367 368 369
	“If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if the said salving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon shall, if required, be made by the goods, shippers, consignees or owners of the goods to the carrier before delivery.”	370 371 372 373 374
	Charterers shall procure that all bills of lading issued under this charter shall contain a provision in the foregoing terms, to be applicable where adjustment of general average is made in accordance with the laws and practice of the United States of America.	375 376 377
Paramount Clause	39. Charterers shall procure that all bills of lading issued under this charter shall contain the following Paramount Clause:—	378 379
	“This bill of lading shall	380
	(1) in relation to the carriage of any goods from any port in Great Britain or Northern Ireland to any other port whether in or outside Great Britain or Northern Ireland have effect subject to the provisions of the Carriage of Goods by Sea Act, 1924, and to the Rules contained in the Schedule thereto as applied by that Act and nothing herein contained shall be deemed a surrender by the Carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the said Act;	381 382 383 384 385 386
	(2) in relation to the carriage of any goods from any port of shipment in territory in which legislation similar in effect to the Carriage of Goods by Sea Act, 1924, of the United Kingdom is in force, have effect subject to such legislation and to the Rules contained in the Schedule thereto as applied by such legislation and nothing herein contained shall be deemed to be a surrender by the Carrier of any of his rights or immunities under the said legislation or an increase of any of his responsibilities or liabilities under the said legislation; and	387 388 389 390 391 392
	(3) in any other case have effect as if the contract of carriage herein contained were a contract of carriage to which the provisions of the Carriage of Goods by Sea Act, 1924, of the United Kingdom applied and the Carrier shall be entitled to the benefit of the privileges, rights and immunities conferred by the said Act and the Rules contained in the Schedule thereto as if the same were herein specifically set out.	393 394 395 396 397
	If any term of this bill of lading be repugnant to the provisions of the said Act or to the said legislation to any extent, such term shall be void to that extent but no further.”	398 399
Law and Litigation	40. (a) This charter shall be construed and the relations between the parties determined in accordance with the law of England.	400 401
	(b) Any dispute arising under this charter shall be decided by the English Courts to whose jurisdiction the parties agree whatever their domicile may be:	402 403
	Provided that either party may elect to have the dispute referred to the arbitration of a single arbitrator in London in accordance with the provisions of the Arbitration Act, 1950, or any statutory modification or re-enactment thereof for the time being in force. Such election shall be made by written notice by one party to the other not later than 21 days after receipt of a notice given by one party to the other of a dispute having arisen under this charter.	404 405 406 407 408

Bill of Lading forms

Shipper (full style and address)
 Graintrade S.p.A.
 Via C.ne Piazza d'Armi, 7
 Ravenna

Lorenzon e Soci S.a.s.
Bill of Lading
To be used with Charterparty

Consignee (full style and address)
 Big Mill Co. Ltd
 5, South Quay Rd.
 Liverpool

B/L No.
 11565
 Vessel
 M/v "Polenta IV"

Reference No.
 11565 PIFES

Notify Party (full style and address)
 Big Mill Co. Ltd
 5, South Quay Rd.
 Liverpool

Port of loading
 Ravenna

Port of discharge
 Liverpool

Shipper's Description of goods	Gross weight,
35,000 tones of wheat in bulk	
(of which ____ on deck at Shipper's risk; the Carrier not being responsible for loss or damage howsoever arising)	

Freight payable as per CHARTERPARTY dated 20 November 2002 collect at disport

Time used for loading 5 (Five) Days 4 (four) Hours

SHIPPED in apparent good order and condition (unless otherwise stated herein) on board the Vessel for carriage to the Port of Discharge or so near thereto as she may safely get the goods specified above.

Weight, measure, quality, quantity, condition, contents and value unknown.

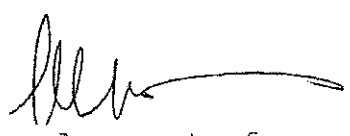
IN WITNESS whereof the Master or Agent of the said Vessel has signed the number of Bills of Lading indicated below all of this tenor and date, any one of which being accomplished the others shall be void.

