

**MEDITERRANEAN SHIPPING COMPANY S.A.**Website : www.mscmedshipping.com

SCAC Code: MSCU

**BILL OF LADING No.
NON-NEGOTIABLE COPY**"Port-to-Port" or "Combined
Transport" (see Clause 1)

NO. & SEQUENCE OF ORIGINAL B/L's

NO. OF RIDER PAGES

SHIPPER:		CARRIER'S AGENTS ENDORSEMENTS: (Include Agent(s) at POD)	
CONSIGNEE: This B/L is not negotiable unless marked "To Order" or "To Order of..." here.			
NOTIFY PARTIES: (No responsibility shall attach to the Carrier or to his Agent for failure to notify - see Clause 20)			
VESSEL & VOYAGE NO. (see Clauses 8 & 9)	PORT OF LOADING	PLACE OF RECEIPT: (Combined Transport ONLY - see Clauses 1 & 5.2)	
BOOKING REF. (or) SHIPPER'S REF.	PORT OF DISCHARGE	PLACE OF DELIVERY: (Combined Transport ONLY - see Clauses 1 & 5.2)	

PARTICULARS FURNISHED BY THE SHIPPER - NOT CHECKED BY CARRIER - CARRIER NOT RESPONSIBLE (see Clause 14)

Container Numbers, Seal Numbers and Marks	Description of Packages and Goods (Continued on attached Bill of Lading Rider page(s), if applicable)	Gross Cargo Weight	Measurement
<div style="position: relative;"> <div style="position: absolute; top: 0; left: 0; right: 0; bottom: 0; background: linear-gradient(to top right, transparent 49%, #ccc 49%, #ccc 51%, transparent 51%, transparent 52%); background-size: 100px 100px; opacity: 0.2;">SPECIMEN</div> </div>			

FREIGHT & CHARGES		<p>Cargo shall not be delivered unless Freight & Charges are paid (see Clause 16).</p> <p>RECEIVED by the Carrier in apparent good order and condition (unless otherwise stated herein) the total number or quantity of Containers or other packages or units indicated in the box entitled Carrier's Receipt for carriage subject to all the terms and conditions hereof from the Place of Receipt or Port of Loading to the Port of Discharge or Place of Delivery, whichever is applicable. IN ACCEPTING THIS BILL OF LADING THE MERCHANT EXPRESSLY ACCEPTS AND AGREES TO ALL THE TERMS AND CONDITIONS, WHETHER PRINTED, STAMPED OR OTHERWISE INCORPORATED ON THIS SIDE AND ON THE REVERSE SIDE OF THIS BILL OF LADING AND THE TERMS AND CONDITIONS OF THE CARRIER'S APPLICABLE TARIFF AS IF THEY WERE ALL SIGNED BY THE MERCHANT.</p> <p>If this is a negotiable (To Order / or) Bill of Lading, one original Bill of Lading, duly endorsed must be surrendered by the Merchant to the Carrier (together with outstanding Freight and charges) in exchange for the Goods or a Delivery Order. If this is a non-negotiable (straight) Bill of Lading, the Carrier shall deliver the Goods or issue a Delivery Order (after payment of outstanding Freight and charges) against the surrender of one original Bill of Lading or in accordance with the national law at the Port of Discharge or Place of Delivery whichever is applicable.</p> <p>IN WITNESS WHEREOF the Carrier or their Agent has signed the number of Bills of Lading stated at the top, all of this tenor and date, and wherever one original Bill of Lading has been surrendered all other Bills of Lading shall be void.</p>
DECLARED VALUE (only applicable if Ad Valorem Charges paid - see Clause 7.3)	CARRIER'S RECEIPT (No. of Cntrs or Pkgs rovd by Carrier - see Clause 14.1)	
PLACE AND DATE OF ISSUE	SHIPPED ON BOARD DATE	

SIGNED on behalf of the Carrier MSC Mediterranean Shipping Company S.A.

CODE NAME: "CONGENBILL". EDITION 1994

B/L No. 01

Shipper

SMS DEMAG AG

BILL OF LADING

TO BE USED WITH CHARTER-PARTIES

Reference No.

CARRIER:

F.T.C. INC. U.S.A.

Consignee

TO ORDER

Notify Address

TURKEY

Vessel

Port of loading

Port of discharge

DILISKELESI

Shipper's description of Goods

Gross weight

Shipping Marks:

No. 19 CASES

ONE HOT STRIP MILL /

177.458.- KGS

ONE HOT STRIP MILL

DILISKELESI / TURKEY

DESTINATION : DILISKELESI

CONSIGNEE:COLAKO-HSM

CASE-NO/BALE NO.

SMSD-COL

GROSS WEIGHT

MEASUREMENT

(LENGTHxWIDTHxHEIGHT IN CM)

(of which **NIL** on deck at Shipper's Risk; the Carrier not
being responsible for loss or damage howsoever arising)

Freight Payable as per
CHARTER-PARTY dated 30/03/09

FREIGHT ADVANCE

Received on account of freight:

Time used for loading.....days.....hours

SHIPPED at the Port of Loading in apparent good order and condition 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

Freight payable
AS PER CHARTER PARTY

Place and date of issue
Porto Marghera, 08/04/2009

Number of original Bs/L

Signature
F.T.C. INC. U.S.A.

THREE (3)

BILL OF LADING

TO BE USED WITH CHARTER-PARTIES

CODE NAME: 'CONGENBILL'

EDITION 1994

ADOPTED BY

THE BALTIC AND INTERNATIONAL MARITIME CONFERENCE (BIMCO)

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 be considered incorporated in this Bill of Lading.

(c) The Carrier shall in no case be responsible for loss or of damage to the cargo, howsoever arising prior to loading into and after discharge from the vessel or while the cargo is in 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 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 salving vessel is owned or operated by the Carrier, salvage shall be paid for as fully as if the said salving 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 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.

Code Name: "COMBICONBILL"

Shipper

B/L No.

Reference No.



Negotiable

COMBINED TRANSPORT BILL OF LADING

Revised 1995

Consigned to order of

Notify party/address

Place of receipt

Ocean Vessel

Port of loading

Port of discharge

Place of delivery

Freight payable at

Number of original Bills of Lading

Marks and Nos.

Quantity and description of goods

Gross weight, kg, Measurement, m³

Particulars above declared by Shipper

Freight and charges

RECEIVED the goods in apparent good order and condition and, as far as ascertained by reasonable means of checking, as specified above unless otherwise stated.

The Carrier, in accordance with and to the extent of the provisions contained in this Bill of Lading, and with liberty to sub-contract, undertakes to perform and/or in his own name to procure performance of the combined transport and the delivery of the goods, including all services related thereto, from the place and time of taking the goods in charge to the place and time of delivery and accepts responsibility for such transport and such services.

One of the Bills of Lading must be surrendered duly endorsed in exchange for the goods or delivery order.

IN WITNESS whereof TWO (2) original Bills of Lading have been signed, if not otherwise stated above, one of which being accomplished the other(s) to be void.

Shipper's declared value of

Place and date of issue

subject to payment of above extra charge.

Signed for

as Carrier

Note:

The Merchant's attention is called to the fact that according to Clauses 10 to 12 and Clause 24 of this Bill of Lading, the liability of the Carrier, in most cases, limited in respect of loss of or damage to the goods and delay.

by

As agent(s) only to the Carrier

p.t.o.

COMBINED TRANSPORT BILL OF LADING

Adopted by The Baltic and International Maritime Council in January, 1971 (as revised 1995)

Code Name: "COMBICONBILL"

I. GENERAL PROVISIONS

1. Applicability.

Notwithstanding the heading "Combined Transport", the provisions set out and referred to in this Bill of Lading shall also apply, if the transport as described in this Bill of Lading is performed by one mode of transport only.

2. Definitions.

"Carrier" means the party on whose behalf this Bill of Lading has been signed.

"Merchant" includes the Shipper, the Receiver, the Consignor, the Consignee, the holder of this Bill of Lading and the owner of the goods.

3. Carrier's Tariff.

The terms of the Carrier's applicable Tariff at the date of shipment are incorporated herein. Copies of the relevant provisions of the applicable Tariff are available from the Carrier upon request. In the case of inconsistency between this Bill of Lading and the applicable Tariff, this Bill of Lading shall prevail.

4. Time Bar.

All liability whatsoever of the Carrier shall cease unless suit is brought within 9 months after delivery of the goods or the date when the goods should have been delivered.

5. Law and Jurisdiction.

Disputes arising under this Bill of Lading shall be determined by the courts and in accordance with the law at the place where the Carrier has his principal place of business.

II. PERFORMANCE OF THE CONTRACT

6. Methods and Routes of Transportation.

(1) The Carrier is entitled to perform the transport and all services related thereto in any reasonable manner and by any reasonable means, methods and routes.

(2) In accordance herewith, for instance, in the event of carriage by sea, vessels may sail with or without pilots, undergo repairs, adjust equipment, drydock and tow vessels in all situations.

7. Optional Stowage.

(1) Goods may be stowed by the Carrier by means of containers, trailers, transportable tanks, flats, pallets, or similar articles of transport used to consolidate goods.

(2) Containers, trailers, transportable tanks and covered flats, whether stowed by the Carrier or received by him in a stowed condition from the Merchant, may be carried on or under deck without notice to the Merchant.

8. Hindrances etc. Affecting Performance.

(1) The Carrier shall use reasonable endeavours to complete the transport and to deliver the goods at the place designated for delivery.

(2) If at any time the performance of the contract as evidenced by this Bill of Lading is or will be affected by any hindrance, risk, delay, difficulty or disadvantage of whatsoever kind, and if by virtue of sub-clause 8 (1) the Carrier has no duty to complete the performance of the contract, the Carrier (whether or not the transport is commenced) may elect to:

(a) treat the performance of this Contract as terminated and place the goods at the Merchant's disposal at any place which the Carrier shall deem safe and convenient; or

(b) deliver the goods at the place designated for delivery.

(3) If the goods are not taken delivery of by the Merchant within a reasonable time after the Carrier has called upon him to take delivery, the Carrier shall be at liberty to put the goods in safe custody on behalf of the Merchant at the latter's risk and expense.

(4) In any event the Carrier shall be entitled to full freight for goods received for transportation and additional compensation for extra costs resulting from the circumstances referred to above.

III. CARRIER'S LIABILITY

9. Basic Liability.

(1) The Carrier shall be liable for loss of or damage to the goods occurring between the time when he receives the goods into his charge and the time of delivery.

(2) The Carrier shall be responsible for the acts and omissions of any person of whose services he makes use for the performance of the contract of carriage evidenced by this Bill of Lading.

(3) The Carrier shall, however, be relieved of liability for any loss or damage if such loss or damage arose or resulted from:

(a) The wrongful act or neglect of the Merchant.

(b) Compliance with the instructions of the person entitled to give them.

(c) The lack of, or defective conditions of packing in the case of goods which, by their nature, are liable to wastage or to be damaged when not packed or when not properly packed.

(d) Handling, loading, stowage or unloading of the goods by or on behalf of the Merchant.

(e) Inherent vice of the goods.

(f) Insufficiency or inadequacy of marks or numbers on the goods, covering, or unit loads.

(g) Strikes or lock-outs or stoppages or restraints of labour from whatever cause whether partial or general.

(h) Any cause or event which the Carrier could not avoid and the consequence whereof he could not prevent by the exercise of reasonable diligence.

(4) Where under sub-clause 9 (3) the Carrier is not under any liability in respect of some of the factors causing the loss or damage, he shall only be liable to the extent that those factors for which he is liable under this Clause have contributed to the loss or damage.

(5) The burden of proving that the loss or damage was due to one or more of the causes or events, specified in (a), (b) and (h) of sub-clause 9 (3) shall rest upon the Carrier.

(6) When the Carrier establishes that in the circumstances of the case, the loss or damage could be attributed to one or more of the causes or events, specified in (c) to (g) of sub-clause 9 (3), it shall be presumed that it was so caused. The Merchant shall, however, be entitled to prove that the loss or damage was not, in fact, caused either wholly or partly by one or more of the causes or events.

10. Amount of Compensation.

(1) When the Carrier is liable for compensation in respect of loss of or damage to the goods, such compensation shall

be calculated by reference to the value of such goods at the place and time they are delivered to the Merchant in accordance with the contract or should have been so delivered.

(2) 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.

(3) Compensation shall not, however, exceed two Special Drawing Rights per kilogramme of gross weight of the goods lost or damaged.

(4) Higher compensation may be claimed only when, with the consent of the Carrier, the value for the goods declared by the Shipper which exceeds the limits laid down in this Clause has been stated on the face of this Bill of Lading at the place indicated. In that case the amount of the declared value shall be substituted for that limit.

11. Special Provisions for Liability and Compensation.

(1) Notwithstanding anything provided for in Clauses 9 and 10 of this Bill of Lading, if it can be proved where the loss or damage occurred, the Carrier and the Merchant shall, as to the liability of the Carrier, be entitled to require such liability to be determined by the provisions contained in any international convention or national law, which provisions:

(a) cannot be departed from by private contract, to the detriment of the claimant, and

(b) would have applied if the Merchant had made a separate and direct contract with the Carrier in respect of the particular stage of transport where the loss or damage occurred and received as evidence thereof any particular document which must be issued if such international convention or national law shall apply.

(2) Insofar as there is no mandatory law applying to carriage by sea by virtue of the provisions of sub-clause 11 (1), the liability of the Carrier in respect of any carriage by sea shall be determined by the International Brussels Convention 1924 as amended by the Protocol signed at Brussels on February 23rd 1968 - The Hague/Visby Rules.

The Hague/Visby Rules shall also determine the liability of the Carrier in respect of carriage by inland waterways as if such carriage were carriage by sea. Furthermore, they shall apply to all goods, whether carried on deck or under deck.

12. Delay, Consequential Loss, etc.

(1) The Carrier is held liable in respect of delay, consequential loss or damage other than loss of or damage to the goods, the liability of the Carrier shall be limited to the freight for the transport covered by this Bill of Lading, or to the value of the goods as determined in Clause 10, whichever is the lesser.

13. Notice of Loss of or Damage to the Goods.

(1) Unless notice of loss of or damage to the goods, specifying the general nature of such loss or damage, is given in writing by the Merchant to the Carrier when the goods are handed over to the Merchant, such handing over is *prima facie* evidence of the delivery by the Carrier of the goods as described in this Bill of Lading.

(2) Where the loss or damage is not apparent, the same *prima facie* effect shall apply if notice in writing is not given within three (3) consecutive days after the day when the goods were handed over to the Merchant.

14. Defences and Limits for the Carrier, Servants, etc.

(1) The defences and limits of liability provided for in this Bill of Lading shall apply in any action against the Carrier for loss or damage to the goods whether the action can be founded in contract or in tort.

(2) The Carrier shall not be entitled to the benefit of the limitation of liability provided for in sub-clause 10 (3), if it is proved that the loss or damage resulted from a personal act or omission of the Carrier done with intent to cause such loss or damage or recklessly and with knowledge that damage would probably result.

(3) The Merchant undertakes that no claim shall be made against any servant, agent or other persons whose services the Carrier has used in order to perform this Contract and if any claim should nevertheless be made, to indemnify the Carrier against all consequences thereof.

(4) However, the provisions of this Bill of Lading apply whenever claims relating to the performance of this Contract are made against any servant, agent or other person whose services the Carrier has used in order to perform this Contract, whether such claims are founded in contract or in tort. In entering into this Contract, the Carrier, to the extent of such provisions, does so not only on his own behalf but also as agent or trustee for such persons. The aggregate liability of the Carrier and such persons shall not exceed the limits in Clauses 10, 11 and 24, respectively.

IV. DESCRIPTION OF GOODS

15. Carrier's Responsibility.

The information in this Bill of Lading shall be *prima facie* evidence of the taking in charge by the Carrier of the goods as described by such information unless a contrary indication, such as "shipper's weight, load and count", "Shipper-packed container" or similar expressions, have been made in the printed text or superimposed on the Bill of Lading. Proof to the contrary shall not be admissible when the Bill of Lading has been transferred or the equivalent electronic data interchange message has been transmitted to and acknowledged by the Consignee who in good faith has relied and acted thereon.

16. Shipper's Responsibility.

The Shipper shall be deemed to have guaranteed to the Carrier the accuracy, at the time the goods were taken in charge by the Carrier, of the description of the goods, marks, number, quantity and weight, as furnished by him, and the Shipper shall defend, indemnify and hold harmless the Carrier against all loss, damage and expenses arising or resulting from inaccuracies in or inadequacy of such particulars. The right of the Carrier to such indemnity shall in no way limit his responsibility and liability under this Bill of Lading to any person other than the Shipper. The Shipper shall remain liable even if the Bill of Lading has been transferred by him.

17. Shipper-packed Containers, etc.

(1) 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:

(a) negligent filling, packing or stowing of the container;

(b) the contents being unsuitable for carriage in container; or

(c) 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.

(2) The provisions of sub-clause (1) 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.

(3) 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. Dangerous Goods.

(1) The Merchant shall comply with all internationally recognised requirements and all rules which apply according to national law or by reason of international Convention, relating to the carriage of goods of a dangerous nature, and shall in any event inform the Carrier in writing of the exact nature of the danger before goods of a dangerous nature are taken into charge by the Carrier and indicate to him, if need be, the precautions to be taken.

(2) Goods of a dangerous nature which the Carrier did not know were dangerous, may, at any time or place, be unloaded, destroyed, or rendered harmless, without compensation; further, the Merchant shall be liable for all expenses, loss or damage arising out of their handling over for carriage or of their carriage.

(3) If any goods shipped with the knowledge of the Carrier as to their dangerous nature shall become a danger to any person or property, 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.

19. Return of Containers.

(1) For the purpose of this Clause the Consignor shall mean the Person who concludes this Contract with the Carrier and the Consignee shall mean the person entitled to receive the goods from the Carrier.

(2) 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.

(3)(a) The Consignor shall be liable for any loss of, damage to, or delay, including demurrage, of such articles, incurred during the period between handing over to the Consignor and return to the Carrier for carriage.

(b) The Consignor and the Consignee shall be jointly and severally liable for any loss of, damage to, or delay, including demurrage, of such articles, incurred during the period between handing over to the Consignee and return to the Carrier.

V. FREIGHT AND LIEN

20. Freight.

(1) Freight shall be deemed earned when the goods have been taken in charge by the Carrier and shall be paid in any event.

(2) The Merchant's attention is drawn to the stipulations concerning currency in which the freight and charges are to be paid, rate of exchange, devaluation and other contingencies relative to freight and charges in the relevant tariff conditions. If no such stipulation as to devaluation exists or is applicable the following shall apply:

If the currency in which freight and charges are quoted is devalued between the date of the freight agreement and the date when the freight and charges are paid, then all freight and charges shall be automatically and immediately increased in proportion to the extent of the devaluation of the said currency.

(3) For the purpose of verifying the freight basis, the Carrier reserves the right to have the contents of containers, trailers or similar articles of transport inspected in order to ascertain the weight, measurement, value, or nature of the goods.

21. Lien.

The Carrier shall have a lien on the goods for any amount due under this Contract and for the costs of recovering the same, and may enforce such lien in any reasonable manner, including sale or disposal of the goods.

VI. MISCELLANEOUS PROVISIONS

22. General Average.

(1) General Average shall be adjusted at any port or place at the Carrier's option, and to be settled according to the York-Antwerp Rules 1994, or any modification thereof, this covering all goods, whether carried on or under deck. The New Jason Clause as approved by BIMCO to be considered as incorporated herein.

(2) Such security including a cash deposit as the Carrier may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon, shall, if required, be submitted to the Carrier prior to delivery of the goods.

23. Both-to-Blame Collision Clause.

The Both-to-Blame Collision Clause as adopted by BIMCO shall be considered incorporated herein.

24. U.S. Trade.

(1) 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 the said Act shall govern before loading and after discharge and throughout the entire time the goods are in the Carrier's custody.

(2) If the U.S. COGSA applies, and unless the nature and value of the goods have been declared by the shipper before the goods have 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 of or damage to the goods in an amount exceeding USD 500 per package or customary freight unit.