FOR CONDITIONS OF CARRIAGE SEE OVERLEAF

Number of original Bills of Lading
 Three/three n.3/3

Place and date of issue
 Ravenna, 7 January 2003

Signature


 As agents for
 the Carrier (Graintrade S.p.A.)

Conditions of Carriage

(1) All terms and conditions, liberties and exceptions of the Charter Party, dated as overleaf, including the Law and Arbitration Clause, are herewith incorporated.

(2) General Paramount Clause.

(a) The Hague Rules contained in the International Convention for the Unification of certain rules relating to Bills of Lading, dated Brussels the 25th August 1924 as enacted in the country of shipment, shall apply to this Bill of Lading. When no such enactment is in force in the country of shipment, the corresponding legislation of the country of destination shall apply, but in respect of shipments to which no such enactments are compulsorily applicable, the terms of the said Convention shall apply.

(b) Trades where Hague-Visby Rules apply.

In trades where the International Brussels Convention 1924 as amended by the Protocol signed at Brussels on February 23rd 1968 - the Hague-Visby Rules - apply compulsorily, the provisions of the respective legislation shall apply to this Bill of Lading.

(c) The Carrier shall in no case be responsible for loss of or damage to the cargo, howsoever arising prior to loading into and after discharge from the Vessel or while the cargo is in the charge of another Carrier, nor in respect of deck cargo or live animals.

(3) General Average.

General Average shall be adjusted, stated and settled according to York-Antwerp Rules 1994, or any subsequent modification thereof, in London unless another place is agreed in the Charter Party. Cargo's contribution to General Average shall be paid to the Carrier even when such average is the result of a fault, neglect or error of the Master, Pilot or Crew. The Charterers, Shippers and Consignees expressly renounce the Belgian Commercial Code, Part II, Art. 148.

(4) New Jason Clause.

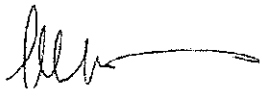
In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the Carrier is not responsible, by statute, contract or otherwise, the cargo, shippers, consignees or the owners of the cargo shall contribute with the Carrier in General Average to the payment of any sacrifices, losses or expenses of a General Average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo. If a salvaging vessel is owned or operated by the Carrier, salvage shall be paid for as fully as if the said salvaging vessel or vessels belonged to strangers. Such deposit as the Carrier, or his agents, may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or owners of the goods to the Carrier before delivery.

(5) Both-to-Blame Collision Clause.

If the Vessel comes into collision with another vessel as a result of the negligence of the other vessel and any act, neglect or default of the Master, Mariner, Pilot or the servants of the Carrier in the navigation or in the management of the Vessel, the owners of the cargo carried hereunder will indemnify the Carrier against all loss or liability to the other or non-carrying vessel or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of said cargo, paid or payable by the other or non-carrying vessel or her owners to the owners of said cargo and set-off, recouped or recovered by the other or non-carrying vessel or her owners as part of their claim against the carrying Vessel or the Carrier.

The foregoing provisions shall also apply where the owners, operators or those in charge of any vessel or vessels or objects other than, or in addition to, the colliding vessels or objects are at fault in respect of a collision or contact.

For particulars of cargo, freight, destination, etc., see overleaf.

Shipper (full style and address) Graintrade Via C.ne Piazza d'Armi, 7 Ravenna		Lorenzon e Soci S.a.s. Bill of Lading To be used with Charterparty	
Consignee (full style and address) or Order Big Mill Co. Ltd 5, South Quay Rd. Liverpool		B/L No. 11565	Reference No. 11565 PIFES
Notify Party (full style and address) Big Mill Co. Ltd 5, South Quay Rd. Liverpool		Vessel M/v "Polenta IV"	
		Port of loading Ravenna	
		Port of discharge Liverpool	
Shipper's Description of goods 35,000 tones of wheat in bulk		Gross weight,	
(of which ___ on deck at Shipper's risk; the Carrier not being responsible for loss or damage howsoever arising)			
Freight payable as per CHARTERPARTY dated 20 November 2002 collect at disport			
Time used for loading 5 (Five) Days 4 (four) Hours			
SHIPPED in apparent good order and condition (unless otherwise stated herein) on board the Vessel for carriage to the Port of Discharge or so near thereto as she may safely get the goods specified above.		Number of original Bills of Lading Three/three n.3/3	
Weight, measure, quality, quantity, condition, contents and value unknown.		Place and date of issue Ravenna, 7 January 2003	
IN WITNESS whereof the Master or Agent of the said Vessel has signed the number of Bills of Lading indicated below all of this tenor and date, any one of which being accomplished the others shall be void.		Signature	
FOR CONDITIONS OF CARRIAGE SEE OVERLEAF		 As agents for the Carrier	

Conditions of Carriage

(1) All terms and conditions, liberties and exceptions of the Charter Party, dated as overleaf, including the Law and Arbitration Clause, are herewith incorporated.

(2) General Paramount Clause.

(a) The Hague Rules contained in the International Convention for the Unification of certain rules relating to Bills of Lading, dated Brussels the 25th August 1924 as enacted in the country of shipment, shall apply to this Bill of Lading. When no such enactment is in force in the country of shipment, the corresponding legislation of the country of destination shall apply, but in respect of shipments to which no such enactments are compulsorily applicable, the terms of the said Convention shall apply.

(b) Trades where Hague-Visby Rules apply.

In trades where the International Brussels Convention 1924 as amended by the Protocol signed at Brussels on February 23rd 1968 - the Hague-Visby Rules - apply compulsorily, the provisions of the respective legislation shall apply to this Bill of Lading.

(c) The Carrier shall in no case be responsible for loss of or damage to the cargo, howsoever arising prior to loading into and after discharge from the Vessel or while the cargo is in the charge of another Carrier, nor in respect of deck cargo or live animals.

(3) General Average.

General Average shall be adjusted, stated and settled according to York-Antwerp Rules 1994, or any subsequent modification thereof, in London unless another place is agreed in the Charter Party. Cargo's contribution to General Average shall be paid to the Carrier even when such average is the result of a fault, neglect or error of the Master, Pilot or Crew. The Charterers, Shippers and Consignees expressly renounce the Belgian Commercial Code, Part II, Art. 148.

(4) New Jason Clause.

In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the Carrier is not responsible, by statute, contract or otherwise, the cargo, shippers, consignees or the owners of the cargo shall contribute with the Carrier in General Average to the payment of any sacrifices, losses or expenses of a General Average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo. If a salvaging vessel is owned or operated by the Carrier, salvage shall be paid for as fully as if the said salvaging vessel or vessels belonged to strangers. Such deposit as the Carrier, or his agents, may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or owners of the goods to the Carrier before delivery.

(5) Both-to-Blame Collision Clause.

If the Vessel comes into collision with another vessel as a result of the negligence of the other vessel and any act, neglect or default of the Master, Mariner, Pilot or the servants of the Carrier in the navigation or in the management of the Vessel, the owners of the cargo carried hereunder will indemnify the Carrier against all loss or liability to the other or non-carrying vessel or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of said cargo, paid or payable by the other or non-carrying vessel or her owners to the owners of said cargo and set-off, recouped or recovered by the other or non-carrying vessel or her owners as part of their claim against the carrying Vessel or the Carrier.

The foregoing provisions shall also apply where the owners, operators or those in charge of any vessel or vessels or objects other than, or in addition to, the colliding vessels or objects are at fault in respect of a collision or contact.

For particulars of cargo, freight, destination, etc., see overleaf.