Liner Booking note(Online form)

- 1 broker:
- 2 Place and date:
- 3 Carrier: OXL NV-Zeebrugge, Vismijnstraat 23 B, 8380 Zeebrugge, Belgium
- 4 Account: please advise – sub approval by owners
- 5 Vessels' name:
- 6 Expected loading dates: xx-xx/xx-xx/2008
Liner booking, no cancellation dates agreed, if nominated vessel delays due to circumstances out of owners control cargo will not be cancelled. If a cancellation date agreed then charterer to exercise this option within 24 hours after carrier's request of extension of laydays otherwise cancellation date will be extended with 7 days.
- 7 Pol: 1 gsb aaaa XXXXXxxx swellfree sub checking nautical restrictions
- owners berth.
- 8 Pod: 1 gsb aaaa XXXXXxxx swellfree sub checking nautical restrictions
- owners berth.
- 9 Cargo:
ttl abt XXXXXxxx cbm/abt XXXXXxxx mt XXXXX

CARGO to be harmless and lawful cargo and to be delivered in seaworthy condition, packed and stackable unless clearly specified hereafter.
- 10 FREIGHT: USD/ EURO xxxxx liner terms hook/ hook
- 11 Detention: USD XXXXX per day pro rata
- 12 Notices to be given:
notices(48 h-24h) to be given to.....(pls advise)
- 13 Part cargo, voyage in or out of geographical rotation; No schedule, transit time agreed.
- 14 Shipment ON and or under DECK
- 15 COMMISSION xxx pct

Rider to Liner Booking note

- 16 Vessel equipped with spreaderbars and slings but any specially required spreaders, lifting beams or other lifting equipment not already on board the vessel to be supplied by merchant. Any cradles and timber blocs which may be required to support the cargo to be supplied by the merchant. Cargo to be fitted with suitable lifting lugs or other adequate means of lifting and center of gravity to be clearly indicated. Sufficient lashing points for securing to be placed on the cgo. If items are not flat at their bottoms then a footprint sketch is requested; cgo to be suitably packed for ocean transportation.
- 17 All necessary permits and / or licenses pertaining to the loading, discharging and / or carriage operations shall be provided and paid for by the Charterers, any delay in obtaining which shall be at the Charterers' time and expense.
- 18 If part of the cargo if of an inflammable, explosive or dangerous nature or condition or at any stage may develop into such nature or condition it must be packed and stored or stowed in accordance with IMO Dangerous Goods Code and / or other applicable regulations always to the full satisfaction of the Master. Any delay to the transportation in this respect shall be paid for by the Charterers at the detention rate.
- 19 Deck cargo if any at Chtrrs risk, and bills of lading to be claused accordingly.
- 20 Freight fully prepaid on signing b's/l (latest 3 working days after loading) into carrier's nominated bank account and deemed earned pro rata as cargo is being loaded on board discount less and not returnable, ship and/or cargo lost or not lost.

In case of cancellation of cargo before agreed loading dates owners can claim deadfreight without having to prove losses.

If special payment terms agreed original B/L's to be claused "FREIGHT PAYABLE AS PER B/N"

If 'frt prepaid' B/L's required , then bs/l will not be released unless full freight received into owners account or bank confirmation of irrevocable payment received. Any taxes/dues/fees/tolls on cargo a/o freight or calculated on same incl. local dock dues/ wharfages to be for Chtrrs acct. Any taxes/dues on Vessel for Owners account.

If any freight remains wholly or partially unpaid beyond the allowed payment term, the carrier:

(1) can charge 5% extra freight.

(2) and has the right to discharge the cargo at any convenient port and shall be entitled to exercise a lien on that cargo for the unpaid freight and all costs.

- 21 a) Hook/hook - any terminal-storage-stevedoring on shore to be for charterers'/shippers'/ receivers' account - stevedoring on board performed by crew; if local or union regulations force use of shore labour, cost to be at charterers' expenses. Onhooking and offhooking always for shippers /receivers' account

should these charges be invoiced to carrier ,the charterers to reimburse .

b)Load/discharge cop - as per custom of the port with customary quick dispatch as fast as vessel can load/discharge - - any time for waiting for custom clearance or waiting for cargo documents or waiting for cargo detention to be paid. Any Detention is payable within 3 days after receipt invoice but in any case prior release of cargo. Heavy lift or other oversized cargo or cargoes which required by port authorities to be discharged direct on trucks, any waiting time for trucks to count as detention

- 22 Any and all consequences arising out of charterers/shippers misdescription of cargo to be at charterers risk and expense" Charteres' guarantee weights and measurements of cargo as described in packinglists is exact, if cargo volume or cubic exceeds the weight or volume as per packlist extra freight to be paid prorata. For heavy lifts the weight to be marked on the colli and a certificate of weight to be provided.
- 23 Detention for time lost for waiting berth if designated by Charteres/shippers/receivers to count as from arrival vessel at pilot station until time of berthing. Detention due to time lost for waiting for berth due to general port congestion of all available berths charterers will pay detention prorata of their cargo on bord after a 24 hours grace.
- 24 Owners agent at both ends if agreed-'Charterers' agents, subject conditions competitive and agents to follow owners' instructions at all times, agents will not delay vessel's berthing, loading, discharging, sailing operations for any reason.
- 25 Bimco voywar 2004 as well as canal and waterways stoppages clauses to apply where appropriate
- 26 Additional war risk premium, if any, to be for Charterers account. If vessel is trapped by pirates during passage in the gulf of Aden;the cargo will contribute prorata to the detention and ransom.If Suez canal is closed and vessel should sail via the cape,extra costs to be reimbursed by charterers.
- 27 This contract shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this contract 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 reference shall be to three arbitrators. 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.
- 28 Owners guarantee that vessel is not blacklisted in the Arab countries.
- 29 Vessel ISPS fitted and charterers to comply with ISPS regulations.
- 30 If cargo unpacked vessel not responsible for scratches or damages to unprotected parts protruding from the main unit.
- 31 LINER BOOKING NOTE and OXL B's/L(online) to apply and all clauses NO house bills of ladings to be issued.

32 Carrier not responsible for any failure to perform this contract due to force majeure.

SUBJECTS

- Sub port-captain approval of stowage. For this to be lifted require detailed packing list and clear drawings showing lifting points and centre of gravity and footprint.
- Sub details, packing list.

Additional clauses in case FREE IN/ FREE OUT

- A) time allowed for Loading/Discharging: xxxxx wwd shinc/ shex uu/eiu
- B) DEMURRAGE/Detention: USD XXXXX PDPR
- C) All loading and discharging expenses for charterers/shippers/receivers account on board and on shore
- D) Lashing Securing and Dunnaging for Charterers account
Time used for lashing and securing to count as laytime.
- E) Free use of vessels gear and any lashing/securing/dunnaging material on board
- F) If crew to lash and secure cargo or drive cranes provided allowed by local regulations, otherwise shore gang to be ordered at charterers' expenses, ship's crew acting as charterers' servants and if crew available from normal ship's duties and against bonus.
- G) Master to tender nor upon arrival at the berth and/or place of loading any time day or night fshinc cable/radio/vhf/telex/fax. If the loading berth and/or place of loading is not available on the vessel's arrival at or off the port of loading, the vessel shall be entitled to give nor 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. Actual time used before commencement of laytime to count.
- H) If notice given before 1200H, time to count as from 1300H.
If notice given before 1700H, time to count as from next day 0700H

Additional clauses for YACHTS/ BOATS/ FLOATING vessels and cargo in Barges

- AA) Floating vessel or cargo to be loaded in or out barges to be brought alongside at any time on request, by skilled skipper and crew with sufficient fenders and lines and to be watched during time vessel alongside. The master shall have the right to refuse to doublebank if not safe to do so.
- BB) for yachts-boats a Seaworthy cradle and keelbloks to be provided by charterers/shippers.
- CC) Shippers to put slings in place for hooking on; if divers required same to be for shippers account. All protruding objects to be protected against pressure by slings.
- DD) If original bills of lading not available at destination on ships arrival, carrier can discharge boat in water or on quay and all expenses including watching are for charterers account. Any delay caused by this to count as detention.

- EE)Charterers will be ultimately responsible for damage made by barge to vessel provided that owners/master notified damage immediately after damage caused.
- FF)Surftime-Idle time due to swell to count as detention

Additional clauses for Military materials

For shipment of arms and ammunitions ,charterers to provide an “End-user certificate”issued by the authorities of the exporting country.Or a certificate of MOD that cargo is shipped for own national or UN purposes.

- shippers/charterers to provide a “container Packing certificate” for IMO goods stuffed in containers before shipment.
- END-END

Best Regards

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1. Shipbroker ARMABULK SHIPPING AND TRADING LTD. FENERYOLU / İSTANBUL	RECOMMENDED THE BALTIC AND INTERNATIONAL MARITIME CONFERENCE 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" Part I
	2. Place and date İSTANBUL, 28.05.2009
3. Owners / Place of business (Cl. 1) DISPONENT OWNERS: NORMED INTERNATIONAL B.V. ROTTERDAM, THE NETHERLANDS	4. Charterers / Place of business (Cl. 1) ÇOLAKOĞLU METALURJİ A.Ş. İSTANBUL, TÜRKİYE
5. Vessel's name (Cl. 1) M/V NORMED AMSTERDAM	6. GT/NT (Cl. 1) 8,407 / 4,215
7. DWT all told on summer load line in metric tons (abt.) (Cl. 1) 11,050 MT	8. Present position (Cl. 1) Trading
9. Expected ready to load (abt.) (Cl. 1) 10 JUNE 2009	
10. Loading port or place (Cl. 1) HAMBURG, WALLMANN TERMINAL	11. Discharging port or place (Cl. 1) DILISKELESİ, YILPORT OR ÇOLAKOĞLU BERTH IN CHARTERERS OPTION
12. Cargo (also state quantity and margin in Owners' option, if agreed: if full and completed cargo not agreed state "part cargo" (Cl. 1) STEEL PROCESS LINE EQUIPMENT TOTAL ABOUT 2,600 MT ABOUT 3,325 CBM, ABOUT 474 PIECES AS PER SHIPPERS PACKING LISTS. PART CARGO BASIS, ALL UNDERDECK CARGO. SEE ALSO APPENDIX 2.	
13. Freight rate (also state whether freight prepaid or payable on delivery) (Cl. 4) EUR XX.- PER CBM FREE IN OUT BUT L/S/D AT OWNERS EXPENSE AND TIME.	14. Freight payment (state currency and method of payment: also beneficiary and bank account) (Cl. 4) SEE CLAUSE 22
15. State if Vessel's cargo 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) SEE CLAUSE 23
17. Shippers/Place of business (Cl. 6) -	a) Laytime for loading -
18. Agents (loading) (Cl. 6) OWNERS AGENTS – SEE ALSO CLS 26	b) Laytime for discharging -
19. Agents (discharging) (Cl. 6) OWNERS AGENTS – SEE ALSO CLS 26	c) Total laytime for loading and discharging
20. Demurrage rate and manner payable (loading and discharging) (Cl. 7) DETENTION / DEMURRAGE EUR X,000PDPR / FD ALL ENDS – SEE ALSO CLS 28	21. Cancelling date (Cl. 9) 15 JUNE 2009
	22. General Average to be adjusted at (Cl. 12) LONDON
23. Freight Tax (state if for the Owners' account (Cl. 13 (c))	24. Brokerage commission and to whom payable (Cl. 15) TOTAL 3.75PCT ON F/D/D
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) 19 (a) LONDON (a) State maximum amount for small claim/shortened arbitration (Cl. 19)	26. Additional clauses covering special provisions, if agreed. CLAUSES 20 TO 32 (BOTH INCLUSIVE) AND APPENDIX 1 & 2, AS ATTACHED ARE DEEMED TO BE INCORPORATED INTO THIS CHARTER PARTY.

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
“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 GT/NT indicated in Box 6 and carrying about the number of metric tons of deadweight capacity all told on summer loadline states 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 Charterers' risk and responsibility) as stated in Box 12, which the Charterers being 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 Bill(s) 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	6.	Laytime – See CLAUSE 23 *(a) Separate laytime for loading and discharging 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 actually 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. *(b) Total laytime for loading and discharging The cargo shall be loaded and discharge 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 actually used shall count.-Included.	89 90 91 92 93 94 95 96 97 98 99 100 101 102
2.	Owners' Responsibility Clause – See also CLAUSE 21 The Owners are to be responsible for loss of or damage to the goods or for delay in delivery of the goods only in case the loss, damage or delay has been caused by personal want of due diligence on 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 Owners 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		readiness is given up to and including 12.00 hours, and at 6 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. * Indicate alternative (a) or (b) as agreed, in Box 16.	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			
4.	Payment of Freight – See CLAUSE 22 (a) The freight at the rate stated in Box 13 shall be paid in cash calculated on the intaken quantity of cargo. (b) Prepaid. 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 Bill(s) of Lading showing freight prepaid unless the freight due to the Owners has actually been paid. (c) On delivery. 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	7.	Demurrage – See CLAUSE 28 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 fall 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
5.	Loading/Discharging Costs – See also CLAUSE 24 (a) Costs/Risks 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. (b) Cargo Handling Gear 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 crane men/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. Crane men/winchmen shall be under the Charterers' risk and responsibility and as stevedores to be deemed as their servants but shall always work under the supervision of the Master. (c) Stevedore Damage 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.	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 75 76 77 78 79 80 81 82 83 84 85 86 87 88	8.	Lien Clause The Owners shall have a lien on the cargo for freight and all sub-freight 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
			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 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 is deemed to be amended such that the seventh day after the new readiness date stated in the Owners' notification to the Charterers shall be the new cancelling date. The provisions of sub-clause (b) of this Clause shall operate only once, and in case of the Vessel's further delay, the Charterers shall have the option of cancelling the Charter Party as per sub-clause (a) of this Clause.	137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153
			10.	Bill(s) of Lading – See also CLAUSE 27 Bill(s) of Lading shall be presented and signed by the Master as per the “Congenbill” Bill(s) of Lading form, Edition 1994, without prejudice to this Charter Party, or by the Owners' agents provided written authority has been given by the Owners to the agents, a copy of which is to be furnished to the Charterers. The Charterers shall indemnify the Owners against all consequences or liabilities that may arise from the signing of Bill(s) of Lading as presented to the extent that the terms or contents of such Bill(s) of Lading impose or result in the imposition of more onerous liabilities upon the Owners than those assumed by the Owners under this Charter Party.	154 155 156 157 158 159 160 161 162 163
			11.	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 Owners in the navigation or in the management of the Vessel, the owners of the cargo carried hereunder will indemnify the Owners 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 on 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 Owners. 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.	164 165 166 167 168 169 170 171 172 173 174 175 176 177

PART II
“Gencon” Charter (As Revised 1922, 1976 and 1994)

12. General Average and New Jason Clause	178	expose, or may be likely to expose, the Vessel, her cargo, crew or other	269
General Average shall be adjusted in London unless otherwise agreed in Box	179	persons on board the Vessel to War Risks; provided always that if this	270
22 according to York-Antwerp Rules 1994 and any subsequent modification	180	Contract of Carriage provides that loading or discharging is to take place	271
thereof. Proprietors of cargo to pay the cargo's share in the general expenses	181	within a range or ports, and at the port or ports nominated by the Charterers	272
even if same have been necessitated through neglect or default of the Owners'	182	the Vessel, her cargo, crew, or other persons onboard the Vessel may be	273
servants (see Clause 2).	183	exposed, or may be likely to be exposed, to War Risks, the Owners shall	274
If General Average is to be adjusted in accordance with the law and practice of	184	first require the Charterers to nominate any other safe port which lies	275
the United States of America, the following Clause shall apply: "In the event of	185	within the range for loading or discharging, and may only cancel this	276
accident, danger, damage or disaster before or after the commencement of the	186	Contract of Carriage if the Charterers shall not have nominated such safe	277
voyage, resulting from any cause whatsoever, whether due to negligence or	187	port or ports within 48 hours of receipt of notice of such requirement.	278
not, for which, or for the consequence of which, the Owners are not	188	(3) The Owners shall not be required to continue to load cargo for any voyage,	279
responsible, by statute, contract or otherwise, the cargo shippers, consignees	189	or to sign Bill(s) of Lading for any port or place, or to proceed or continue on	280
or the owners of the cargo shall contribute with the Owners in General Average	190	any voyage, or on any part thereof, or to proceed through any canal or	281
to the payment of any sacrifices, losses or expenses of a General Average	191	waterway, or to proceed to or remain at any port or place whatsoever,	282
nature that may be made or incurred and shall pay salvage and special charges	192	where it appears, either after the loading of the cargo commences, or at	283
incurred in respect of the cargo. If a salving Vessel is owned or operated by the	193	any stage of the voyage thereafter before the discharge of the cargo is	284
Owners, salvage shall be paid for as fully as if the said salving Vessel or Vessels	194	completed, that, in the reasonable judgement of the Master and/or the	285
belonged to strangers. Such deposit as the Owners, or their agents, may deem	195	Owners, the Vessel, her cargo (or any part thereof), crew or other persons	286
sufficient to cover the estimated contribution of the goods and any salvage and	196	on board the Vessel (or any one or more of them) may be, or are likely to be,	287
special charges thereon shall, if required, be made by the cargo, shippers,	197	exposed to War Risks. If it should so appear, the Owners may by notice	288
consignees of owners of the goods to the Owners before delivery."	198	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
13. Taxes and Dues Clause – See also CLAUSE 30	199	may discharge the cargo at any safe port of their choice (including the port	292
(a) <u>On Vessel</u> – The Owners shall pay all dues, charges and taxes customarily	200	of loading) in complete fulfilment of the Contract of Carriage. The Owners	293
levied on the Vessel/ <u>crew/flag/freight</u> , howsoever the amount thereof may be	201		
assessed.			
(b) <u>On cargo</u> – The Charterers shall pay all dues, charges, duties and taxes	202	shall be entitled to recover from the Charterers the extra expenses of such	294
customarily levied on the cargo, howsoever the amount thereof may be	203	discharge and, if the discharge takes place at any port other than the	295
assessed.	204	loading port, to receive the full freight as though the cargo had been	296
(c) <u>On freight</u> – Unless otherwise agreed in Box 23, taxes levied on the freight	205	carried to the discharging port and if the extra distance exceeds 100 miles,	297
shall be for the Charterers' account.	206	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
14. Agency - See also CLAUSE 26	207	the distance of the normal and customary route, the Owners having a lien	300
In every case the Owners shall appoint his own Agent both at the port of	208	on the cargo for such expenses and freight.	301
loading and the port of discharging, and pay customary port d/a expenses timely	209	(4) If at any stage of the voyage after the loading of the cargo commences, it	302
to avoid delay on departure.			
		appears that, in the reasonable judgement of the Master and/or the	303
15. Brokerage	210	Owners, the Vessel, her cargo, crew or other persons on board the Vessel	304
A brokerage commission at the rate stated in Box 24 on the freight, deadfreight	211	may be, or are likely to be, exposed to War Risks on any part of the route	305
and demurrage earned is due to the party mentioned in Box 24.	212	(including any canal or waterway) which is normally and customarily used	306
In case of non-execution at least 1/3 of the brokerage on the estimated amount of	213	in a voyage of the nature contracted for, and there is another longer route	307
freight to be paid by the party responsible for such non-execution to the	214	to the discharging port, the Owners shall give notice to the Charterers that	308
Brokers as indemnity for the latter's expenses and work. In case of more	215	this route will be taken. In this event the Owners shall be entitled, if the total	309
voyages the amount of indemnity to be agreed.	216	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
16. General Strike Clause	217	extra distance represents to the distance of the normal and customary	312
(a) If there is a strike or lock-out affecting or preventing the actual loading of the	218	route.	313
Cargo, or any part of it, when Vessel is ready to proceed from her last port or	219	(5) The Vessel shall have liberty:-	314
at any time during the voyage to the port or ports of loading or after her arrival	220	(a) to comply with all orders, directions, recommendations or advise as to	315
there, the Master or the Owners may ask Charterers to declare, that they	221	departure, arrival, routes, sailing in convoy, ports of call, stoppages	316
agree to reckon the laydays as if there were no strike or lock-out. Unless the	222	destinations, discharge of cargo, delivery or in any way whatsoever which	317
Charterers have given such declaration in writing (by telegram, if necessary)	223	are given by Government of the Nation under whose flag the Vessel	318
within 24 hours, the Owners shall have the option of cancelling this Charter	224	sails, or other Government to whose laws the Owners area subject, or any	319
Party. If part cargo has already been loaded, the Owners must proceed with	225	other Government which so required, or any body or group acting with the	320
same, (freight payable on loaded quantity only) having liberty to complete with	226	power to compel compliance with their orders or directions;	321
other cargo on the way for their own account.	227	(b) to comply with the orders, directions or recommendations of any war	322
(b) If there is a strike or lock-out affecting or preventing the actual discharging	228	risks underwriters who have the authority to give the same under the terms	323
of the cargo on or after Vessel's arrival at or off port of discharge and same	229	of the war risks insurance;	324
has not been settled within 48 hours, the Charterers shall have the option of	230	(c) to comply with terms of any resolution of the Security Council of the	325
keeping the Vessel waiting until such strike or lock-out is at and end against	231	United Nations, any directives of the European Community, the effective	326
paying half demurrage after expiration of the time provided for discharging	232	orders of any other Supranational body which has the right to issue and	327
until the strike or lock-out terminates and thereafter full demurrage shall be	233	give the same, and with national laws aimed at enforcing the same to which the	328
payable until the completion of discharging, or of ordering the Vessel to a safe	234	Owners are subject, and to obey the orders and directions of those who	329
port where she can safely discharge without risk of being detained by strike or	235	are charged with their enforcement;	330
lock-out. Such orders to be given within 48 hours after the Master or the	236	(d) to discharge at any other port any cargo or part thereof which may	331
Owners have given notice to Charterers of the strike or lock-out affecting	237	render the Vessel liable to confiscation as a contraband carrier;	332
the discharge. On delivery of the cargo at such port, all conditions of this	238	(e) to call at any other port to change the crew or any part thereof or other	333
Charter Party and of the Bill(s) of Lading shall apply and Vessel shall receive	239	persons on board the Vessel there is reason to believe that they may	334
the same freight as if she had discharged at the original port of destination,	240	be subject to internment, imprisonment of other sanction;	335
except that if the distance of the substituted port exceeds 100 nautical miles,	241	(f) where cargo has not been loaded or has been discharged by the	336
the freight on the cargo delivered at the substituted port to be increased in	242	Owners under any provisions of this Clause, to load other cargo for the	337
proportion.	243	Owners' own benefit and carry it to any other port or ports whatsoever,	338
(c) Except for the obligations described above, neither the Charterers nor the	244	whether backwards or forwards or in a contrary direction to the ordinary or	339
Owners shall be responsible for the consequences of any strikes or lock-outs	245	customary route.	340
preventing or affecting the actual loading or discharging of the cargo.	246	(6) If in compliance with any of the provision 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
17. War Risks ("Voywar 1993")	247	deviation, but shall be considered as due fulfilment of the Contract of	343
(1) For the purpose of this Clause, the words:	248	Carriage.	344
(a) The "Owners" shall include the shipowners, bareboat Charterers,	249		
disponent Owners, managers or other operators who are charged with the	250	18. General Ice Clause	345
management of the Vessel, and the Master; and	251	<i>Port of loading</i>	346
(b) "War Risks" shall include any war (whether actual or threatened), act of	252	(a) In the event of the loading port being inaccessible by reason of ice when the	347
war, civil war, hostilities, revolution, rebellion, civil commotion, warlike	253	Vessel is ready to proceed from her last port or at any time during the voyage or	348
operations, the laying of mines (whether actual or reported), acts of piracy,	254	on Vessel's arrival or incase frost sets in after Vessel's arrival, the	349
acts of terrorists, acts of hostility or malicious damage, blockades	255	Master for fear of being frozen in at liberty to leave without cargo, and this	350
(whether imposed against all Vessels or imposed selectively against	256	Charter Party shall be null and void.	351
Vessels of certain flags or ownership, or against certain cargoes or crews	257	(b) If during loading the Master, for fear of Vessel being frozen in, deems it	352
or otherwise howsoever), by any person, body, terrorist or political group,	258	advisable to leave, he has liberty to do so with what cargo he has on board and	353
or the Government of any state whatsoever, which in the reasonable	259	to proceed to any other port or ports with option of completing cargo for the	354
judgement of the Master and/or the Owners, may be dangerous or are	260	Owners' benefit for any port or ports including port of discharging. Any part	355
likely to be or to become dangerous to the Vessel, her cargo, crew or other	261	cargo thus loaded under this Charter Party to be forwarded to destination at the	356
persons on board the Vessel.	262	Vessel's expense but against payment of freight, provided that no extra	357
(2) If at any time before the Vessel commences loading, it appears that, in the	263	expenses be thereby causes to the Charterers, freight being paid on quantity	358
reasonable judgement of the Master and/or the Owners, performance of	264	delivered (in proportion if lumpsum), all other conditions as per this Charter Party.	359
the Contract of Carriage, or any part of it, may expose, or is likely to expose,	265	Party.	360
the Vessel, her cargo, crew or other persons on board the Vessel to War	266	(c) In case of more than one loading port, and if one or more of the ports are	361
Risks, the Owners may give notice to the Charterers cancelling this	267	closed by ice, the Master or the Owners to be at liberty either to load the part	362
Contract of Carriage, or may refuse to perform such part of it as may	268	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 Charterers	364
		agree to load full cargo at the open port.	365