Shipper (full style and address) XYZ Co Ltd Southampton		Filippo & Co. S.r.l. International Sea Carriers & Freight Forwarders Hamilton	
Consignee (full style and address) or Order Hamburg TradCem Co. Hamburg - Deutschland		B/L No. F112SH67	Reference No. F112SH67/112
Notify Party (full style and address) Hamburg TradCem Co. Hamburg - Deutschland		Vessel "MIDAS TOUCH"	
		Port of loading Southampton	Port of discharge Hamburg
PARTICULARS DECLARED BY THE SHIPPER BUT NOT ACKNOWLEDGED BY THE CARRIER			
Container No./Seal No./Marks and Numbers	Number and kind of packages; description of cargo	Gross weight, kg	Measurement, m ³
	1185 bags of cement	59.250 kg	60 cubic meters
<p>SHIPPED on board in apparent good order and condition (unless otherwise stated herein) the total number of Containers/Packages or Units indicated in the Box opposite entitled "Total number of Containers/Packages or Units received by the Carrier" and the cargo as specified above, weight, measure, marks, numbers, quality, contents and value unknown, for carriage to the Port of discharge or so near thereunto as the vessel may safely get and lie always afloat, to be delivered in the like good order and condition at the Port of discharge unto the lawful holder of the Bill of Lading, on payment of freight as indicated to the right plus other charges incurred in accordance with the provisions contained in this Bill of Lading. In accepting this Bill of Lading the Merchant* expressly accepts and agrees to all its stipulations on both Page 1 and Page 2, whether written, printed, stamped or otherwise incorporated, as fully as if they were all signed by the Merchant. One original Bill of Lading must be surrendered duly endorsed in exchange for the cargo or delivery order, whereupon all other Bills of Lading to be void. IN WITNESS whereof the Carrier, Master or their Agent has signed the number of original Bills of Lading stated below right, all of this tenor and date.</p>		Total number of Containers/Packages or Units received by the Carrier 1185 bags	
		Shipper's declared value As per attached invoice	Declared value charge None
		Freight details and charges Freight prepaid	
		Carrier's name/principal place of business Filippo & Co. High Street 342 int. 54bis Hamilton Bermuda	Date shipped on board 10/12/2003
Signatureas agents for the carriers..... Carrier or, for the Carrieras Masteras Agents	Number of original Bills of Lading Three/3 n ^o 2/3	Pre-carriage by** Shipper	
<p style="text-align: center;">Filippo & Co. S.r.l. Hamilton</p>		Place of receipt by pre-carrier** Southampton	
		Place of delivery by on-carrier** N/d	

*As defined hereinafter (Cl. 1)