PART II
“Gencon” Charter (As Revised 1922, 1976 and 1994)

<i>Port of discharge</i>	366
(a) Should ice prevent Vessel from reaching port of discharge the Charterers shall have the option of keeping Vessel waiting until the re-opening of navigation and paying demurrage, or ordering the Vessel to a safe and immediately accessible port where she can safely discharge without risk of detention by ice. Such orders to be given within 48 hours after the Master or the Owners have given notice to Charterers of the impossibility of reaching port of destination.	367 368 369 370 371 372 373
(b) If during discharging the Master for fear of Vessel being frozen in deems it advisable to leave, he has liberty to do so with what cargo he has on board and to proceed to the nearest accessible port where she can safely discharge.	374 375 376
(c) On delivery of the cargo at such port, all conditions of the Bill(s) of Lading shall apply and Vessel shall receive the same freight as if she had discharged at the original port of destination, except that if the distance of the substituted port exceeds 100 nautical miles, the freight on the cargo delivered at the substituted port to be increased in proportion.	377 378 379 380 381
19. Law and Arbitration	382
* (a) This Charter Party shall be governed by and construed in accordance with English law and any dispute arising out of this Charter Party shall be referred to arbitration in London in accordance with the Arbitration Acts 1950 and 1979 or any statutory modification or re-enactment thereof for the time being in force. Unless the parties agree upon a sole arbitrator, one arbitrator shall be appointed by each party and the arbitrators so appointed shall appoint a third arbitrator, the decision of the three-man tribunal thus constituted or any two of them, shall be final. On the receipt by one party of the nomination in writing of the other party's arbitrator, that party shall appoint their arbitrator within fourteen days, failing which the decision of the single arbitrator appointed shall be final. For disputes where the total claimed by either party does not exceed the amount stated in Box 25** the arbitration shall be conducted in accordance with the Small Claims Procedure of the London Maritime Arbitrators Association.	383 384 385 386 387 388 389 390 391 392 393 394 395 396 397
* (b) This Charter Party 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 should any dispute arise out of this Charter Party, the matter in dispute 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 purpose of enforcing any award, this agreement may be made a rule of the Court. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc..	398 399 400 401 402 403 404 405 406
For disputes where the total amount claimed by either party does not exceed the amount stated in Box 25** the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc..	407 408 409 410
* (c) Any dispute arising out of this Charter Party shall be referred to arbitration at the place indicated in Box 25, subject to the procedures applicable there. The laws of the place indicated in Box 25 shall govern this Charter Party.	411 412 413
(d) If Box 25 in Part I 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 I, this provision only shall be void but the other provisions of this Clause shall have full force and remain in effect.	416 417

Additional Clauses to M/V NORMED AMSTERDAM
Charter Party dated, Istanbul, 28th MAY 2009
ARMABULK SHIPPING, ISTANBUL

Clause 20: Vessel description (See also APPENDIX 1)

M/V NORMED AMSTERDAM

FLAG : MALTA
BUILT : 2007
IMO NO : 9347621
CLASS : GERMAN LLOYD
P&I CLUB : UK P&I CLUB
DWAT : 11,050 MT
GRT : 8,407
NRT : 4,215
LOA : 129.5m
BEAM : 19.19m
GEARS : 2 x 60t cranes

Additional vessel description in Appendix 1, as attached.
All details about, without guarantee.

Owners warrant that:

-Vessel is fully suitable for loading mentioned cargo and able to stow all cargo under deck and in line with stowing restrictions mentioned below.

-Vsl has no encumbrances/recommendations effecting seaworthiness of vessel.

-Vessel has unobstructed holds / hatches and hatch covers are watertight,

-Holds to be clean /dry/free of residues fm previous voyage.

-There are no lien/claim/deficiencies on vsl/ows/disp ows/carriers/managers.

-Performing vessel in no way to fly South (Greek) Cyprus flag or one with two flags one of which is registered in Southern (Greek) Cyprus, a/o be under any registry in South (Greek) Cyprus on any documents (including ISM,DOC,ISPS etc) which may link the vsl a/o the head owners / disponent owners a/o managers / operators to South (Greek) Cyprus.

Clause 21: Owners Responsibility (See also Clause 2 and Appendix 1)

Cargo to be loaded in line with following restrictions:

All Hamburg cargo stackable except 2 pieces on list 11bH and unless owise stated and where possible to stack except heavy pieces and, in line with common loading practise, Shippers confirmation, protecting integrity of the cases to prevent damage.

Further cargo details as per attached packing lists (subject to Shippers revision if any)

Clause 22: Freight Payment

Freight is EUR XX.- per CBM free in free out but lashing/securing/dunnaging at Owners expense and time.

Freight is 100 percent less commissions only payable in EUR currency by bank transfer to Owners nominated bank account within 5 banking days after signing/releasing bills of lading, in any case before breaking bulk.

Charterers may instruct their freight agents for the transfer.

Freight is deemed earned discountless and non returnable upon shipped , whether vessel a/o cargo lost or not lost.

Additional Clauses to M/V NORMED AMSTERDAM
Charter Party dated, Istanbul, 28th MAY 2009
ARMABULK SHIPPING, ISTANBUL

Clause 23: Laytime

For load port, Notice of Readiness to be tendered in writing after the Vessel has arrived and is in all respects ready to load, whether in berth or not, whether customs cleared or not, whether in free pratique or not, office hours 0800/1700 Saturdays, Sundays, Holidays included.

For discharge port Notice of Readiness to be tendered in writing after the Vessel has arrived and is in all respects ready to disch whether in berth or not, whether customs cleared or not, whether in free pratique or not, between office hours 0800/1700 Saturdays, Sundays, Holidays included.

Loading free in CQD, discharging free out CQD (Customary Quick Despatch).

Bimco holiday calendar to apply

Clause 24: Loading / Discharging (See also Clause 5)

Loading free in CQD, discharging free out CQD (Customary Quick Despatch).

Lashing / securing / dunnaging to be for Owners account and time.

Loading / discharging as fast as vessel can receive / deliver cargo otherwise detention to apply.

No other cgo may be discharged at Colakoglu berth except Colakoglu cargo, if this berth is nominated for disch.

Clause 25: Notices

Master or Owners to give notice on fixing – change of ETA and 20 / 15 / 10 / 7 / 5 days preliminary notice and 72 / 48 / 24 / 12 hours definite notice of arrival to agents and to Charterers for load and discharge port(s) arrivals.

Clause 26: Agents (See also Clause 14)

Agents at Hamburg:
COLI SCHIFFFAHRT & TRANSPORT BREMEN GMBH
KONSUL-SMIDT-STR.8p
28217 BREMEN / GERMANY
PHONE +49 421 33958-40
FAX +49 421 33958-80
EMAIL bremen@coli-shipping.com
WEB www.coli-shipping.com

Agent at discharge port: NORMED ISTANBUL

Owners to pay customary port d/a expenses timely to avoid delay on departure.

Clause 27: Bills of Lading (See also Clause 10)

Bills of Lading to be marked "Freight payable as per charter party" and charter party date to be inserted.

Bills of Lading can be issued on Owners "liner Bill of Lading" format.

Bills of Lading content will be issued only according to draft bs/l from Shipper or Receiver and to be marked "Clean on Board" and "Freight payable as per charter party".

Additional Clauses to M/V NORMED AMSTERDAM
Charter Party dated, Istanbul, 28th MAY 2009
ARMABULK SHIPPING, ISTANBUL

Clause 27: Bills of Lading (continued)

If instructed, Master to put remarks on the mate receipts only, if Shippers can not replace cargo.

If instructed, "Clean on Board" Bills of Lading to be issued against LOI Owners wording with all remarks inserted signed/stamped by Shippers only.

If instructed Owners / Master to authorize load port agents to issue Bills of Lading in line with Mate's Receipts.

In the case of inconsistency between Owners Bills of Lading and Gencon 94 terms, Gencon 94 shall prevail.

Clause 28: Detention / Demurrage (See also Clause 7)

Should Charterers / Receivers fail to arrange for all cargo documents, cargo clearance procedures upon vessel's arrival to discharge port, detention at the rate of demurrage to apply.

Loading / discharging as fast as vessel can receive / deliver cargo otherwise detention to apply.

Detention, if any, to be settled within 20 days after final delivery and ows presentation of fax copies of duly signed relevant documents SOF/NOR of all ports and Owners detention calculations per mutual agreement.

Free despatch all ends.

Clause 29: Stevedore Damage

Stevedores' damages to the vessel, if any, to be settled directly between owners and stevedores, but Charterers to fully assist the Owners in settlement of stevedores damages.

Clause 30: Taxes and Dues (See also Clause 13)

Any taxes a/o dues on cargo if any to be for account of Charterers all ends.

Any taxes a/o dues on vessel / flag / crew / freight will be for account of Owners all ends.

Clause 31: BIMCO ISM Clause

The International Safety Management (ISM) Code in relation to the vessel and thereafter during the currency of this Charter Party, the Owner shall procure that both vessel and the company (as defined by the ISM Code) shall comply with the requirements of the ISM Code upon request the owners shall provide a copy of the relevant Document of Compliance (DOC) and Safety Management Certificate (SMC) to the Charterers except as indicated in this Charter Party, loss, damage, expense or delay caused by the failure on the part of owners of "the company" to comply with the ISM Code shall be for Owners account.

Additional Clauses to M/V NORMED AMSTERDAM
Charter Party dated, Istanbul, 28th MAY 2009
ARMABULK SHIPPING, ISTANBUL

Clause 32: Confidentiality

All negotiations and fixture are to be kept private and confidential.

Appendix 1 : Additional vessel description (see attached)

Appendix 2 : Packing Lists (see attached)

OWNERS

CHARTERERS

Time Charter

Government Form
Approved by the New York Produce Exchange
November 6th, 1913 - Amended October 20th, 1921; August 6th, 1931; October 3rd, 1946

1 **This Charter Party**, made and concluded in.....New York6TH day.....of
December.....**2002**.....
2 Between.....OCEANBOSS SHIPPING LIMITED, NICOSIA
CYPRUS.....
3 Owners of the good.....Steamship/Motorship.....**MV "**
SEADRIVE".....of **See clause 50**.....
4 of.....tons gross register, and.....tons net register, having engines
of.....indicated horse power
5 and with hull, holds, machinery and equipment in a thoroughly efficient state, and classed...**Lloyd**
Registry Shipping
6 at.....of about.....1,431670 cubic feet, ~~bale~~ **grain capacity, available for cargo** and
about **36 feet 1 inch**.....~~tons of 2240 lbs~~
7 deadweight capacity (~~cargo and bunkers, including fresh water and stores not exceeding~~
~~one and one half percent of ship's deadweight capacity,~~
8 ~~allowing a minimum of fifty tons~~) on a draft of.....~~feet.....inches on~~.....Summer
freeboard, ~~inclusive of permanent bunkers,~~
9 .. **see clause 50**.....~~tons of fuel~~ and capable of steaming, **throughout currency of**
this Charter Party fully laden under good weather
10 conditions about...**13**.....knots on a consumption of about...**29mt (B) / 33 mt (L) ons IFO 180 CST +**
ABOUT 3 MT MDO of best ~~Welsh coal best grade fuel oil best grade Diesel oil,~~
11 now.. **See Clause 50** ;.....

.....
12and.....HORIZON SHIPPING LIMITED.....Charterers of
the City of...BAHAMAS.....
13 **Witnesseth**, That the said Owners agree to let, and the said Charterers agree
to hire the said vessel, from the time of delivery, for
14 about...one **t/c trip via sp(s), sb(s), sa(s), in/out geo rotation, AWIWL. Always afloat except**
Naabsa river plata with lawful merchandise.
15

.....
..within below mentioned trading limits,
16 Charterers to have liberty to sublet the vessel for all or any part of the time covered
by this Charter, but Charterers remaining responsible for
17 the fulfilment of this Charter Party. **Acceptance of delivery by Charterers shall not constitute**
any waiver of Owners' obligations hereunder.
18 Vessel to be placed at the disposal of the Charterers, at.....**Delivery AFSPS Callao or Passing**
Callao ATDNSHINC (Charterer's Option)

19.....
.....
20 ~~in such dock or at such wharf or place (where she may safely lie, always afloat, at all~~
~~times of tide, except as otherwise provided in clause No. 6), as~~
21 ~~the Charterers may direct. If such dock, wharf or place be not available time to count as~~
~~provided for in clause No. 5. Vessel on her delivery to be~~
22 ready **in every way to receive and carry any permissible cargo and to be maintained in such**
condition during the entire currency of this Charter Party ~~to receive cargo with clean-~~
~~swept holds, see clause 53, and tight, staunch, strong and in every way fitted for the~~
~~service, having water ballast, winches and~~
23 donkey boiler with sufficient steam power, or if not equipped with donkey boiler, then
other power sufficient to run all the winches at one and the same
24 time (and with full complement of officers, seamen, engineers and firemen for a vessel of
her tonnage), to be employed, in carrying lawful merchan-
25 dise, ~~including petroleum or its products, in proper containers,~~ excluding.....**See clause**
59.....
26 (vessel is not to be employed in the carriage of Live Stock, but Charterers are to have the
privilege of shipping a small number on deck at their risk,

27 all necessary fittings and other requirements to be for account of Charterers), in such lawful trades, between safe port and/or ports in ~~British North~~
28 ~~America, and/or United States of America, and/or West Indies, and/or Central America,~~
~~and/or Caribbean Sea, and/or Gulf of Mexico, and/or~~
29 ~~Mexico, and/or South America.....~~**See Clause**
74.....~~and/or~~
~~Europe~~
30 ~~and/or Africa, and/or Asia, and/or Australia, and/or Tasmania, and/or New Zealand, but~~
~~excluding Magdalena River, River St. Lawrence between~~
31 ~~October 31st and May 15th, Hudson Bay and all unsafe ports; also excluding, when~~
~~out of season, White Sea, Black Sea and the Baltic,~~
32 **within trading limits, always within I.W.L. always afloat, always via safe port(s),**
berth(s), anchorage(s), place(s), excluding see clause 74.
33 ~~The Charterers have the option of breaching I.W.L. against paying additional~~
~~premium as per invoice from Owners' underwriters.~~
34 **Such permission to be granted by the Owners before such trading (see also Clause**
25).....
35 as the Charterers or their Agents shall direct, on the following conditions:
36 1. That the Owners shall provide and pay for all provisions, wages and consular
shipping and discharging fees of the Crew, shall pay for the
37 insurance of the vessel, also for all the cabin, deck, engine-room and other necessary
stores, including boiler water and maintain her class and keep
38 the vessel in a thoroughly efficient state in hull, **holds**, machinery and equipment ~~for and during~~
~~the service with certificates necessary to comply with current requirements at ports of call~~
for and during the service.
39 2. That **whilst on hire** the Charterers shall provide and pay for all the fuel except
as otherwise agreed, Port Charges, **Compulsory watchmen/compulsory garbage**
removal, Pilotages, ~~Torres Strait and Coral Sea, East Coast of Australia, Inland Japanese~~
Sea, Agencies, Commissions,
40 Consular Charges (except those pertaining to the Crew), and all other usual expenses except
those before stated but when the vessel puts into
41 a port for causes for which vessel is responsible, then all such charges incurred shall be
paid by the Owners. Fumigations ordered because of
42 illness of the crew **or cargoes carried prior to delivery** to be for Owners' account.
Fumigations ordered because of cargoes carried or **purported to be carried or** ports visited or
purported to be visited while vessel is employed under this
43 charter to be for Charterers' account. All other fumigations to be for Charterers' account
after vessel has been on charter for a continuous period of
44 of six months or more. **All necessary costs for accomodation and victualling of vessel's**
personnel ashore due to fumigation to be borne ny party accountable for fumigation.
45 Charterers are to provide necessary dunnage and shifting boards, also any extra
fittings requisite for a special trade or unusual cargo, but
46 Owners to allow them the use of any dunnage and shifting boards already aboard
vessel. ~~Charterers to have the privilege of using shifting boards~~
47 ~~for dunnage, they making good any damage thereto.~~
48 3. That ~~the Charterers, at the port of delivery, and the Owners, at the port of re-~~
~~delivery, shall take over and pay for all fuel remaining on~~
49 ~~board the vessel at the current prices in the respective ports, the vessel to be delivered~~
~~with not less than.....tons and not more than~~
50 ~~.....tons and to be re-delivered with not less than.....tons and~~
~~not more than.....tons. See Clause 37.~~
51 4. That the Charterers shall pay for the use and hire of the said Vessel at
the rate of **USD 9100 -- day/pr (inclot).....**
.....
52United States Currency per **day**
including overtime. ~~ten on vessel's total deadweight carrying capacity, including bunkers and~~
53 ~~stores, on.....summer freeboard, per Calendar Month, commencing~~
on and from the day of her delivery, as aforesaid, and at
54 and after the same rate for any part of a ~~day month;~~ hire to continue until the hour of the
day of her re-delivery in like good order and condition ordinary
55 wear and tear excepted, to the Owners (unless lost) **at-DLOSP 1SP LE HARVE -**
HAMBURG RANGE ..ATDNSHINC.....
56unless otherwise mutually agreed.
Charterers are to give Owners not less than **15/10/7/5 days**

approximate and 2/1 days
definite.....

57 notice of vessels expected date of re-delivery, **and name of last discharging port.**

58 **5. Payment of said hire to be made as per Clause 56** in New York in cash in
United States Currency, semi-monthly (**15 days**) in advance, ~~and for the last half month or~~
59 part of same the approximate amount of hire, and should same not cover the actual
time, hire is to be paid for the balance day by day, as it becomes
60 due, if so required by Owners, unless bank guarantee or deposit is made by the
Charterers, otherwise failing the punctual and regular payment of the
61 hire, or bank guarantee, or on any breach of this Charter Party, **Owners to give Charterers**

3 working days notice by telex in which to remedy the situation, failing which the Owners
shall be at liberty to withdraw the vessel from the service of the Char-
62 terers, without prejudice to any claim they (the Owners) may otherwise have on the
Charterers. ~~Time to count from 7 a.m. on the working day~~
63 ~~following that no which written notice of readiness has been given to Charterers or their~~
~~Agents before 4 p.m., but if required by Charterers, they~~
64 ~~to have the privilege of using vessel at once, such time used to count as hire.~~

65 Cash for vessel's ordinary disbursements at any port may be advanced as required
by the ~~Captain~~ Owners by the Charterers or their Agents, subject
66 to 2 1/2 % commission and such advances shall be deducted from the hire. The Charterers,
however shall in no way be responsible for the application
67 of such advances.

68 6. That the cargo or cargoes be laden and/or discharged in any **safe** dock or
at any **safe** wharf or **safe anchorage** or place that Charterers or their Agents may
69 direct, provided the vessel can safely lie always afloat at any time of tide, except at such places in
River Plate/Argentina/Brazil/Sanda, Norway/Buenaventura,
~~Venezuela~~ where it is customary for similar size vessels to safely

70 lie aground. (no deck cargo allowed)

71 7. That the whole reach of the Vessel's Hold, ~~Decks~~, and usual places of loading
(not more than she can reasonably stow and carry), also
72 accommodations for Supercargo, if carried, shall be at the Charters disposal, reserving
only proper and sufficient space for Ship's officers, crew,
73 tackle, apparel, furniture, provisions, stores and fuel. ~~Charterers have the privilege of~~
~~passengers as far as accommodations allow, Charterers~~

74 ~~paying Owners.....per day per passenger for accommodations and meals.~~
~~However, it is agreed that in case any fines or extra expenses are~~
75 ~~incurred in the consequence of the carriage of passengers, Charterers are to bear such risk and~~
~~expense. No passengers allowed.~~

76 8. That the Captain shall prosecute his voyages with the utmost despatch, and
shall render all customary assistance with ship's crew and
77 boats. The Captain (although appointed by the Owners), shall be under the orders and
directions of the Charterers as regards employment and
78 agency; and Charterers are to load, stow, **lash/unlash in holds and on deck if any,**

secure/unsecure and trim, **tally and discharge** the cargo at their expense under the
supervision of the Captain, who is to sign Bills of Lading for
79 cargo as presented, in conformity with Mate's and/or Tally clerk's receipts.

80 9. That if the Charterers shall have reason to be dissatisfied with the conduct of
the Captain, Officers, or Engineers, the Owners shall on
81 receiving particulars of the complaint, investigate the same, and, if necessary, make a change in
the appointments.

82 10. That the Charterers shall have permission to appoint a Supercargo, who shall
accompany the vessel and see that voyages are prosecuted
83 with the utmost despatch. He is to be furnished with free accommodation, and same fare
as provided for Captain's table, Charterers paying at the
84 rate of ~~\$4.00~~ **USD --** per day. Owners to victual Pilots and Customs Officers, and also, when
authorized by Charterers or their Agents, to victual Tally
85 Clerks, Stevedore's Foreman, etc., Charterers at the current rate **USD --** per meal, for all such
victualling. **Charterers to effect the insurances for as necessary for the supercargo or t/c**
representative on board and keep Owners fully indemnified for the case of an accident to the
supercargo or t/c representative. (Victualing - See Clause 49)

86 11. That the Charterers shall furnish the Captain from time to time with all
requisite instructions and sailing directions, in writing, and the
87 Captain shall keep a full and correct Log of the voyage or voyages, which are to be
patent to the Charterers or their Agents, and furnish the Char-

88 terers, their Agents or Supercargo, when required, with a true copy of daily **deck and engine** Logs, showing the course of the vessel and distance run and the consumption of fuel (**See Clause 47**).
89
90 12. That the Captain shall use diligence in caring for the ventilation of the cargo.

91 13. That the Charterers shall have the option of continuing this charter for a further period
92 of..... GMT TIME TO APPLY..ON
93 DELIVERY/REDELIVERY.....
94 on giving written notice thereof to the Owners or their Agents.....days previous to
95 the expiration of the first named term, or any declared option.
96 14. That if required by Charterers, time not to commence before..... 20th
97 **December, 2002**.....and should vessel
98 not have given written notice of readiness on or before.....**30 December, 2002**..but not
99 later than **24.00 hours**. Charterers or
100 their Agents to have the option of cancelling this Charter at any time not later than the day of
101 vessel's readiness.
102 15. That in the event of the loss of time from deficiency **and /or default** of men
103 or **deficiency of** stores, fire, breakdown or damages to hull,
104 machinery or equipment,
105 grounding, detention by average accidents to ship or cargo, drydocking for the purpose
106 of examination or painting bottom, or by any other cause
107 preventing the full working of the vessel, the payment of hire shall cease for the time
108 thereby lost and if upon the voyage the speed be reduced by
109 defect in or breakdown of any part of her hull, machinery or equipment, the time so
110 lost, and the cost of any extra fuel consumed in consequence
111 thereof, and all extra **proven** expenses shall be deducted from the hire.
112 16. That should the Vessel be lost, money paid in advance and not earned
113 (reckoning from the date of loss or being last heard of) shall be
114 returned to the Charterers at once. The act of God, enemies, fire, restraint of Princes,
115 Rulers and People, and all dangers and accidents of the Seas,
116 Rivers, Machinery, Boilers and Steam Navigation, and errors of Navigation throughout this Charter
117 Party, always mutually excepted.
118 The vessel shall have the liberty to sail with or without pilots, to tow and to be
119 towed, to assist vessels in distress, and to deviate for the
120 purpose of saving life and property.
121 17.. That should any dispute arise between Owners and the Charterers, the matter
122 in dispute shall be referred to **london, English law to apply. See Clause 61.** ~~three persons~~
123 ~~at New York,~~
124 ~~one to be appointed by each of the parties hereto, and the third by the two so chosen;~~
125 ~~their decision or that of any two of them, shall be final, and for~~
126 ~~the purpose of enforcing any award, this agreement may be made a rule of the Court. The~~
127 ~~Arbitrators shall be commercial men.~~
128 18. That the Owners shall have a lien upon all cargoes, and all sub-freights, for
129 any amounts due under this Charter, including General Aver-
130 age contributions, and the Charterers to have a lien on the Ship for all monies paid in
131 advance and not earned, and any overpaid hire or excess
132 deposit to be returned at once. Charterers will not suffer, nor permit to be continued, any
133 lien or encumbrance incurred by them or their agents, which
134 might have priority over the title and interest of the owners in the vessel.
135 19. That all derelicts and salvage shall be for Owners' and Charterers' equal
136 benefit after deducting Owners' and Charterers' expenses and
137 Crew's proportion. General Average shall be adjusted, stated and settled **in London**
138 **according to York-Antwerp Rules 1974 as amended 1990,** ~~according to Rules 1 to 15,~~
139 ~~exclusive, 17 to 22, inclusive, and Rule F of~~
140 ~~York-Antwerp Rules 1974 at such port or place in the United States as may be selected~~
141 ~~by the carrier and as to matters not provided for by these~~
142 ~~Rules, according to the laws and usages at the port of New York. In such adjustment~~
143 ~~disbursements in foreign currencies shall be exchanged into~~
144 ~~United States money at the rate prevailing on the dates made and allowances or damage~~
145 ~~to cargo claimed in foreign currency shall be converted at~~

119 the rate prevailing on the last day of discharge at the port or place of final discharge of
such damaged cargo from the ship. Average agreement or
120 bond and such additional security, as may be required by the carrier, must be furnished
before delivery of the goods. Such cash deposit as the carrier
121 or his agents may deem sufficient as additional security for the contribution of the goods
and for any salvage and special charges thereon, shall, if
122 required, be made by the goods, shippers, consignees or owners of the goods to the
carrier before delivery. Such deposit shall, at the option of the
123 carrier, be payable in United States money and be remitted to the adjuster. When so
remitted the deposit shall be held in a special account at the
124 place of adjustment in the name of the adjuster pending settlement of the General
Average and refunds or credit balances, if any, shall be paid in
125 United States money.

126 In the event of accident, danger, damage or disaster, before or after
commencement of the voyage resulting from any cause whatsoever,
127 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
128 goods, the shipper and the consignee, jointly and severally, shall contribute with the
carrier in general average to the payment of any sacrifices,
129 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
130 goods. If a salving ship is owned or operated by the carrier, salvage shall be paid for
as fully and in the same manner as if such salving ship or
131 ships belonged to strangers.

132 Provisions as to General Average in accordance with the above are to be included in all bills
of lading issued hereunder.

133 20. Fuel used by the vessel while off hire, also for cooking, condensing water, or
for grates and stoves to be agreed to as to quantity, and the
134 cost of replacing same, to be allowed by Owners.

135 21. That as the vessel may be from time to time employed in tropical waters
during the term of this Charter, Vessel is to be docked at a
136 convenient place, bottom cleaned and painted whenever Charterers and Captain think
necessary, at least once in every six months, reckoning from
137 time of last painting, and payment of the hire to be suspended until she is again in proper state for
the service.

138 **No dry-docking except in case of emergency. (See Clause**
54)......

139

140 22. Owners shall maintain the gear of the ship as fitted, providing gear (for all
derricks) capable of handling lifts up to three tons, also
141 providing ropes, falls, slings and blocks. If vessel is fitted with derricks capable of handling
heavier lifts, Owners are to provide necessary gear for
142 same, otherwise equipment and gear for heavier lifts shall be for Charterers' account.

Owners also to provide on the vessel **sufficient light as on board** lanterns and oil for
143 night work and vessel to give use of electric light when so fitted, but any additional
lights over those on board to be at Charterers' expense. The
144 Charterers to have the use of any gear on board the vessel.

145 23. Vessel to work night and day, if required by Charterers, and all winches to
be at Charterers' disposal during loading and discharging;
146 steamer to provide one winchman per hatch to work winches day and night, as
required, Charterers agreeing to pay officers, engineers, winchmen,
147 deck hands and donkeymen for overtime work done in accordance with the working
hours and rates stated in the ship's articles. If the rules of the
148 port, or labor unions, prevent crew from driving winches, shore Winchmen to be **employed** and
paid by Charterers. In the event of a disabled winch or winches, or
149 insufficient power to operate winches, Owners to pay for shore engine, or engines, in
lieu thereof, if required, **and extra expenses including standby**
expenses and pay any loss of time occasioned
150 thereby.

151 24. It is also mutually agreed that this Charter is subject to all the terms and
provisions of and all the exemptions from liability contained
152 in the Act of Congress of the United States approved on the 13th day of February, 1893,
and entitled "An Act relating to Navigation of Vessels,
153 etc.," in respect of all cargo shipped under this charter to or from the United States of
America. It is further subject to the following clauses, both

154 of which are to be included in all bills of lading issued hereunder:

155

U.S.A. Clause Paramount

156 This bill of lading shall have effect subject to the provisions of the Carriage of Goods by
Sea Act of the United States, approved April

157 16, 1936, which shall be deemed to be incorporated herein, and nothing herein contained
shall be deemed a surrender by the carrier of

158 any of its rights or immunities or an increase of any of its responsibilities or liabilities
under said Act. If any term of this bill of lading

159 be repugnant to said Act to any extent, such term shall be void to that extent, but no
further.

160

Both-to-Blame Collision Clause

161 ~~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~~

162 ~~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~~

163 ~~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~~

164 ~~or liability represents loss of, or damage to, or any claim whatsoever of the owners of said
goods, paid or payable by the other or non-~~

165 ~~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~~

166 ~~owners as part of their claim against the carrying ship or carrier.~~

167 25. The vessel shall not be required to enter any ice-bound port, or any port
where lights or light-ships have been or are about to be with-

168 drawn by reason of ice, or where there is risk that in the ordinary course of things the
vessel will not be able on account of ice to safely enter the

169 port or to get out after having completed loading or discharging. **The vessel has no ice
class, therefore she will not force ice nor to follow ice-breaker.**

170 26. Nothing herein stated is to be construed as a demise of the vessel to the
Time Charterers. The owners to remain responsible for the

171 navigation of the vessel, **acts of pilots and tugboats**, insurance, crew, and all other matters,
same as when trading for their own account.

172 27. A commission of ~~2.5 per cent~~ is payable by the Vessel and Owners

173.....

174 on hire earned and paid under this Charter, and also upon any continuation or extension of this
Charter.

175 28. An address commission of 2.5 per cent payable to Charterer's Broker.....**plus 1.25 per
cent to North Harbour Shipping**....on the hire earned and paid under this Charter.

Attached rider Clauses making reference to preamble Charter Party and enclosing Clauses 29-74
inclusive, together with the Baltimore 1939 War Risk Clause, New Both - to Blame Collision Clause and
New Jason Clause, as well as a description clause are deemed to be fully incorporated in this Charter
Party.

.....
.....

OWNERS

CHARTERERS

This computer generated Charter Party is a precise and true copy of the NYPE (revised 3rd October, 1946) form.
Modifications, additions, insertions, deletions have been made in line with
mutual agreement. Characters of additions and insertions are clearly highlighted by different size font and printed in bold
and italic letters. Deletions are marked by striking through the
original characters .

TO ALL MEMBERS

31 January 2001

Dear Sirs

BILLS OF LADING - DELIVERY OF CARGO

STANDARD FORMS OF LETTERS OF INDEMNITY TO BE GIVEN IN RETURN FOR:

- (A) Delivery of cargo without production of the original bill of lading**
- (B) Delivery of cargo at a port other than that stated in the bill of lading**
- (C) Delivery of cargo at a port other than that stated in the bill of lading and without production of the original bill of lading**

In December 1998, the International Group of P&I Clubs issued a Circular to Members recommending revised wordings of the standard form Letters of Indemnity for use by Members in circumstances where they are requested to deliver cargo without production of the original bill of lading and/or to deliver cargo at a port other than that stated in the bill of lading.

As a result of comment from shipowners and shipowners' organisations, a further review of the wordings has been undertaken and further modifications to the standard wordings have now been made. Moreover, discussions have taken place between the International Group and the British Bankers Association (BBA) and a separate standard wording has been agreed on the basis of which banks members of the BBA will now be prepared in principle to join in the Letters of Indemnity while, through the auspices of the International Chamber of Commerce, the BBA will endeavour to promote this agreed standard wording within the international business community. The BBA has also given its general approval to this Circular.

In consequence of the agreement reached with the BBA, the three recommended standard form Letters of Indemnity are now issued in two versions: INT GROUP A (for delivery of cargo without production of the original bill of lading), INT GROUP B (for delivery of cargo at a port other than that stated in the bill of lading against production of at least one original bill of lading), and INT GROUP C (for delivery of cargo at a port other than that stated in the bill of lading and without production of the original bill of lading) for use when the commercial party requesting delivery (the "Requestor") will alone be signing the Letter of Indemnity, and INT GROUP AA, INT GROUP BB and INT GROUP CC for use when a bank will be joining in the Letter of Indemnity and which forms incorporate, in addition to the same indemnities given by the Requestor under INT GROUP A, B and C, the separate standard wording agreed with the banks.

The principal features of the new wordings are explained below.

Financial Limit

The liability of the Requestor should generally not be limited. However, where a bank is to join in the Letter of Indemnity it will generally insist upon a fixed monetary limit. The amount of the limit must be a matter for negotiation in order that it properly reflects the potential exposure in the particular circumstances, taking into account, *inter alia*, the sound market value of the cargo at the time of delivery, but it is recommended that the limit should be a minimum of 200% of the sound market value of the cargo at the time of delivery.

Duration of security

Under INT GROUP A and AA, the liability of the Requestor (and, hence, the bank under AA) terminates upon the delivery of all original bills of lading to the shipowner. If the original bills of lading are not delivered to the shipowner, the Requestor's liability under the Letter of Indemnity continues.

Subject to delivery of all original bills of lading as stated, and to the two exceptions described below, the bank's liability under INT GROUP AA is for an initial period of six years, but which is automatically renewable from time to time for further periods of two years at the request of the shipowner. The exceptions are (1) that, rather than agree to an extension of its liability, the bank has the option of discharging its liability by paying the maximum amount payable under its indemnity and (2) that, in the event of a demand being made by the shipowner to the bank for payment under the indemnity before the termination date, or in the event of the bank being notified by the shipowner of the commencement of legal proceedings against the shipowner before the termination date, the liability of the bank will continue until the demand has been paid or the legal proceedings have been concluded, the bank, if called upon so to do, paying the amount of any judgment or settlement payable by the shipowner if the Requestor has failed to do so.

Under INT GROUP B, C, BB and CC, since it is possible for a claim to be pursued against a shipowner for delivering cargo at a port other than that stated in the bill of lading despite cargo being delivered against production of the original bill of lading, or all original bills of lading being subsequently delivered to the shipowner (in particular, in circumstances where a charterer may require a cargo owner to receive his cargo at such other port against his wishes and request the shipowner to accommodate his request), the liability of the Requestor will continue until it can be established to the satisfaction of the shipowner that no such claim will be made.

Accordingly, unless the shipowner is satisfied that no claim of this nature will be made, the liability of the bank under INT GROUP BB and CC will be as described under INT GROUP AA above.

Scope of security

The Requestor is obliged to provide bail or other security not only to prevent or lift the arrest of the ship the subject matter of the indemnity, but also any other ship in the same or associated ownership, management or control. In addition, the Requestor is obliged to provide bail or other security to prevent interference in the use or trading of the ship, such as a caveat being entered on the ship's registry to prevent the sale of the ship the subject matter of the indemnity.

Where a bank joins in the Letter of Indemnity it will generally not agree to provide bail or other security. However, the bank will pay any amount up to the limit of its liability under the Letter of Indemnity in order to enable the shipowner to arrange the provision of security if the Requestor fails to provide bail or other security.

Tankers

A provision designed to give greater security to tankers has been incorporated, whereby requested delivery of a bulk liquid or gas cargo to a terminal or facility, or to another ship, lighter or barge is to be deemed to be delivery to the party to whom delivery has been requested.

* * *

Members are again reminded that, unless the Association's Committee otherwise determines, there is no cover in respect of liabilities arising out of the delivery of cargo without production of the original bill of lading and/or delivery at a port other than that stated in the bill of lading and that, in such circumstances, Members are strongly advised to ensure that they are fully satisfied with the financial standing of those who are to issue these indemnities.

The standard form Letters of Indemnity are designed to cover a broad range of trades and operations, and Members may wish to modify the standard forms to suit particular requirements. However, in this event, it must be appreciated that if a bank is to join in the Letter of Indemnity there may be limited scope for amendment, and that the Requestor's bank will have to be consulted if any material change is contemplated. The Managers will be pleased to advise Members regarding any proposed modification.

Finally, it is not uncommon for Members to be requested by charterers to agree clauses in charter parties which expressly provide for the delivery of cargo without production of bills of lading and/or at ports other than those stated in the bills of lading against Letters of Indemnity. Members are strongly advised not to accept such clauses and it is recommended that Members seek advice from the Managers before responding to such requests.