**Applicable only when pre-/on-carriage is arranged in accordance with Clause 8

1. **Definition.** "Merchant" includes the shipper, the receiver, the consignor, the consignee, the holder of the Bill of Lading, the owner of the cargo and any person entitled to possession of the cargo. "Carrier" is Filippo & Co. Ltd., High Street 342 int. 54bis, Hamilton (Bermuda).
2. **Notification.** Any mention in this Bill of Lading of parties to be notified of the arrival of the cargo is solely for the information of the Carrier and failure to give such notification shall not involve the Carrier in any liability nor relieve the Merchant of any obligation hereunder.
3. **Liability for Carriage Between Port of Loading and Port of Discharge.** (a) The International Convention for the Unification of Certain Rules of Law relating to Bills of Lading signed at Brussels on 25 August 1924 ("the Hague Rules") as amended by the Protocol signed at Brussels on 23 February 1968 ("the Hague-Visby Rules") and as enacted in the country of shipment shall apply to this Contract. When the Hague-Visby Rules are not enacted in the country of shipment, the corresponding legislation of the country of destination shall apply, irrespective of whether such legislation may only regulate outbound shipments. When there is no enactment of the Hague-Visby Rules in either the country of shipment or in the country of destination, the Hague-Visby Rules shall apply to this Contract save where the Hague Rules as enacted in the country of shipment or, if no such enactment is in place, the Hague Rules as enacted in the country of destination apply compulsorily to this Contract. The Protocol signed at Brussels on 21 December 1979 ("the SDR Protocol 1979") shall apply where the Hague-Visby Rules apply, whether mandatorily or by this Contract. The Carrier shall in no case be responsible for loss of or damage to cargo arising prior to loading, after discharging, or with respect to deck cargo and live animals.
- (b) If the Carrier is held liable in respect of delay, consequential loss or damage other than loss of or damage to the cargo, the liability of the Carrier shall be limited to the freight for the carriage covered by this Bill of Lading, or to the limitation amount as determined in sub-clause 3(a), whichever is the lesser. (c) The aggregate liability of the Carrier and/or any of his servants, agents or independent contractors under this Contract shall, in no circumstances, exceed the limits of liability for the total loss of the cargo under sub-clause 3(a) or, if applicable, the Additional Clause.
4. **Law and Jurisdiction.** Disputes arising out of or in connection with this Bill of Lading shall be exclusively determined by the courts and in accordance with the law of the place where the Carrier has his principal place of business, as stated on Page 1, except as provided elsewhere herein.
5. **The Scope of Carriage.** The intended carriage shall not be limited to the direct route but shall be deemed to include any proceeding or returning to or stopping or slowing down at or off any ports or places for any reasonable purpose connected with the carriage including bunkering, loading, discharging, or other cargo operations and maintenance of Vessel and crew.
6. **Substitution of Vessel.** The Carrier shall be at liberty to carry the cargo or part thereof to the Port of discharge by the said or other vessel or vessels either belonging to the Carrier or others, or by other means of transport, proceeding either directly or indirectly to such port.
7. **Transhipment.** The Carrier shall be at liberty to tranship, lighter, land and store the cargo either on shore or afloat and reship and forward the same to the Port of discharge.
8. **Liability for Pre- and On-Carriage.** When the Carrier arranges pre-carriage of the cargo from a place other than the Vessel's Port of loading or on-carriage of the cargo to a place other than the Vessel's Port of discharge, the Carrier shall contract as the Merchant's Agent only and the Carrier shall not be liable for any loss or damage arising during any part of the carriage other than between the Port of loading and the Port of discharge even though the freight for the whole carriage has been collected by him.
9. **Loading and Discharging.** (a) Loading and discharging of the cargo shall be arranged by the Carrier or his Agent. (b) The Merchant shall, at his risk and expense, handle and/or store the cargo before loading and after discharging. (c) Loading and discharging may commence without prior notice. (d) The Merchant or his Agent shall tender the cargo when the Vessel is ready to load and as fast as the Vessel can receive including, if required by the Carrier, outside ordinary working hours notwithstanding any custom of the port. If the Merchant or his Agent fails to tender the cargo when the Vessel is ready to load or fails to load as fast as the Vessel can receive the cargo, the Carrier shall be relieved of any obligation to load such cargo, the Vessel shall be entitled to leave the port with-out further notice and the Merchant shall be liable to the Carrier for deadfreight and/or any overtime charges, losses, costs and expenses incurred by the Carrier. (e) The Merchant or his Agent shall take delivery of the cargo as fast as the Vessel can discharge including, if required by the Carrier, outside ordinary working hours notwithstanding any custom of the port. If the Merchant or his Agent fails to take delivery of the cargo the Carrier's discharging of the cargo shall be deemed fulfilment of the contract of carriage. Should the cargo not be applied for within a reasonable time, the Carrier may sell the same privately or by auction. If the Merchant or his Agent fails to take delivery of the cargo as fast as the Vessel can discharge, the Merchant shall be liable to the Carrier for any overtime charges, losses, costs and expenses incurred by the Carrier. (f) The Merchant shall accept his reasonable proportion of unidentified loose cargo.