Yours faithfully
Assuranceforeningen SKULD (Gjendsidig)

STANDARD FORM LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR DELIVERING CARGO WITHOUT PRODUCTION OF THE ORIGINAL BILL OF LADING

1. To indemnify you, your servants and agents and to hold all of you harmless in respect of any liability, loss, damage or expense of whatsoever nature which you may sustain by reason of delivering the cargo in accordance with our request.
2. In the event of any proceedings being commenced against you or any of your servants or agents in connection with the delivery of the cargo as aforesaid, to provide you or them on demand with sufficient funds to defend the same.
3. If, in connection with the delivery of the cargo as aforesaid, the ship, or any other ship or property in the same or associated ownership, management or control, should be arrested or detained or should the arrest or detention thereof be threatened, or should there be any interference in the use or trading of the vessel (whether by virtue of a caveat being entered on the ship's registry or otherwise howsoever), to 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 ship or property or to remove such interference and to indemnify you in respect of any liability, loss, damage or expense caused by such arrest or detention or threatened arrest or detention or such interference, whether or not such arrest or detention or threatened arrest or detention or such interference may be justified.
4. If the place at which we have asked you to make delivery is a bulk liquid or gas terminal or facility, or another ship, lighter or barge, then delivery to such terminal, facility, ship, lighter or barge shall be deemed to be delivery to the party to whom we have requested you to make such delivery.
5. As soon as all original bills of lading for the above cargo shall have come into our possession, to deliver the same to you, or otherwise to cause all original bills of lading to be delivered to you, whereupon our liability hereunder shall cease.

INT GROUP A

6. The liability of each and every person under this indemnity shall be joint and several and shall not be conditional upon your proceeding first against any person, whether or not such person is party to or liable under this indemnity.
7. This indemnity shall be governed by and construed in accordance with English law and each and every person liable under this indemnity shall at your request submit to the jurisdiction of the High Court of Justice of England.

Yours faithfully
For and on behalf of
[insert name of Requestor]
The Requestor

.....
Signature

**STANDARD FORM LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR
DELIVERING CARGO WITHOUT PRODUCTION OF THE ORIGINAL BILL OF LADING
INCORPORATING A BANK'S AGREEMENT TO JOIN IN THE LETTER OF INDEMNITY**

1. To indemnify you, your servants and agents and to hold all of you harmless in respect of any liability, loss, damage or expense of whatsoever nature which you may sustain by reason of delivering the cargo in accordance with our request.
2. In the event of any proceedings being commenced against you or any of your servants or agents in connection with the delivery of the cargo as aforesaid, to provide you or them on demand with sufficient funds to defend the same.
3. If, in connection with the delivery of the cargo as aforesaid, the ship, or any other ship or property in the same or associated ownership, management or control, should be arrested or detained or should the arrest or detention thereof be threatened, or should there be any interference in the use or trading of the vessel (whether by virtue of a caveat being entered on the ship's registry or otherwise howsoever), to 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 ship or property or to remove such interference and to indemnify you in respect of any liability, loss, damage or expense caused by such arrest or detention or threatened arrest or detention or such interference, whether or not such arrest or detention or threatened arrest or detention or such interference may be justified.
4. If the place at which we have asked you to make delivery is a bulk liquid or gas terminal or facility, or another ship, lighter or barge, then delivery to such terminal, facility, ship, lighter or barge shall be deemed to be delivery to the party to whom we have requested you to make such delivery.
5. As soon as all original bills of lading for the above cargo shall have come into our possession, to deliver the same to you, or otherwise to cause all original bills of lading to be delivered to you, whereupon our liability hereunder shall cease.

INT GROUP AA

6. The liability of each and every person under this indemnity shall be joint and several and shall not be conditional upon your proceeding first against any person, whether or not such person is party to or liable under this indemnity.
7. This indemnity shall be governed by and construed in accordance with English law and each and every person liable under this indemnity shall at your request submit to the jurisdiction of the High Court of Justice of England.

Yours faithfully
For and on behalf of
[insert name of Requestor]
The Requestor

.....
Signature

We, [insert name of the Bank], hereby agree to join in this Indemnity providing always that the Bank's liability:-

1. shall be restricted to payment of specified sums of money demanded in relation to the Indemnity (and shall not extend to the provision of bail or other security)
2. shall be to make payment to you forthwith on your written demand in the form of a signed letter certifying that the amount demanded is a sum due to be paid to you under the terms of the Indemnity and has not been paid to you by the Requestor or is a sum which represents monetary compensation due to you in respect of the failure by the Requestor to fulfil its obligations to you under the Indemnity. For the avoidance of doubt the Bank hereby confirms that:-
 - (a) such compensation shall include, but not be limited to, payment of any amount up to the amount stated in proviso 3 below in order to enable you to arrange the provision of security to release the ship (or any other ship in the same or associated ownership, management or control) from arrest or to prevent any such arrest or to prevent any interference in the use or trading of the ship, or other ship as aforesaid, and
 - (b) in the event that the amount of compensation so paid is less than the amount stated in proviso 3 below, the liability of the Bank hereunder shall continue but shall be reduced by the amount of compensation paid.
3. shall be limited to a sum or sums not exceeding in aggregate [insert currency and amount in figures and words]
4. subject to proviso 5 below, shall terminate on [date six years from the date of the Indemnity) (the 'Termination Date'), except in respect of any demands for payment received by the Bank hereunder at the address indicated below on or before that date.
5. shall be extended at your request from time to time for a period of two calendar years at a time provided that:-
 - a) the Bank shall receive a written notice signed by you and stating that the Indemnity is required by you to remain in force for a further period of two years, and
 - b) such notice is received by the Bank at the address indicated below on or before the then current Termination Date.

INT GROUP AA

Any such extension shall be for a period of two years from the then current Termination Date and, should the Bank for any reason be unwilling to extend the Termination Date, the Bank shall discharge its liability by the payment to you of the maximum sum payable hereunder (or such lesser sum as you may require).

However, in the event of the Bank receiving a written notice signed by you, on or before the then current Termination Date, stating that legal proceedings have been commenced against you as a result of your having delivered the said cargo as specified in the Indemnity, the Bank agrees that its liability hereunder will not terminate until receipt by the Bank of your signed written notice stating that all legal proceedings have been concluded and that any sum or sums payable to you by the Requestor and/or the Bank in connection therewith have been paid and received in full and final settlement of all liabilities arising under the Indemnity.

6. shall be governed by and construed in accordance with the law governing the Indemnity and the Bank agrees to submit to the jurisdiction of the court stated within the Indemnity.

It should be understood that, where appropriate, the Bank will only produce and deliver to you all original bills of lading should the same come into the Bank's possession, but the Bank agrees that, in that event, it shall do so.

The Bank agrees to promptly notify you in the event of any change in the full details of the office to which any demand or notice is to be addressed and which is stated below and it is agreed that you shall also promptly notify the Bank in the event of any change in your address as stated above.

Please quote the Bank's Indemnity Ref in all correspondence with the Bank and any demands for payment and notices hereunder.

Yours faithfully

For and on behalf of

[insert name of bank]

[insert full details of the office to which any demand or notice is to be addressed]

.....
Signature

STANDARD FORM LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR DELIVERING CARGO AT A PORT OTHER THAN THAT STATED IN THE BILL OF LADING

1. To indemnify you, your servants and agents and to hold all of you harmless in respect of any liability, loss, damage or expense of whatsoever nature which you may sustain by reason of the ship proceeding and giving delivery of the cargo against production of at least one original bill of lading in accordance with our request.
2. In the event of any proceedings being commenced against you or any of your servants or agents in connection with the ship proceeding and giving delivery of the cargo as aforesaid, to provide you or them on demand with sufficient funds to defend the same.
3. If, in connection with the delivery of the cargo as aforesaid, the ship, or any other ship or property in the same or associated ownership, management or control, should be arrested or detained or should the arrest or detention thereof be threatened, or should there be any interference in the use or trading of the vessel (whether by virtue of a caveat being entered on the ship's registry or otherwise howsoever), to 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 ship or property or to remove such interference and to indemnify you in respect of any liability, loss, damage or expense caused by such arrest or detention or threatened arrest or detention or such interference, whether or not such arrest or detention or threatened arrest or detention or such interference may be justified.
4. The liability of each and every person under this indemnity shall be joint and several and shall not be conditional upon your proceeding first against any person, whether or not such person is party to or liable under this indemnity.
5. This indemnity shall be governed by and construed in accordance with English law and each and every person liable under this indemnity shall at your request submit to the jurisdiction of the High Court of Justice of England.

INT GROUP B

Yours faithfully
For and on behalf of
[insert name of Requestor]
The Requestor

.....
Signature

**STANDARD FORM LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR
DELIVERING CARGO AT A PORT OTHER THAN THAT STATED IN THE BILL OF LADING
INCORPORATING A BANK'S AGREEMENT TO JOIN IN THE LETTER OF INDEMNITY**

1. To indemnify you, your servants and agents and to hold all of you harmless in respect of any liability, loss, damage or expense of whatsoever nature which you may sustain by reason of the ship proceeding and giving delivery of the cargo against production of at least one original bill of lading in accordance with our request.
2. In the event of any proceedings being commenced against you or any of your servants or agents in connection with the ship proceeding and giving delivery of the cargo as aforesaid, to provide you or them on demand with sufficient funds to defend the same.
3. If, in connection with the delivery of the cargo as aforesaid, the ship, or any other ship or property in the same or associated ownership, management or control, should be arrested or detained or should the arrest or detention thereof be threatened, or should there be any interference in the use or trading of the vessel (whether by virtue of a caveat being entered on the ship's registry or otherwise howsoever), to 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 ship or property or to remove such interference and to indemnify you in respect of any liability, loss, damage or expense caused by such arrest or detention or threatened arrest or detention or such interference, whether or not such arrest or detention or threatened arrest or detention or such interference may be justified.
4. The liability of each and every person under this indemnity shall be joint and several and shall not be conditional upon your proceeding first against any person, whether or not such person is party to or liable under this indemnity.

INT GROUP BB

5. This indemnity shall be governed by and construed in accordance with English law and each and every person liable under this indemnity shall at your request submit to the jurisdiction of the High Court of Justice of England.

Yours faithfully
For and on behalf of
[insert name of Requestor]
The Requestor

.....
Signature

We, [insert name of the Bank], hereby agree to join in this Indemnity providing always that the Bank's liability:-

1. shall be restricted to payment of specified sums of money demanded in relation to the Indemnity (and shall not extend to the provision of bail or other security)
2. shall be to make payment to you forthwith on your written demand in the form of a signed letter certifying that the amount demanded is a sum due to be paid to you under the terms of the Indemnity and has not been paid to you by the Requestor or is a sum which represents monetary compensation due to you in respect of the failure by the Requestor to fulfil its obligations to you under the Indemnity. For the avoidance of doubt the Bank hereby confirms that:-
 - (a) such compensation shall include, but not be limited to, payment of any amount up to the amount stated in proviso 3 below in order to enable you to arrange the provision of security to release the ship (or any other ship in the same or associated ownership, management or control) from arrest or to prevent any such arrest or to prevent any interference in the use or trading of the ship, or other ship as aforesaid, and
 - (b) in the event that the amount of compensation so paid is less than the amount stated in proviso 3 below, the liability of the Bank hereunder shall continue but shall be reduced by the amount of compensation paid.
3. shall be limited to a sum or sums not exceeding in aggregate [insert currency and amount in figures and words]
4. subject to proviso 5 below, shall terminate on [date six years from the date of the Indemnity) (the 'Termination Date'), except in respect of any demands for payment received by the Bank hereunder at the address indicated below on or before that date.
5. shall be extended at your request from time to time for a period of two calendar years at a time provided that:-
 - a) the Bank shall receive a written notice signed by you and stating that the Indemnity is required by you to remain in force for a further period of two years, and
 - b) such notice is received by the Bank at the address indicated below on or before the then current Termination Date.

Any such extension shall be for a period of two years from the then current Termination Date and, should the Bank for any reason be unwilling to extend the Termination Date, the Bank shall

INT GROUP BB

discharge its liability by the payment to you of the maximum sum payable hereunder (or such lesser sum as you may require).

However, in the event of the Bank receiving a written notice signed by you, on or before the then current Termination Date, stating that legal proceedings have been commenced against you as a result of your having delivered the said cargo as specified in the Indemnity, the Bank agrees that its liability hereunder will not terminate until receipt by the Bank of your signed written notice stating that all legal proceedings have been concluded and that any sum or sums payable to you by the Requestor and/or the Bank in connection therewith have been paid and received in full and final settlement of all liabilities arising under the Indemnity.

6. shall be governed by and construed in accordance with the law governing the Indemnity and the Bank agrees to submit to the jurisdiction of the court stated within the Indemnity.

It should be understood that, where appropriate, the Bank will only produce and deliver to you all original bills of lading should the same come into the Bank's possession, but the Bank agrees that, in that event, it shall do so.

The Bank agrees to promptly notify you in the event of any change in the full details of the office to which any demand or notice is to be addressed and which is stated below and it is agreed that you shall also promptly notify the Bank in the event of any change in your address as stated above.

Please quote the Bank's Indemnity Ref in all correspondence with the Bank and any demands for payment and notices hereunder.

Yours faithfully

For and on behalf of

[insert name of bank]

[insert full details of the office to which any demand or notice is to be addressed]

.....
Signature

**STANDARD FORM LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR
DELIVERING CARGO AT A PORT OTHER THAN THAT STATED IN THE BILL OF LADING
AND WITHOUT PRODUCTION OF THE ORIGINAL BILL OF LADING**

1. To indemnify you, your servants and agents and to hold all of you harmless in respect of any liability, loss, damage or expense of whatsoever nature which you may sustain by reason of the ship proceeding and giving delivery of the cargo in accordance with our request.
2. In the event of any proceedings being commenced against you or any of your servants or agents in connection with the ship proceeding and giving delivery of the cargo as aforesaid, to provide you or them on demand with sufficient funds to defend the same.
3. If, in connection with the delivery of the cargo as aforesaid, the ship, or any other ship or property in the same or associated ownership, management or control, should be arrested or detained or should the arrest or detention thereof be threatened, or should there be any interference in the use or trading of the vessel (whether by virtue of a caveat being entered on the ship's registry or otherwise howsoever), to 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 ship or property or to remove such interference and to indemnify you in respect of any liability, loss, damage or expense caused by such arrest or detention or threatened arrest or detention or such interference, whether or not such arrest or detention or threatened arrest or detention or such interference may be justified.
4. If the place at which we have asked you to make delivery is a bulk liquid or gas terminal or facility, or another ship, lighter or barge, then delivery to such terminal, facility, ship, lighter or barge shall be deemed to be delivery to the party to whom we have requested you to make such delivery.
5. As soon as all original bills of lading for the above cargo shall have come into our possession, to deliver the same to you, or otherwise to cause all original bills of lading to be delivered to you.

INT GROUP C

6. The liability of each and every person under this indemnity shall be joint and several and shall not be conditional upon your proceeding first against any person, whether or not such person is party to or liable under this indemnity.
7. This indemnity shall be governed by and construed in accordance with English law and each and every person liable under this indemnity shall at your request submit to the jurisdiction of the High Court of Justice of England.

Yours faithfully
For and on behalf of
[insert name of Requestor]
The Requestor

.....
Signature

**STANDARD FORM LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR
DELIVERING CARGO AT A PORT OTHER THAN THAT STATED IN THE BILL OF LADING
AND WITHOUT PRODUCTION OF THE ORIGINAL BILL OF LADING INCORPORATING A
BANK'S AGREEMENT TO JOIN IN THE LETTER OF INDEMNITY**

Dear Sirs

Bill of lading: *[insert identification number, date and place of issue]*

In consideration of your complying with our above request, we hereby agree as follows :-

1. To indemnify you, your servants and agents and to hold all of you harmless in respect of any liability, loss, damage or expense of whatsoever nature which you may sustain by reason of the ship proceeding and giving delivery of the cargo in accordance with our request.
2. In the event of any proceedings being commenced against you or any of your servants or agents in connection with the ship proceeding and giving delivery of the cargo as aforesaid, to provide you or them on demand with sufficient funds to defend the same.
3. If, in connection with the delivery of the cargo as aforesaid, the ship, or any other ship or property in the same or associated ownership, management or control, should be arrested or detained or should the arrest or detention thereof be threatened, or should there be any interference in the use or trading of the vessel (whether by virtue of a caveat being entered on the ship's registry or otherwise howsoever), to 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 ship or property or to remove such interference and to indemnify you in respect of any liability, loss, damage or expense caused by such arrest or detention or threatened arrest or detention or such interference, whether or not such arrest or detention or threatened arrest or detention or such interference may be justified.
4. If the place at which we have asked you to make delivery is a bulk liquid or gas terminal or facility, or another ship, lighter or barge, then delivery to such terminal, facility, ship, lighter or barge shall be deemed to be delivery to the party to whom we have requested you to make such delivery.
5. As soon as all original bills of lading for the above cargo shall have come into our possession, to deliver the same to you, or otherwise to cause all original bills of lading to be delivered to you.

INT GROUP CC

6. The liability of each and every person under this indemnity shall be joint and several and shall not be conditional upon your proceeding first against any person, whether or not such person is party to or liable under this indemnity.
7. This indemnity shall be governed by and construed in accordance with English law and each and every person liable under this indemnity shall at your request submit to the jurisdiction of the High Court of Justice of England.

Yours faithfully
For and on behalf of
[insert name of Requestor]
The Requestor

.....
Signature

We, [insert name of the Bank], hereby agree to join in this Indemnity providing always that the Bank's liability:-

1. shall be restricted to payment of specified sums of money demanded in relation to the Indemnity (and shall not extend to the provision of bail or other security)
2. shall be to make payment to you forthwith on your written demand in the form of a signed letter certifying that the amount demanded is a sum due to be paid to you under the terms of the Indemnity and has not been paid to you by the Requestor or is a sum which represents monetary compensation due to you in respect of the failure by the Requestor to fulfil its obligations to you under the Indemnity. For the avoidance of doubt the Bank hereby confirms that:-
 - (a) such compensation shall include, but not be limited to, payment of any amount up to the amount stated in proviso 3 below in order to enable you to arrange the provision of security to release the ship (or any other ship in the same or associated ownership, management or control) from arrest or to prevent any such arrest or to prevent any interference in the use or trading of the ship, or other ship as aforesaid, and
 - (b) in the event that the amount of compensation so paid is less than the amount stated in proviso 3 below, the liability of the Bank hereunder shall continue but shall be reduced by the amount of compensation paid.
3. shall be limited to a sum or sums not exceeding in aggregate [insert currency and amount in figures and words]
4. subject to proviso 5 below, shall terminate on [date six years from the date of the Indemnity) (the 'Termination Date'), except in respect of any demands for payment received by the Bank hereunder at the address indicated below on or before that date.
5. shall be extended at your request from time to time for a period of two calendar years at a time provided that:-
 - a) the Bank shall receive a written notice signed by you and stating that the Indemnity is required by you to remain in force for a further period of two years, and
 - b) such notice is received by the Bank at the address indicated below on or before the then current Termination Date.

Any such extension shall be for a period of two years from the then current Termination Date and, should the Bank for any reason be unwilling to extend the Termination Date, the Bank shall discharge its liability by the payment to you of the maximum sum payable hereunder (or such lesser sum as you may require).

However, in the event of the Bank receiving a written notice signed by you, on or before the then current Termination Date, stating that legal proceedings have been commenced against you as a result of your having delivered the said cargo as specified in the Indemnity, the Bank agrees that its liability hereunder will not terminate until receipt by the Bank of your signed written notice stating that all legal proceedings have been concluded and that any sum or sums payable to you by the Requestor and/or the Bank in connection therewith have been paid and received in full and final settlement of all liabilities arising under the Indemnity.

6. shall be governed by and construed in accordance with the law governing the Indemnity and the Bank agrees to submit to the jurisdiction of the court stated within the Indemnity.

It should be understood that, where appropriate, the Bank will only produce and deliver to you all original bills of lading should the same come into the Bank's possession, but the Bank agrees that, in that event, it shall do so.

The Bank agrees to promptly notify you in the event of any change in the full details of the office to which any demand or notice is to be addressed and which is stated below and it is agreed that you shall also promptly notify the Bank in the event of any change in your address as stated above.

Please quote the Bank's Indemnity Ref in all correspondence with the Bank and any demands for payment and notices hereunder.

Yours faithfully

For and on behalf of

[insert name of bank]

[insert full details of the office to which any demand or notice is to be addressed]

.....
Signature

UCP 600

UCP 600 are the latest revision of the Uniform Customs and Practice that govern the operation of letters of credit.

UCP 600 comes into effect on 01 July 2007

The 39 articles of UCP 600 are a comprehensive and practical working aid to bankers, lawyers, importers, and exporters, transport executives, educators, and everyone involved in letter of credit transactions worldwide.

ICC Uniform Customs and Practice for Documentary Credits (UCP 600)

Foreword

This revision of the Uniform Customs and Practice for Documentary Credits (commonly called "UCP") is the sixth revision of the rules since they were first promulgated in 1933. It is the fruit of more than three years of work by the International Chamber of Commerce's (ICC) Commission on Banking Technique and Practice.