10. **Freight, Charges, Costs, Expenses, Duties, Taxes and Fines.** (a) Freight, whether paid or not, shall be considered as fully earned upon loading and non-returnable in any event. Unless otherwise specified, freight and/or charges under this Contract are payable by the Merchant to the Carrier on demand. Interest at Libor (or its successor) plus 2 per cent. shall run from fourteen days after the date when freight and charges are payable. (b) The Merchant shall be liable for all costs and expenses of fumigation, gathering and sorting loose cargo and weighing onboard, repairing damage to and replacing packing due to excepted causes, and any extra handling of the cargo for any of the aforementioned reasons. (c) The Merchant shall be liable for any dues, duties, taxes and charges which under any denomination may be levied, *inter alia*, on the basis of freight, weight of cargo or tonnage of the Vessel. (d) The Merchant shall be liable for all fines, penalties, costs, expenses and losses which the Carrier, Vessel or cargo may incur through non-observance of Customs House and/or import or export regulations. (e) The Carrier is entitled in case of incorrect declaration of contents, weights, measurements or value of the cargo to claim double the amount of freight which would have been due if such declaration had been correctly given. For the purpose of ascertaining the actual facts, the Carrier shall have the right to obtain from the Merchant the original invoice and to have the cargo inspected and its contents, weight, measurement or value verified.
11. **Lien.** The Carrier shall have a lien on all cargo for any amount due under this contract and the costs of recovering the same and shall be entitled to sell the cargo privately or by auction to satisfy any such claims.
12. **General Average and Salvage.** General Average shall be adjusted, stated and settled in London according to the York-Antwerp Rules 1994, or any modification thereof, in respect of all cargo, whether carried on or under deck. In the event of accident, danger, damage or disaster before or after commencement of the voyage resulting from any cause whatsoever, whether due to negligence or not, for which or for the consequence of which the Carrier is not responsible by statute, contract or otherwise, the Merchant shall contribute with the Carrier in General Average to the payment of any sacrifice, losses or expenses of a General Average nature that may be made or incurred, and shall pay salvage and special charges incurred in respect of the cargo. If a salvaging vessel is owned or operated by the Carrier, salvage shall be paid for as fully as if the salvaging vessel or vessels belonged to strangers.
13. **Both-to-Blame Collision Clause.** If the Vessel comes into collision with another vessel as a result of the negligence of the other vessel and any act, negligence or default of the Master, Mariner, Pilot or the servants of the Carrier in the navigation or in the management of the Vessel, the Merchant will indemnify the Carrier against all loss or liability to the other or non-carrying vessel or her Owner in so far as such loss or liability represents loss of or damage to or any claim whatsoever of the owner of the cargo paid or payable by the other or non-carrying vessel or her Owner to the owner of the cargo and set-off, recouped or recovered by the other or non-carrying vessel or her Owner as part of his claim against the carrying vessel or Carrier. The foregoing provisions shall also apply where the Owner, operator or those in charge of any vessel or vessels or objects other than, or in addition to, the colliding vessels or objects are at fault in respect of a collision or contact.
14. **Government directions, War, Epidemics, Ice, Strikes, etc.** (a) The Master and the Carrier shall have liberty to comply with any order or directions or recommendations in connection with the carriage under this Contract given by any Government or Authority, or anybody acting or purporting to act on behalf of such Government or Authority, or having under the terms of the insurance on the Vessel the right to give such orders or directions or recommendations. (b) Should it appear that the performance of the carriage would expose the Vessel or any cargo onboard to risk of seizure, damage or delay, in consequence of war, warlike operations, blockade, riots, civil commotions or piracy, or any person onboard to risk of loss of life or freedom, or that any such risk has increased, the Master may discharge the cargo at the Port of loading or any other safe and convenient port.