ICC, which was established in 1919, had as its primary objective facilitating the flow of international trade at a time when nationalism and protectionism posed serious threats to the world trading system. It was in that spirit that the UCP were first introduced – to alleviate the confusion caused by individual countries' promoting their own national rules on letter of credit practice. The objective, since attained, was to create a set of contractual rules that would establish uniformity in that practice, so that practitioners would not have to cope with a plethora of often conflicting national regulations. The universal acceptance of the UCP by practitioners in countries with widely divergent economic and judicial systems is a testament to the rules' success.

It is important to recall that the UCP represent the work of a private international organization, not a governmental body. Since its inception, ICC has insisted on the central role of self-regulation in business practice. These rules, formulated entirely by experts in the private sector, have validated that approach. The UCP remain the most successful set of private rules for trade ever developed.

A range of individuals and groups contributed to the current revision, which is entitled UCP 600. These include the UCP Drafting Group, which sifted through more than 5000 individual comments before arriving at this consensus text; the UCP Consulting Group, consisting of members from more than 25 countries, which served as the advisory body reacting to and proposing changes to the various drafts; the more than 400 members of the ICC Commission on Banking Technique and Practice who made pertinent suggestions for changes in the text; and ICC national committees worldwide which took an active role in consolidating comments from their members. ICC also expresses its gratitude to practitioners in the transport and insurance industries, whose perceptive suggestions honed the final draft.

Guy Sebban
Secretary General
International Chamber of Commerce

Introduction

In May 2003, the International Chamber of Commerce authorized the ICC Commission on Banking Technique and Practice (Banking Commission) to begin a revision of the Uniform Customs and Practice for Documentary Credits, ICC Publication 500.

As with other revisions, the general objective was to address developments in the banking, transport and insurance industries. Additionally, there was a need to look at the language and style used in the UCP to remove wording that could lead to inconsistent application and interpretation.

When work on the revision started, a number of global surveys indicated that, because of discrepancies, approximately 70% of documents presented under letters of credit were being rejected on first presentation. This obviously had, and continues to have, a negative effect on the letter of credit being seen as a means of payment and, if unchecked, could have serious implications for maintaining or increasing its market share as a recognized means of settlement in international trade. The introduction by banks of a discrepancy fee has highlighted the importance of this issue, especially when the underlying discrepancies have been found to be dubious or unsound. Whilst the number of cases involving litigation has not grown during the lifetime of UCP 500, the introduction of the ICC's Documentary Credit Dispute Resolution Expertise Rules (DOCDEX) in October 1997 (subsequently revised in March 2002) has resulted in more than 60 cases being decided.

To address these and other concerns, the Banking Commission established a Drafting Group to revise UCP 500. It was also decided to create a second group, known as the Consulting Group, to review and advise on early drafts submitted by the Drafting Group. The Consulting Group, made up of over 40 individuals from 26 countries, consisted of banking and transport industry experts. Ably co-chaired by John Turnbull, Deputy General Manager, Sumitomo Mitsui Banking Corporation Europe Ltd, London and Carlo Di Ninni, Adviser, Italian Bankers Association, Rome, the Consulting Group provided valuable input to the Drafting Group prior to release of draft texts to ICC national committees.

The Drafting Group began the review process by analyzing the content of the official Opinions issued by the Banking Commission under UCP 500. Some 500 Opinions were reviewed to assess whether the issues involved warranted a change in, an addition to or a deletion of any UCP article. In addition, consideration was given to the content of the four Position Papers issued by the Commission in September 1994, the two Decisions issued by the Commission (concerning the introduction of the euro and the determination of what constituted an original document under UCP 500 sub-article 20(b) and the decisions issued in DOCDEX cases.

During the revision process, notice was taken of the considerable work that had been completed in creating the International Standard Banking Practice for the Examination of Documents under Documentary Credits (ISBP), ICC Publication 645. This publication has evolved into a necessary companion to the UCP for determining compliance of documents with the terms of letters of credit. It is the expectation of the Drafting Group and the Banking Commission that the application of the principles contained in the ISBP, including subsequent revisions thereof, will continue during the time UCP 600 is in force. At the time UCP 600 is implemented, there will be an updated version of the ISBP to bring its contents in line with the substance and style of the new rules.

The four Position Papers issued in September 1994 were issued subject to their application under UCP 500; therefore, they will not be applicable under UCP 600. The essence of the Decision covering the determination of an original document has been incorporated into the text of UCP 600. The outcome of the DOCDEX cases were invariably based on existing ICC Banking Commission Opinions and therefore contained no specific issues that required addressing in these rules.

One of the structural changes to the UCP is the introduction of articles covering definitions (article 2) and interpretations (article 3). In providing definitions of roles played by banks and the meaning of specific terms and events, UCP 600 avoids the necessity of repetitive text to explain their interpretation and application. Similarly, the article covering interpretations aims to take the ambiguity out of vague or unclear language that appears in letters of credit and to provide a definitive elucidation of other characteristics of the UCP or the credit.

During the course of the last three years, ICC national committees were canvassed on a range of issues to determine their preferences on alternative texts submitted by the Drafting Group. The results of this exercise and the considerable input from national committees on individual items in the text is reflected in the content of UCP 600. The Drafting Group considered, not only the current practice relative to the documentary credit, but also tried to envisage the future evolution of that practice.

This revision of the UCP represents the culmination of over three years of extensive analysis, review, debate and compromise amongst the various members of the Drafting Group, the members of the Banking Commission and the respective ICC national committees. Valuable comment has also been received from the ICC Commission on Transport and Logistics, the Commission on Commercial Law and Practice and the Committee on Insurance.

It is not appropriate for this publication to provide an explanation as to why an article has been worded in such a way or what is intended by its incorporation into the rules. For those interested in understanding the rationale and interpretation of the articles of UCP 600, this information will be found in the Commentary to the rules, ICC Publication 601, which represents the Drafting Group's views.

On behalf of the Drafting Group I would like to extend our deep appreciation to the members of the Consulting Group, ICC national committees and members of the Banking Commission for their professional comments and their constructive participation in this process.

Special thanks are due to the members of the Drafting Group and their institutions, who are listed below in alphabetical order.

Nicole Keller – Vice President, Service International Products, Dresdner Bank AG, Frankfurt, Germany;
Representative to the ICC Commission on Banking Technique and Practice;

Laurence Kooy – Legal Adviser, BNP Paribas, Paris, France; Representative to the ICC Commission on Banking Technique and Practice.

Katja Lehr – Business Manager, Trade Services Standards, SWIFT, La Hulpe, Belgium, then Vice President, Membership Representation, International Financial Services Association, New Jersey, USA; Representative to the ICC Commission on Banking Technique and Practice;

Ole Malmqvist – Vice President, Danske Bank, Copenhagen, Denmark; Representative to the ICC Commission on Banking Technique and Practice;

Paul Miserez – Head of Trade Finance Standards, SWIFT, La Hulpe, Belgium; Representative to the ICC Commission on Banking Technique and Practice;

René Mueller – Director, Credit Suisse, Zurich, Switzerland; Representative to the ICC Commission on Banking Technique and Practice;

Chee Seng Soh – Consultant, Association of Banks in Singapore, Singapore; Representative to the ICC Commission on Banking Technique and Practice;

Dan Taylor – President and CEO, International Financial Services Association., New Jersey USA; Vice Chairman, ICC Commission on Banking Technique and Practice;

Alexander Zelenov – Director, Vnesheconombank, Moscow, Russia; Vice Chairman, ICC Commission on Banking Technique and Practice;

Ron Katz – Policy Manager, ICC Commission on Banking Technique and Practice, International Chamber of Commerce, Paris, France.

The undersigned had the pleasure of chairing the Drafting Group.

It was through the generous giving of their knowledge, time and energy that this revision was accomplished so successfully. As Chair of the Drafting Group, I would like to extend to them and to their institutions my gratitude for their contribution, for a job well done and for their friendship. I would also like to extend my sincere thanks to the management of ABN AMRO Bank N.V., for their understanding, patience and support during the course of this revision process.

Gary Collyer
Corporate Director,
ABN AMRO Bank N.V., London, England
and Technical Adviser to the ICC Commission on Banking Technique and Practice
November 2006

UCP 600 - Article 1

Application of UCP

The Uniform Customs and Practice for Documentary Credits, 2007 Revision, ICC Publication no. 600 ("UCP") are rules that apply to any documentary credit ("credit") (including, to the extent to which they may be applicable, any standby letter of credit) when the text of the credit expressly indicates that it is subject to these rules. They are binding on all parties thereto unless expressly modified or excluded by the credit.

UCP 600 - Article 2

Definitions

For the purpose of these rules:

Advising bank means the bank that advises the credit at the request of the issuing bank.

Applicant means the party on whose request the credit is issued.

Banking day means a day on which a bank is regularly open at the place at which an act subject to these rules is to be performed.

Beneficiary means the party in whose favour a credit is issued.

Complying presentation means a presentation that is in accordance with the terms and conditions of the credit, the applicable provisions of these rules and international standard banking practice.

Confirmation means a definite undertaking of the confirming bank, in addition to that of the issuing bank, to honour or negotiate a complying presentation.

Confirming bank means the bank that adds its confirmation to a credit upon the issuing bank's authorization or request.

Credit means any arrangement, however named or described, that is irrevocable and thereby constitutes a definite undertaking of the issuing bank to honour a complying presentation.

Honour means:

a. to pay at sight if the credit is available by sight payment.

b. to incur a deferred payment undertaking and pay at maturity if the credit is available by deferred payment.

c. to accept a bill of exchange ("draft") drawn by the beneficiary and pay at maturity if the credit is available by acceptance.

Issuing bank means the bank that issues a credit at the request of an applicant or on its own behalf.

Negotiation means the purchase by the nominated bank of drafts (drawn on a bank other than the nominated bank) and/or documents under a complying presentation, by advancing or agreeing to advance funds to the beneficiary on or before the banking day on which reimbursement is due to the nominated bank.

Nominated Bank means the bank with which the credit is available or any bank in the case of a credit available with any bank.

Presentation means either the delivery of documents under a credit to the issuing bank or nominated bank or the documents so delivered.

Presenter means a beneficiary, bank or other party that makes a presentation.

UCP 600 - Article 3

Interpretations

For the purpose of these rules:

Where applicable, words in the singular include the plural and in the plural include the singular.

A credit is irrevocable even if there is no indication to that effect.

A document may be signed by handwriting, facsimile signature, perforated signature, stamp, symbol or any other mechanical or electronic method of authentication.

A requirement for a document to be legalized, visaed, certified or similar will be satisfied by any signature, mark, stamp or label on the document which appears to satisfy that requirement.

Branches of a bank in different countries are considered to be separate banks.

Terms such as "first class", "well known", "qualified", "independent", "official", "competent" or "local" used to describe the issuer of a document allow any issuer except the beneficiary to issue that document.

Unless required to be used in a document, words such as "prompt", "immediately" or "as soon as possible" will be disregarded.

The expression "on or about" or similar will be interpreted as a stipulation that an event is to occur during a period of five calendar days before until five calendar days after the specified date, both start and end dates included.

The words "to", "until", "till", "from" and "between" when used to determine a period of shipment include the date or dates mentioned, and the words "before" and "after" exclude the date mentioned.

The words "from" and "after" when used to determine a maturity date exclude the date mentioned.

The terms "first half" and "second half" of a month shall be construed respectively as the 1st to the 15th and the 16th to the last day of the month, all dates inclusive.

The terms "beginning", "middle" and "end" of a month shall be construed respectively as the 1st to the 10th, the 11th to the 20th and the 21st to the last day of the month, all dates inclusive.

UCP 600 - Article 4

Credits v. Contracts

a. A credit by its nature is a separate transaction from the sale or other contract on which it may be based. Banks are in no way concerned with or bound by such contract, even if any reference whatsoever to it is included in the credit. Consequently, the undertaking of a bank to honour, to negotiate or to fulfil any other obligation under the credit is not subject to claims or defences by the applicant resulting from its relationships with the issuing bank or the beneficiary.

A beneficiary can in no case avail itself of the contractual relationships existing between banks or between the applicant and the issuing bank.

b. An issuing bank should discourage any attempt by the applicant to include, as an integral part of the credit, copies of the underlying contract, proforma invoice and the like.

UCP 600 - Article 5

Documents v. Goods, Services or Performance

Banks deal with documents and not with goods, services or performance to which the documents may relate.

UCP 600 - Article 6

Availability, Expiry Date and Place for Presentation

- a. A credit must state the bank with which it is available or whether it is available with any bank. A credit available with a nominated bank is also available with the issuing bank.
- b. A credit must state whether it is available by sight payment, deferred payment, acceptance or negotiation.
- c. A credit must not be issued available by a draft drawn on the applicant.
- d.
- i. A credit must state an expiry date for presentation. An expiry date stated for honour or negotiation will be deemed to be an expiry date for presentation.
- ii. The place of the bank with which the credit is available is the place for presentation. The place for presentation under a credit available with any bank is that of any bank. A place for presentation other than that of the issuing bank is in addition to the place of the issuing bank.
- e. Except as provided in sub-article 29 (a), a presentation by or on behalf of the beneficiary must be made on or before the expiry date.

UCP 600 - Article 7

Issuing Bank Undertaking

- a. Provided that the stipulated documents are presented to the nominated bank or to the issuing bank and that they constitute a complying presentation, the issuing bank must honour if the credit is available by:
 - i. sight payment, deferred payment or acceptance with the issuing bank;
 - ii. sight payment with a nominated bank and that nominated bank does not pay;
 - iii. deferred payment with a nominated bank and that nominated bank does not incur its deferred payment undertaking or, having incurred its deferred payment undertaking, does not pay at maturity;
 - iv. acceptance with a nominated bank and that nominated bank does not accept a draft drawn on it or, having accepted a draft drawn on it, does not pay at maturity;
 - v. negotiation with a nominated bank and that nominated bank does not negotiate.
- b. An issuing bank is irrevocably bound to honour as of the time it issues the credit.
- c. An issuing bank undertakes to reimburse a nominated bank that has honoured or negotiated a complying presentation and forwarded the documents to the issuing bank. Reimbursement for the amount of a complying presentation under a credit available by acceptance or deferred payment is due at maturity, whether or not the nominated bank prepaid or purchased before maturity. An issuing bank's undertaking to reimburse a nominated bank is independent of the issuing bank's undertaking to the beneficiary.

UCP 600 - Article 8

Confirming Bank Undertaking

- a. Provided that the stipulated documents are presented to the confirming bank or to any other nominated bank and that they constitute a complying presentation, the confirming bank must:
 - i. honour, if the credit is available by
 - a. sight payment, deferred payment or acceptance with the confirming bank;

- b. sight payment with another nominated bank and that nominated bank does not pay;
 - c. deferred payment with another nominated bank and that nominated bank does not incur its deferred payment undertaking or, having incurred its deferred payment undertaking, does not pay at maturity;
 - d. acceptance with another nominated bank and that nominated bank does not accept a draft drawn on it or, having accepted a draft drawn on it, does not pay at maturity;
 - e. negotiation with another nominated bank and that nominated bank does not negotiate.
- ii. negotiate, without recourse, if the credit is available by negotiation with the confirming bank.

b. A confirming bank is irrevocably bound to honour or negotiate as of the time it adds its confirmation to the credit.

c. A confirming bank undertakes to reimburse another nominated bank that has honoured or negotiated a complying presentation and forwarded the documents to the confirming bank. Reimbursement for the amount of a complying presentation under a credit available by acceptance or deferred payment is due at maturity, whether or not another nominated bank prepaid or purchased before maturity. A confirming bank's undertaking to reimburse another nominated bank is independent of the confirming bank's undertaking to the beneficiary.

d. If a bank is authorized or requested by the issuing bank to confirm a credit but is not prepared to do so, it must inform the issuing bank without delay and may advise the credit without confirmation.

UCP 600 - Article 9

Advising of Credits and Amendments

a. A credit and any amendment may be advised to a beneficiary through an advising bank. An advising bank that is not a confirming bank advises the credit and any amendment without any undertaking to honour or negotiate.

b. By advising the credit or amendment, the advising bank signifies that it has satisfied itself as to the apparent authenticity of the credit or amendment and that the advice accurately reflects the terms and conditions of the credit or amendment received.

c. An advising bank may utilize the services of another bank ("second advising bank") to advise the credit and any amendment to the beneficiary. By advising the credit or amendment, the second advising bank signifies that it has satisfied itself as to the apparent authenticity of the advice it has received and that the advice accurately reflects the terms and conditions of the credit or amendment received.

d. A bank utilizing the services of an advising bank or second advising bank to advise a credit must use the same bank to advise any amendment thereto.

e. If a bank is requested to advise a credit or amendment but elects not to do so, it must so inform, without delay, the bank from which the credit, amendment or advice has been received.

f. If a bank is requested to advise a credit or amendment but cannot satisfy itself as to the apparent authenticity of the credit, the amendment or the advice, it must so inform, without delay, the bank from which the instructions appear to have been received. If the advising bank or second advising bank elects nonetheless to advise the credit or amendment, it must inform the beneficiary or second advising bank that it has not been able to satisfy itself as to the apparent authenticity of the credit, the amendment or the advice.

UCP 600 - Article 10

Amendments

a. Except as otherwise provided by article 38, a credit can neither be amended nor cancelled without the agreement of the issuing bank, the confirming bank, if any, and the beneficiary.

b. An issuing bank is irrevocably bound by an amendment as of the time it issues the amendment. A confirming bank may extend its confirmation to an amendment and will be irrevocably bound as of the time it advises the amendment. A confirming bank may, however, choose to advise an amendment without extending its confirmation and, if so, it must inform the issuing bank without delay and inform the beneficiary in its advice.

c. The terms and conditions of the original credit (or a credit incorporating previously accepted amendments) will remain in force for the beneficiary until the beneficiary communicates its acceptance of the amendment to the bank that advised such amendment. The beneficiary should give notification of acceptance or rejection of an amendment. If the beneficiary fails to give such notification, a presentation that complies with the credit and to any not yet accepted amendment will be deemed to be notification of acceptance by the beneficiary of such amendment. As of that moment the credit will be amended.

d. A bank that advises an amendment should inform the bank from which it received the amendment of any notification of acceptance or rejection.

e. Partial acceptance of an amendment is not allowed and will be deemed to be notification of rejection of the amendment.

f. A provision in an amendment to the effect that the amendment shall enter into force unless rejected by the beneficiary within a certain time shall be disregarded.

UCP 600 - Article 11

Teletransmitted and Pre-Advised Credits and Amendments

a. An authenticated teletransmission of a credit or amendment will be deemed to be the operative credit or amendment, and any subsequent mail confirmation shall be disregarded.

If a teletransmission states "full details to follow" (or words of similar effect), or states that the mail confirmation is to be the operative credit or amendment, then the teletransmission will not be deemed to be the operative credit or amendment. The issuing bank must then issue the operative credit or amendment without delay in terms not inconsistent with the teletransmission.

b. A preliminary advice of the issuance of a credit or amendment ("pre-advice") shall only be sent if the issuing bank is prepared to issue the operative credit or amendment. An issuing bank that sends a pre-advice is irrevocably committed to issue the operative credit or amendment, without delay, in terms not inconsistent with the pre-advice.

UCP 600 - Article 12

Nomination

a. Unless a nominated bank is the confirming bank, an authorization to honour or negotiate does not impose any obligation on that nominated bank to honour or negotiate, except when expressly agreed to by that nominated bank and so communicated to the beneficiary.

b. By nominating a bank to accept a draft or incur a deferred payment undertaking, an issuing bank authorizes that nominated bank to prepay or purchase a draft accepted or a deferred payment undertaking incurred by that nominated bank.

c. Receipt or examination and forwarding of documents by a nominated bank that is not a confirming bank does not make that nominated bank liable to honour or negotiate, nor does it constitute honour or negotiation.

UCP 600 - Article 13

Bank-to-Bank Reimbursement Arrangements

a. If a credit states that reimbursement is to be obtained by a nominated bank ("claiming bank") claiming on another party ("reimbursing bank"), the credit must state if the reimbursement is subject to the ICC rules for bank-to-bank reimbursements in effect on the date of issuance of the credit.

b. If a credit does not state that reimbursement is subject to the ICC rules for bank-to-bank reimbursements, the following apply:

i. An issuing bank must provide a reimbursing bank with a reimbursement authorization that conforms with the availability stated in the credit. The reimbursement authorization should not be subject to an expiry date.

ii. A claiming bank shall not be required to supply a reimbursing bank with a certificate of compliance with the terms and conditions of the credit.

iii. An issuing bank will be responsible for any loss of interest, together with any expenses incurred, if reimbursement is not provided on first demand by a reimbursing bank in accordance with the terms and conditions of the credit.

iv. A reimbursing bank's charges are for the account of the issuing bank. However, if the charges are for the account of the beneficiary, it is the responsibility of an issuing bank to so indicate in the credit and in the reimbursement authorization. If a reimbursing bank's charges are for the account of the beneficiary, they shall be deducted from the amount due to a claiming bank when reimbursement is made. If no reimbursement is made, the reimbursing bank's charges remain the obligation of the issuing bank.

c. An issuing bank is not relieved of any of its obligations to provide reimbursement if reimbursement is not made by a reimbursing bank on first demand.

UCP 600 - Article 14

Standard for Examination of Documents

a. A nominated bank acting on its nomination, a confirming bank, if any, and the issuing bank must examine a presentation to determine, on the basis of the documents alone, whether or not the documents appear on their face to constitute a complying presentation.

b. A nominated bank acting on its nomination, a confirming bank, if any, and the issuing bank shall each have a maximum of five banking days following the day of presentation to determine if a presentation is complying. This period is not curtailed or otherwise affected by the occurrence on or after the date of presentation of any expiry date or last day for presentation.

c. A presentation including one or more original transport documents subject to articles 19, 20, 21, 22, 23, 24 or 25 must be made by or on behalf of the beneficiary not later than 21 calendar days after the date of shipment as described in these rules, but in any event not later than the expiry date of the credit.

d. Data in a document, when read in context with the credit, the document itself and international standard banking practice, need not be identical to, but must not conflict with, data in that document, any other stipulated document or the credit.

e. In documents other than the commercial invoice, the description of the goods, services or performance, if stated, may be in general terms not conflicting with their description in the credit.

f. If a credit requires presentation of a document other than a transport document, insurance document or commercial invoice, without stipulating by whom the document is to be issued or its data content, banks will accept the document as presented if its content appears to fulfil the function of the required document and otherwise complies with sub-article 14 (d).

g. A document presented but not required by the credit will be disregarded and may be returned to the presenter.

h. If a credit contains a condition without stipulating the document to indicate compliance with the condition, banks will deem such condition as not stated and will disregard it.

i. A document may be dated prior to the issuance date of the credit, but must not be dated later than its date of presentation.

j. When the addresses of the beneficiary and the applicant appear in any stipulated document, they need not be the same as those stated in the credit or in any other stipulated document, but must be within the same country as the respective addresses mentioned in the credit. Contact details (telefax, telephone, email

and the like) stated as part of the beneficiary's and the applicant's address will be disregarded. However, when the address and contact details of the applicant appear as part of the consignee or notify party details on a transport document subject to articles 19, 20, 21, 22, 23, 24 or 25, they must be as stated in the credit.

k. The shipper or consignor of the goods indicated on any document need not be the beneficiary of the credit.

l. A transport document may be issued by any party other than a carrier, owner, master or charterer provided that the transport document meets the requirements of articles 19, 20, 21, 22, 23 or 24 of these rules.

UCP 600 - Article 15

Complying Presentation

a. When an issuing bank determines that a presentation is complying, it must honour.

b. When a confirming bank determines that a presentation is complying, it must honour or negotiate and forward the documents to the issuing bank.

c. When a nominated bank determines that a presentation is complying and honours or negotiates, it must forward the documents to the confirming bank or issuing bank.

UCP 600 - Article 16

Discrepant Documents, Waiver and Notice

a. When a nominated bank acting on its nomination, a confirming bank, if any, or the issuing bank determines that a presentation does not comply, it may refuse to honour or negotiate.

b. When an issuing bank determines that a presentation does not comply, it may in its sole judgement approach the applicant for a waiver of the discrepancies. This does not, however, extend the period mentioned in sub-article 14 (b).

c. When a nominated bank acting on its nomination, a confirming bank, if any, or the issuing bank decides to refuse to honour or negotiate, it must give a single notice to that effect to the presenter.

The notice must state:

i. that the bank is refusing to honour or negotiate; and

ii. each discrepancy in respect of which the bank refuses to honour or negotiate; and

iii.

a) that the bank is holding the documents pending further instructions from the presenter; or

b) that the issuing bank is holding the documents until it receives a waiver from the applicant and agrees to accept it, or receives further instructions from the presenter prior to agreeing to accept a waiver; or

c) that the bank is returning the documents; or

d) that the bank is acting in accordance with instructions previously received from the presenter.

d. The notice required in sub-article 16 (c) must be given by telecommunication or, if that is not possible, by other expeditious means no later than the close of the fifth banking day following the day of presentation.

e. A nominated bank acting on its nomination, a confirming bank, if any, or the issuing bank may, after providing notice required by sub-article 16 (c) (iii) (a) or (b), return the documents to the presenter at any time.

f. If an issuing bank or a confirming bank fails to act in accordance with the provisions of this article, it shall be precluded from claiming that the documents do not constitute a complying presentation.

g. When an issuing bank refuses to honour or a confirming bank refuses to honour or negotiate and has given notice to that effect in accordance with this article, it shall then be entitled to claim a refund, with interest, of any reimbursement made.

UCP 600 - Article 17

Original Documents and Copies

a. At least one original of each document stipulated in the credit must be presented.

b. A bank shall treat as an original any document bearing an apparently original signature, mark, stamp, or label of the issuer of the document, unless the document itself indicates that it is not an original.

c. Unless a document indicates otherwise, a bank will also accept a document as original if it:

i. appears to be written, typed, perforated or stamped by the document issuer's hand; or

ii. appears to be on the document issuer's original stationery; or

iii. states that it is original, unless the statement appears not to apply to the document presented.

d. If a credit requires presentation of copies of documents, presentation of either originals or copies is permitted.

e. If a credit requires presentation of multiple documents by using terms such as "in duplicate", "in two fold" or "in two copies", this will be satisfied by the presentation of at least one original and the remaining number in copies, except when the document itself indicates otherwise.

UCP 600 - Article 18

Commercial Invoice

a. A commercial invoice:

i. must appear to have been issued by the beneficiary (except as provided in article 38);

ii. must be made out in the name of the applicant (except as provided in sub-article 38 (g));

iii. must be made out in the same currency as the credit; and

iv. need not be signed.

b. A nominated bank acting on its nomination, a confirming bank, if any, or the issuing bank may accept a commercial invoice issued for an amount in excess of the amount permitted by the credit, and its decision will be binding upon all parties, provided the bank in question has not honoured or negotiated for an amount in excess of that permitted by the credit.

c. The description of the goods, services or performance in a commercial invoice must correspond with that appearing in the credit.

UCP 600 - Article 19

Transport Document Covering at Least Two Different Modes of Transport

a. A transport document covering at least two different modes of transport (multimodal or combined transport document), however named, must appear to:

i. indicate the name of the carrier and be signed by:

- the carrier or a named agent for or on behalf of the carrier, or
- the master or a named agent for or on behalf of the master.

Any signature by the carrier, master or agent must be identified as that of the carrier, master or agent.

Any signature by an agent must indicate whether the agent has signed for or on behalf of the carrier or for or on behalf of the master.

ii. indicate that the goods have been dispatched, taken in charge or shipped on board at the place stated in the credit, by:

- pre-printed wording, or
- a stamp or notation indicating the date on which the goods have been dispatched, taken in charge or shipped on board.

The date of issuance of the transport document will be deemed to be the date of dispatch, taking in charge or shipped on board, and the date of shipment. However, if the transport document indicates, by stamp or notation, a date of dispatch, taking in charge or shipped on board, this date will be deemed to be the date of shipment.

iii. indicate the place of dispatch, taking in charge or shipment and the place of final destination stated in the credit, even if:

a. the transport document states, in addition, a different place of dispatch, taking in charge or shipment or place of final destination,

or

b. the transport document contains the indication "intended" or similar qualification in relation to the vessel, port of loading or port of discharge.

iv. be the sole original transport document or, if issued in more than one original, be the full set as indicated on the transport document.

v. contain terms and conditions of carriage or make reference to another source containing the terms and conditions of carriage (short form or blank back transport document). Contents of terms and conditions of carriage will not be examined.

vi. contain no indication that it is subject to a charter party.

b. For the purpose of this article, transshipment means unloading from one means of conveyance and reloading to another means of conveyance (whether or not in different modes of transport) during the carriage from the place of dispatch, taking in charge or shipment to the place of final destination stated in the credit.

c.

i. A transport document may indicate that the goods will or may be transhipped provided that the entire carriage is covered by one and the same transport document.

ii. A transport document indicating that transshipment will or may take place is acceptable, even if the credit prohibits transshipment.

UCP 600 - Article 20

Bill of Lading

a. A bill of lading, however named, must appear to:

i. indicate the name of the carrier and be signed by:

- the carrier or a named agent for or on behalf of the carrier, or
- the master or a named agent for or on behalf of the master.

Any signature by the carrier, master or agent must be identified as that of the carrier, master or agent.

Any signature by an agent must indicate whether the agent has signed for or on behalf of the carrier or for or on behalf of the master.

ii. indicate that the goods have been shipped on board a named vessel at the port of loading stated in the credit by:

- pre-printed wording, or
- an on board notation indicating the date on which the goods have been shipped on board.

The date of issuance of the bill of lading will be deemed to be the date of shipment unless the bill of lading contains an on board notation indicating the date of shipment, in which case the date stated in the on board notation will be deemed to be the date of shipment.

If the bill of lading contains the indication "intended vessel" or similar qualification in relation to the name of the vessel, an on board notation indicating the date of shipment and the name of the actual vessel is required.

iii. indicate shipment from the port of loading to the port of discharge stated in the credit.

If the bill of lading does not indicate the port of loading stated in the credit as the port of loading, or if it contains the indication "intended" or similar qualification in relation to the port of loading, an on board notation indicating the port of loading as stated in the credit, the date of shipment and the name of the vessel is required. This provision applies even when loading on board or shipment on a named vessel is indicated by pre-printed wording on the bill of lading.

iv. be the sole original bill of lading or, if issued in more than one original, be the full set as indicated on the bill of lading.

v. contain terms and conditions of carriage or make reference to another source containing the terms and conditions of carriage (short form or blank back bill of lading). Contents of terms and conditions of carriage will not be examined.

vi. contain no indication that it is subject to a charter party.

b. For the purpose of this article, transshipment means unloading from one vessel and reloading to another vessel during the carriage from the port of loading to the port of discharge stated in the credit.

c.

i. A bill of lading may indicate that the goods will or may be transhipped provided that the entire carriage is covered by one and the same bill of lading.

ii. A bill of lading indicating that transshipment will or may take place is acceptable, even if the credit prohibits transshipment, if the goods have been shipped in a container, trailer or LASH barge as evidenced by the bill of lading.

d. Clauses in a bill of lading stating that the carrier reserves the right to tranship will be disregarded.

UCP 600 - Article 21

Non-Negotiable Sea Waybill

a. A non-negotiable sea waybill, however named, must appear to:

i. indicate the name of the carrier and be signed by:

- the carrier or a named agent for or on behalf of the carrier, or
- the master or a named agent for or on behalf of the master.

Any signature by the carrier, master or agent must be identified as that of the carrier, master or agent.

Any signature by an agent must indicate whether the agent has signed for or on behalf of the carrier or for or on behalf of the master.

ii. indicate that the goods have been shipped on board a named vessel at the port of loading stated in the credit by:

- pre-printed wording, or
- an on board notation indicating the date on which the goods have been shipped on board.

The date of issuance of the non-negotiable sea waybill will be deemed to be the date of shipment unless the non-negotiable sea waybill contains an on board notation indicating the date of shipment, in which case the date stated in the on board notation will be deemed to be the date of shipment.

If the non-negotiable sea waybill contains the indication "intended vessel" or similar qualification in relation to the name of the vessel, an on board notation indicating the date of shipment and the name of the actual vessel is required.

iii. indicate shipment from the port of loading to the port of discharge stated in the credit.

If the non-negotiable sea waybill does not indicate the port of loading stated in the credit as the port of loading, or if it contains the indication "intended" or similar qualification in relation to the port of loading, an on board notation indicating the port of loading as stated in the credit, the date of shipment and the name of the vessel is required. This provision applies even when loading on board or shipment on a named vessel is indicated by pre-printed wording on the non-negotiable sea waybill.

iv. be the sole original non-negotiable sea waybill or, if issued in more than one original, be the full set as indicated on the non-negotiable sea waybill.

v. contain terms and conditions of carriage or make reference to another source containing the terms and conditions of carriage (short form or blank back non-negotiable sea waybill). Contents of terms and conditions of carriage will not be examined.

vi. contain no indication that it is subject to a charter party.

b. For the purpose of this article, transhipment means unloading from one vessel and reloading to another vessel during the carriage from the port of loading to the port of discharge stated in the credit.

c.

i. A non-negotiable sea waybill may indicate that the goods will or may be transhipped provided that the entire carriage is covered by one and the same non-negotiable sea waybill.

ii. A non-negotiable sea waybill indicating that transhipment will or may take place is acceptable, even if the credit prohibits transhipment, if the goods have been shipped in a container, trailer or LASH barge as evidenced by the non-negotiable sea waybill.

d. Clauses in a non-negotiable sea waybill stating that the carrier reserves the right to tranship will be disregarded.

UCP 600 - Article 22

Charter Party Bill of Lading

a. A bill of lading, however named, containing an indication that it is subject to a charter party (charter party bill of lading), must appear to:

i. be signed by:

- the master or a named agent for or on behalf of the master, or
- the owner or a named agent for or on behalf of the owner, or
- the charterer or a named agent for or on behalf of the charterer.

Any signature by the master, owner, charterer or agent must be identified as that of the master, owner, charterer or agent.

Any signature by an agent must indicate whether the agent has signed for or on behalf of the master, owner or charterer.

An agent signing for or on behalf of the owner or charterer must indicate the name of the owner or charterer.

ii. indicate that the goods have been shipped on board a named vessel at the port of loading stated in the credit by:

- pre-printed wording, or
- an on board notation indicating the date on which the goods have been shipped on board.

The date of issuance of the charter party bill of lading will be deemed to be the date of shipment unless the charter party bill of lading contains an on board notation indicating the date of shipment, in which case the date stated in the on board notation will be deemed to be the date of shipment.

iii. indicate shipment from the port of loading to the port of discharge stated in the credit. The port of discharge may also be shown as a range of ports or a geographical area, as stated in the credit.

iv. be the sole original charter party bill of lading or, if issued in more than one original, be the full set as indicated on the charter party bill of lading.

b. A bank will not examine charter party contracts, even if they are required to be presented by the terms of the credit.

UCP 600 - Article 23

Air Transport Document

a. An air transport document, however named, must appear to:

i. indicate the name of the carrier and be signed by:

- the carrier, or
- a named agent for or on behalf of the carrier.

Any signature by the carrier or agent must be identified as that of the carrier or agent.

Any signature by an agent must indicate that the agent has signed for or on behalf of the carrier.

ii. indicate that the goods have been accepted for carriage.

iii. indicate the date of issuance. This date will be deemed to be the date of shipment unless the air transport document contains a specific notation of the actual date of shipment, in which case the date stated in the notation will be deemed to be the date of shipment.

Any other information appearing on the air transport document relative to the flight number and date will not be considered in determining the date of shipment.

- iv. indicate the airport of departure and the airport of destination stated in the credit.
 - v. be the original for consignor or shipper, even if the credit stipulates a full set of originals.
 - vi. contain terms and conditions of carriage or make reference to another source containing the terms and conditions of carriage. Contents of terms and conditions of carriage will not be examined.
- b. For the purpose of this article, transshipment means unloading from one aircraft and reloading to another aircraft during the carriage from the airport of departure to the airport of destination stated in the credit.
- c.
- i. An air transport document may indicate that the goods will or may be transhipped, provided that the entire carriage is covered by one and the same air transport document.
 - ii. An air transport document indicating that transshipment will or may take place is acceptable, even if the credit prohibits transshipment.

UCP 600 - Article 24

Road, Rail or Inland Waterway Transport Documents

a. A road, rail or inland waterway transport document, however named, must appear to:

i. indicate the name of the carrier and:

- be signed by the carrier or a named agent for or on behalf of the carrier, or
- indicate receipt of the goods by signature, stamp or notation by the carrier or a named agent for or on behalf of the carrier.

Any signature, stamp or notation of receipt of the goods by the carrier or agent must be identified as that of the carrier or agent.

Any signature, stamp or notation of receipt of the goods by the agent must indicate that the agent has signed or acted for or on behalf of the carrier.

If a rail transport document does not identify the carrier, any signature or stamp of the railway company will be accepted as evidence of the document being signed by the carrier.

ii. indicate the date of shipment or the date the goods have been received for shipment, dispatch or carriage at the place stated in the credit. Unless the transport document contains a dated reception stamp, an indication of the date of receipt or a date of shipment, the date of issuance of the transport document will be deemed to be the date of shipment.

iii. indicate the place of shipment and the place of destination stated in the credit.

b.

i. A road transport document must appear to be the original for consignor or shipper or bear no marking indicating for whom the document has been prepared.

ii. A rail transport document marked "duplicate" will be accepted as an original.

iii. A rail or inland waterway transport document will be accepted as an original whether marked as an original or not.

c. In the absence of an indication on the transport document as to the number of originals issued, the number presented will be deemed to constitute a full set.

d. For the purpose of this article, transhipment means unloading from one means of conveyance and reloading to another means of conveyance, within the same mode of transport, during the carriage from the place of shipment, dispatch or carriage to the place of destination stated in the credit.

e.

i. A road, rail or inland waterway transport document may indicate that the goods will or may be transhipped provided that the entire carriage is covered by one and the same transport document.

ii. A road, rail or inland waterway transport document indicating that transhipment will or may take place is acceptable, even if the credit prohibits transhipment.

UCP 600 - Article 25

Courier Receipt, Post Receipt or Certificate of Posting

a. A courier receipt, however named, evidencing receipt of goods for transport, must appear to:

i. indicate the name of the courier service and be stamped or signed by the named courier service at the place from which the credit states the goods are to be shipped; and

ii. indicate a date of pick-up or of receipt or wording to this effect. This date will be deemed to be the date of shipment.

b. A requirement that courier charges are to be paid or prepaid may be satisfied by a transport document issued by a courier service evidencing that courier charges are for the account of a party other than the consignee.

c. A post receipt or certificate of posting, however named, evidencing receipt of goods for transport, must appear to be stamped or signed and dated at the place from which the credit states the goods are to be shipped. This date will be deemed to be the date of shipment.

UCP 600 - Article 26

On Deck", "Shipper's Load and Count", "Said by Shipper to Contain" and Charges Additional to Freight

a. A transport document must not indicate that the goods are or will be loaded on deck. A clause on a transport document stating that the goods may be loaded on deck is acceptable.

b. A transport document bearing a clause such as "shipper's load and count" and "said by shipper to contain" is acceptable.

c. A transport document may bear a reference, by stamp or otherwise, to charges additional to the freight.

UCP 600 - Article 27

Clean Transport Document

A bank will only accept a clean transport document. A clean transport document is one bearing no clause or notation expressly declaring a defective condition of the goods or their packaging. The word "clean" need not appear on a transport document, even if a credit has a requirement for that transport document to be "clean on board".

UCP 600 - Article 28

Insurance Document and Coverage

a. An insurance document, such as an insurance policy, an insurance certificate or a declaration under an open cover, must appear to be issued and signed by an insurance company, an underwriter or their agents or their proxies.

Any signature by an agent or proxy must indicate whether the agent or proxy has signed for or on behalf of the insurance company or underwriter.

b. When the insurance document indicates that it has been issued in more than one original, all originals must be presented.

c. Cover notes will not be accepted.

d. An insurance policy is acceptable in lieu of an insurance certificate or a declaration under an open cover.

e. The date of the insurance document must be no later than the date of shipment, unless it appears from the insurance document that the cover is effective from a date not later than the date of shipment.

f.

i. The insurance document must indicate the amount of insurance coverage and be in the same currency as the credit.

ii. A requirement in the credit for insurance coverage to be for a percentage of the value of the goods, of the invoice value or similar is deemed to be the minimum amount of coverage required.

If there is no indication in the credit of the insurance coverage required, the amount of insurance coverage must be at least 110% of the CIF or CIP value of the goods.

When the CIF or CIP value cannot be determined from the documents, the amount of insurance coverage must be calculated on the basis of the amount for which honour or negotiation is requested or the gross value of the goods as shown on the invoice, whichever is greater.

iii. The insurance document must indicate that risks are covered at least between the place of taking in charge or shipment and the place of discharge or final destination as stated in the credit.

g. A credit should state the type of insurance required and, if any, the additional risks to be covered. An insurance document will be accepted without regard to any risks that are not covered if the credit uses imprecise terms such as "usual risks" or "customary risks".

h. When a credit requires insurance against "all risks" and an insurance document is presented containing any "all risks" notation or clause, whether or not bearing the heading "all risks", the insurance document will be accepted without regard to any risks stated to be excluded.

i. An insurance document may contain reference to any exclusion clause.

j. An insurance document may indicate that the cover is subject to a franchise or excess (deductible).