- (c) Should it appear that epidemics; quarantine; ice; labour troubles, labour obstructions, strikes, lockouts (whether onboard or on shore); difficulties in loading or discharging would prevent the Vessel from leaving the Port of loading or reaching or entering the Port of discharge or there discharging in the usual manner and departing therefrom, all of which safely and without unreasonable delay, the Master may discharge the cargo at the Port of loading or any other safe and convenient port. (d) The discharge, under the provisions of this Clause, of any cargo shall be deemed due fulfilment of the contract of carriage. (e) If in connection with the exercise of any liberty under this Clause any extra expenses are incurred they shall be paid by the Merchant in addition to the freight, together with return freight, if any, and a reasonable compensation for any extra services rendered to the cargo.
15. **Defences and Limits of Liability for the Carrier, Servants and Agents.** (a) It is hereby expressly agreed that no servant or agent of the Carrier (which for the purpose of this Clause includes every independent contractor from time to time employed by the Carrier) shall in any circumstances whatsoever be under any liability whatsoever to the Merchant under this Contract of carriage for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment. (b) Without prejudice to the generality of the foregoing provisions in this Clause, every exemption from liability, limitation, condition and liberty herein contained and every right, defence and immunity of whatsoever nature applicable to the Carrier or to which the Carrier is entitled, shall also be available and shall extend to protect every such servant and agent of the Carrier acting as aforesaid. (c) The Merchant undertakes that no claim shall be made against any servant or agent of the Carrier and, if any claim should nevertheless be made, to indemnify the Carrier against all consequences thereof. (d) For the purpose of all the foregoing provisions of this Clause the Carrier is or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who might be his servants or agents from time to time and all such persons shall to this extent be or be deemed to be parties to this Contract of carriage.
16. **Stowage.** (a) The Carrier shall have the right to stow cargo by means of containers, trailers, transportable tanks, flats, pallets, or similar articles of transport used to consolidate goods. (b) The Carrier shall have the right to carry containers, trailers, transportable tanks and covered flats, whether stowed by the Carrier or received by him in a stowed condition from the Merchant, on or under deck without notice to the Merchant.
17. **Shipper-Packed Containers, trailers, transportable tanks, flats and pallets.** (a) If a container has not been filled, packed or stowed by the Carrier, the Carrier shall not be liable for any loss of or damage to its contents and the Merchant shall cover any loss or expense incurred by the Carrier, if such loss, damage or expense has been caused by: (i) negligent filling, packing or stowing of the container; (ii) the contents being unsuitable for carriage in container; or (iii) the unsuitability or defective condition of the container unless the container has been supplied by the Carrier and the unsuitability or defective condition would not have been apparent upon reasonable inspection at or prior to the time when the container was filled, packed or stowed. (b) The provisions of sub-clause (i) of this Clause also apply with respect to trailers, transportable tanks, flats and pallets which have not been filled, packed or stowed by the Carrier. (c) The Carrier does not accept liability for damage due to the unsuitability or defective condition of reefer equipment or trailers supplied by the Merchant.
18. **Return of Containers.** (a) Containers, pallets or similar articles of transport supplied by or on behalf of the Carrier shall be returned to the Carrier in the same order and condition as handed over to the Merchant, normal wear and tear excepted, with interiors clean and within the time prescribed in the Carrier's tariff or elsewhere. (b) The Merchant shall be liable to the Carrier for any loss, damage to, or delay, including demurrage and detention incurred by or sustained to containers, pallets or similar articles of transport during the period between handing over to the Merchant and return to the Carrier.
- ADDITIONAL CLAUSE**
U.S. Trade. Period of Responsibility.
- (i) In case the Contract evidenced by this Bill of Lading is subject to the Carriage of Goods by Sea Act of the United States of America, 1936 (U.S. COGSA), then the provisions stated in said Act shall govern before loading and after discharge and throughout the entire time the cargo is in the Carrier's custody and in which event freight shall be payable on the cargo coming into the Carrier's custody. (ii) If the U.S. COGSA applies, and unless the nature and value of the cargo has been declared by the shipper before the cargo has been handed over to the Carrier and inserted in this Bill of Lading, the Carrier shall in no event be or become liable for any loss or damage to the cargo in an amount exceeding USD 500 per package or customary freight unit.