UCP 600 - Article 29

a. If the expiry date of a credit or the last day for presentation falls on a day when the bank to which presentation is to be made is closed for reasons other than those referred to in article 36, the expiry date or the last day for presentation, as the case may be, will be extended to the first following banking day.

b. If presentation is made on the first following banking day, a nominated bank must provide the issuing bank or confirming bank with a statement on its covering schedule that the presentation was made within the time limits extended in accordance with sub-article 29 (a).

c. The latest date for shipment will not be extended as a result of sub-article 29 (a).

UCP 600 - Article 30

Tolerance in Credit Amount, Quantity and Unit Prices

a. The words "about" or "approximately" used in connection with the amount of the credit or the quantity or the unit price stated in the credit are to be construed as allowing a tolerance not to exceed 10% more or 10% less than the amount, the quantity or the unit price to which they refer.

b. A tolerance not to exceed 5% more or 5% less than the quantity of the goods is allowed, provided the credit does not state the quantity in terms of a stipulated number of packing units or individual items and the total amount of the drawings does not exceed the amount of the credit.

c. Even when partial shipments are not allowed, a tolerance not to exceed 5% less than the amount of the credit is allowed, provided that the quantity of the goods, if stated in the credit, is shipped in full and a unit price, if stated in the credit, is not reduced or that sub-article 30 (b) is not applicable. This tolerance does not apply when the credit stipulates a specific tolerance or uses the expressions referred to in sub-article 30 (a).

UCP 600 - Article 31

Partial Drawings or Shipments

a. Partial drawings or shipments are allowed.

b. A presentation consisting of more than one set of transport documents evidencing shipment commencing on the same means of conveyance and for the same journey, provided they indicate the same destination, will not be regarded as covering a partial shipment, even if they indicate different dates of shipment or different ports of loading, places of taking in charge or dispatch. If the presentation consists of more than one set of transport documents, the latest date of shipment as evidenced on any of the sets of transport documents will be regarded as the date of shipment.

A presentation consisting of one or more sets of transport documents evidencing shipment on more than one means of conveyance within the same mode of transport will be regarded as covering a partial shipment, even if the means of conveyance leave on the same day for the same destination.

c. A presentation consisting of more than one courier receipt, post receipt or certificate of posting will not be regarded as a partial shipment if the courier receipts, post receipts or certificates of posting appear to have been stamped or signed by the same courier or postal service at the same place and date and for the same destination.

UCP 600 - Article 32

Instalment Drawings or Shipments

If a drawing or shipment by instalments within given periods is stipulated in the credit and any instalment is not drawn or shipped within the period allowed for that instalment, the credit ceases to be available for that and any subsequent instalment.

UCP 600 - Article 33

Hours of Presentation

A bank has no obligation to accept a presentation outside of its banking hours.

UCP 600 - Article 34

Disclaimer on Effectiveness of Documents

A bank assumes no liability or responsibility for the form, sufficiency, accuracy, genuineness, falsification or legal effect of any document, or for the general or particular conditions stipulated in a document or superimposed thereon; nor does it assume any liability or responsibility for the description, quantity, weight, quality, condition, packing, delivery, value or existence of the goods, services or other performance represented by any document, or for the good faith or acts or omissions, solvency, performance or standing of the consignor, the carrier, the forwarder, the consignee or the insurer of the goods or any other person.

UCP 600 - Article 35

Disclaimer on Transmission and Translation

A bank assumes no liability or responsibility for the consequences arising out of delay, loss in transit, mutilation or other errors arising in the transmission of any messages or delivery of letters or documents, when such messages, letters or documents are transmitted or sent according to the requirements stated in the credit, or when the bank may have taken the initiative in the choice of the delivery service in the absence of such instructions in the credit.

If a nominated bank determines that a presentation is complying and forwards the documents to the issuing bank or confirming bank, whether or not the nominated bank has honoured or negotiated, an issuing bank or confirming bank must honour or negotiate, or reimburse that nominated bank, even when the documents have been lost in transit between the nominated bank and the issuing bank or confirming bank, or between the confirming bank and the issuing bank.

A bank assumes no liability or responsibility for errors in translation or interpretation of technical terms and may transmit credit terms without translating them.

UCP 600 - Article 36

Force Majeure

A bank assumes no liability or responsibility for the consequences arising out of the interruption of its business by Acts of God, riots, civil commotions, insurrections, wars, acts of terrorism, or by any strikes or lockouts or any other causes beyond its control.

A bank will not, upon resumption of its business, honour or negotiate under a credit that expired during such interruption of its business.

UCP 600 - Article 37

Disclaimer for Acts of an Instructed Party

a. A bank utilizing the services of another bank for the purpose of giving effect to the instructions of the applicant does so for the account and at the risk of the applicant.

b. An issuing bank or advising bank assumes no liability or responsibility should the instructions it transmits to another bank not be carried out, even if it has taken the initiative in the choice of that other bank.

c. A bank instructing another bank to perform services is liable for any commissions, fees, costs or expenses ("charges") incurred by that bank in connection with its instructions.

If a credit states that charges are for the account of the beneficiary and charges cannot be collected or deducted from proceeds, the issuing bank remains liable for payment of charges.

A credit or amendment should not stipulate that the advising to a beneficiary is conditional upon the receipt by the advising bank or second advising bank of its charges.

d. The applicant shall be bound by and liable to indemnify a bank against all obligations and responsibilities imposed by foreign laws and usages.

UCP 600 - Article 38

Transferable Credits

a. A bank is under no obligation to transfer a credit except to the extent and in the manner expressly consented to by that bank.

b. For the purpose of this article:

Transferable credit means a credit that specifically states it is "transferable". A transferable credit may be made available in whole or in part to another beneficiary ("second beneficiary") at the request of the beneficiary ("first beneficiary").

Transferring bank means a nominated bank that transfers the credit or, in a credit available with any bank, a bank that is specifically authorized by the issuing bank to transfer and that transfers the credit. An issuing bank may be a transferring bank.

Transferred credit means a credit that has been made available by the transferring bank to a second beneficiary.

c. Unless otherwise agreed at the time of transfer, all charges (such as commissions, fees, costs or expenses) incurred in respect of a transfer must be paid by the first beneficiary.

d. A credit may be transferred in part to more than one second beneficiary provided partial drawings or shipments are allowed.

A transferred credit cannot be transferred at the request of a second beneficiary to any subsequent beneficiary. The first beneficiary is not considered to be a subsequent beneficiary.

e. Any request for transfer must indicate if and under what conditions amendments may be advised to the second beneficiary. The transferred credit must clearly indicate those conditions.

f. If a credit is transferred to more than one second beneficiary, rejection of an amendment by one or more second beneficiary does not invalidate the acceptance by any other second beneficiary, with respect to which the transferred credit will be amended accordingly. For any second beneficiary that rejected the amendment, the transferred credit will remain unamended.

g. The transferred credit must accurately reflect the terms and conditions of the credit, including confirmation, if any, with the exception of:

- the amount of the credit,
- any unit price stated therein,
- the expiry date,
- the period for presentation, or
- the latest shipment date or given period for shipment,

any or all of which may be reduced or curtailed.

The percentage for which insurance cover must be effected may be increased to provide the amount of cover stipulated in the credit or these articles.

The name of the first beneficiary may be substituted for that of the applicant in the credit.

If the name of the applicant is specifically required by the credit to appear in any document other than the invoice, such requirement must be reflected in the transferred credit.

h. The first beneficiary has the right to substitute its own invoice and draft, if any, for those of a second beneficiary for an amount not in excess of that stipulated in the credit, and upon such substitution the first beneficiary can draw under the credit for the difference, if any, between its invoice and the invoice of a second beneficiary.

i. If the first beneficiary is to present its own invoice and draft, if any, but fails to do so on first demand, or if the invoices presented by the first beneficiary create discrepancies that did not exist in the presentation made by the second beneficiary and the first beneficiary fails to correct them on first demand, the transferring bank has the right to present the documents as received from the second beneficiary to the issuing bank, without further responsibility to the first beneficiary.

j. The first beneficiary may, in its request for transfer, indicate that honour or negotiation is to be effected to a second beneficiary at the place to which the credit has been transferred, up to and including the expiry date of the credit. This is without prejudice to the right of the first beneficiary in accordance with sub-article 38 (h).

k. Presentation of documents by or on behalf of a second beneficiary must be made to the transferring bank.

UCP 600 - Article 39

Assignment of Proceeds

The fact that a credit is not stated to be transferable shall not affect the right of the beneficiary to assign any proceeds to which it may be or may become entitled under the credit, in accordance with the provisions of applicable law. This article relates only to the assignment of proceeds and not to the assignment of the right to perform under the credit.


**Forwarders
Certificate of Receipt
ORIGINAL**

No.

UA

Forw. Ref.

Consignee

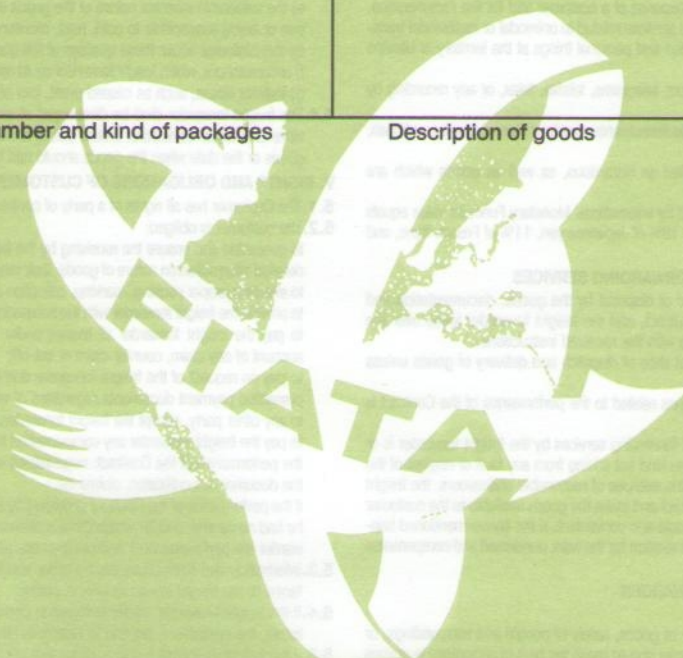
Marks and numbers

Number and kind of packages

Description of goods

Gross weight

Measurement



according to the declaration of the consignor

The goods and instructions are accepted and dealt with subject to the General Conditions printed overleaf

We certify having assumed control of the above mentioned consignment in external apparent good order and condition

at the disposal of the consignee

with irrevocable instructions*

to be forwarded to the consignee

Remarks

Instructions as to freight and charges

* Forwarding instructions can only be cancelled or altered if the original Certificate is surrendered to us, and then only provided we are still in a position to comply with such cancellation or alteration

Instructions authorising disposal by a third party can only be cancelled or altered if the original Certificate of Receipt is surrendered to us, and then only provided we have not yet received instructions under the original authority

Place and date of issue

Stamp and signature

GENERAL CONDITIONS OF FREIGHT FORWARDING OF ASSOCIATION OF INTERNATIONAL FREIGHT FORWARDERS OF UKRAINE (AIFU)

Agreed by Kyiv Chamber of Commerce and Industry
(№1703-10/776 of 09 Oct 1998)

These Conditions regulate freight forwarding activities of members of AIFU related to transportation of goods and apply if there are references to them in contract of freight forwarding services or in FIATA documents. Such references mean that parties agree to take provisions of these Conditions as additional obligatory terms of contract of freight forwarding services. If any provisions of the Contract are not in line with these Conditions, the provisions of the Contract shall prevail.

I. DEFINITIONS

- 1.1. *Freight forwarding* means a type of business related to arranging and ensuring of transportation; it comprises ancillary and advisory services, necessary preliminary coordinations and receiving of permissions for carriage of goods, storage, packing, handling, consolidation, and distribution of goods, procuring insurance, collecting and procuring of the documents related to the goods, settling of the accounts with transportation process participants, as well as other actions connected with the performance by the freight forwarder of his obligations.
- 1.2. *Freight forwarder* means a person who acts on the basis of contract of freight forwarding services in accordance with the instructions, in the interests and at the expense of a customer, and procures the performance of freight forwarding operations for the transportation of goods.
- 1.3. *Carrier* means a physical or juridical body who performs the transportation of goods on a commercial basis and assumes the responsibility for the delivery of received goods to the destination with his own or attracted means of transport.
- 1.4. *Customer* means a person who, under the contract of freight forwarding services, hands over the freight forwarder the rights and obligations related to transportation of goods, and takes over the obligations related to ensuring the performance by the freight forwarder of that Contract.
- 1.5. *Contract of freight forwarding services* means a contract according to which a customer entrusts and a freight forwarder assumes the obligations, at the expense of a customer and for the remuneration, to perform or arrange the performance of the agreed services related to unimodal or multimodal transportation of export, import or transit goods, properties and personal things at the territory of Ukraine and outside.
- 1.6. *Written, in writing* means contract documents, letters, telegrams, telefax, telex, or any recording by electronic means.
- 1.7. *Valuables* means securities, coins, money, negotiable instruments, precious stones, jewelry, antiques, pictures, works of art and similar properties.
- 1.8. *Dangerous goods* means goods officially classified as hazardous, as well as goods which are inflammable or cause damage.
- 1.9. *SDR* means an international unit of account installed by International Monetary Fund; its value equals a sum of 39% of USA dollar, 21% of German mark, 18% of Japanese yen, 11% of French franc, and 11% of English pound sterling.

II. PERFORMANCE OF CONTRACT OF FREIGHT FORWARDING SERVICES

- 2.1. Customer hands over the freight forwarder a right of disposal by the goods, documentation and instructions related to the performance of the Contract, and the freight forwarder takes over the obligations on the delivery of goods in accordance with the received instructions.
- 2.2. The freight forwarder does not guarantee the exact date of dispatch and delivery of goods unless anything else is agreed in advance.
- 2.3. The transfer to the freight forwarder of the instructions related to the performance of the Contract is fixed in contract of freight forwarding services.
- 2.4. If at any time the performance of contract of freight forwarding services by the freight forwarder is or is likely to be affected by any hindrance or risk of any kind not arising from any fault or neglect of the freight forwarder and which can not be avoided by the exercise of reasonable endeavours, the freight forwarder may abandon to perform further the Contract and make the goods available to the customer at the place which the freight forwarder may deem safe and convenient. If the above-mentioned happens the customer pays the freight forwarder a remuneration for the work performed and compensates any additional expenses incurred.

III. RIGHTS AND OBLIGATIONS OF FREIGHT FORWARDER

- 3.1. Freight forwarder has a right:
 - in case of the circumstances which threaten safety of goods, safety of people and surroundings, or which can bring about an average, the freight forwarder should make the best of arranging his actions with a customer. If it is impossible to arrange so, the freight forwarder has a right to act at his own discretion, regarding that a load of proving to a customer of rightfulness, necessity and inevitability of freight forwarder's actions is on the freight forwarder;
 - to choose subcontractors, transport means and route at his own discretion if other is not provided by the Contract or customer's instructions;
 - to cease a performance of his obligations under the Contract and get a payment for performed work if, due to the customer's fault, there are the circumstances which prevent the proper performance of the Contract or if a customer changes the initial terms of the Contract or instructions so that it becomes impossible to follow them;
 - to check on his own the information about the goods and documents which are transferred to him according to the Contract, and in case of revealing a discrepancy in goods and the information of a customer, to entrust him with the responsibility for related consequences (delay, increasing of tariff rates, expenses etc.).
- 3.2. The freight forwarder has a right of lien over goods or other securities and effects in respect of the debts which the freight forwarder is entitled to receive in respect of services to the customer. In case of unpaid charge by the customer in respect of the services on contract of freight forwarding services the freight forwarder has a right to institute a proceeding and bring a suit to sell the goods or their part for getting an amount which the freight forwarder is entitled to receive in respect of his services according to the Contract.
- 3.3. The freight forwarder is obliged to follow exactly the terms of contract of freight forwarding services and received instructions. For this purpose he should ensure the work and the staff, proceeding from the nature and volume of the services in accordance with the order used in the corresponding mode of transport. The freight forwarder is obliged: to notify a customer of incomplete received information and documents, and to require the necessary documents and additional information, in case material damage appearance to inform a customer about that immediately, to consult with him about taking of necessary measures for getting the compensation in accordance with the Ukrainian legislation in force, to bring an accusation against the third party due to which a damage appeared, to have document evidence for all expenses unforeseen in advance.

IV. LIABILITY OF FREIGHT FORWARDER

- 4.1. Liability of the freight forwarder applies in case of his own fault in breaking the terms of the Contract what can be manifested in non-performance or improper performance of his obligations under the Contract, not taking the necessary measures, what caused for the customer a material damage. In such a case the freight forwarder is obliged to compensate a customer expenses and damages to the goods, as well as direct financial expenses which appeared as a result of breaking by the freight forwarder of his obligations on ensuring of goods carriage.
- 4.2. The freight forwarder is responsible as a carrier when he performs transportation by himself with his own means of transport (actual carrier) as well as if he issued his own transport document or in other way assumed the responsibility for transportation what was included in the Contract (carrier under the Contract), and transports the goods with the means of transport freighted by him for transportation.

4.3. Liability and its limits.

- 4.3.1. The freight forwarder is liable for any loss or damage to the goods in amount limited by equivalent to 2 SDR per kilogram of gross-weight of goods lost or damaged, moreover total liability in any event can not exceed total market value of goods at the day of assuming of the responsibility by the freight forwarder.
If the goods have not been delivered during 90 days after stipulated date of delivery, the said goods will be deemed lost unless proved otherwise.
- 4.3.2. The freight forwarder is not liable for the delay during performance of the Contract, if other is not expressly agreed.
- 4.3.3. If the freight forwarder is liable in respect of loss following from delay, such liability shall be limited to an amount not exceeding the remuneration relating to the service giving rise to the delay.
- 4.3.4. The freight forwarder is liable for acts and omissions of the third parties, hired by him for the performance of the Contract of freight forwarding services or rendering other services, in the same way as for his own improper acts.
- 4.3.5. The freight forwarder is not liable for acts of state control bodies (border, customs, veterinary, phytoquarantine, ecological, sanitary) if he has asked for, and a customer has submitted all the necessary documents sufficient to perform by those bodies of their duties. The freight forwarder is not liable for acts of the third parties, such as, but not limited to, carriers, warehousemen, stevedores and other parties related to transportation unless he has failed to exercise proper actions on informing them about the qualities and peculiarities of the goods transported.
- 4.3.6. The freight forwarder in any event is not liable for:
 - a) fault or neglect of the customer;
 - b) handling, loading, stuffing or unloading of the goods by the customer or anyone acting on his behalf;
 - c) lack or non-correspondence to standards of the packing unless according to the Contract it is the obligation of the freight forwarder;
 - d) valuables or dangerous goods, if freight forwarder was not informed of them at the time of conclusion of the Contract;
 - e) the vulnerable inherent nature of the goods e.g. breakage, leakage, internal deterioration, evaporation or being susceptible to cold, heat, moisture etc, unless the freight forwarder had been informed by the customer about these qualities of the goods;
 - f) circumstances, which freight forwarder could not avoid and consequences of which he could not foresee;
 - g) indirect losses, such as missed profit, loss of market etc.
- 4.4. The freight forwarder shall be discharged of any liability under the contract of freight forwarding services and these Conditions unless suit is brought within 6 consecutive months after the delivery of goods or the date when the goods should have been delivered.

V. RIGHTS AND OBLIGATIONS OF CUSTOMER

- 5.1. The Customer has all rights of a party of contract of freight forwarding services.
- 5.2. The customer is obliged:
 - to guarantee and ensure the receiving by the freight forwarder, at the time of transfer of the goods, of detailed information on nature of goods, their marks, weight, volume, quantity, dangerous character etc.;
 - to ensure a proper packing, marking, collection and separation of the goods; while the transfer of goods to provide the freight forwarder with the necessary information on them in accordance with the agreed list;
 - to pay the freight forwarder all money under the Contract without any reduction or deferment on account of any claim, counter claim or set-off;
 - to pay on request of the freight forwarder due to him money for performed work, in accordance with presented payment documents regardless of what was stipulated by customer's payment obligations to any other party, except the freight forwarder;
 - to pay the freight forwarder any compensation for proved additional expenses for extra work, related to the performance of the Contract: negotiations with official bodies, banks, insurance agencies, filling in the documents, certificates, claims etc.;
 - if the performance of the Contract is ceased by freight forwarder owing to the circumstances over which he had no control, and for which there is documentary evidence, the customer shall pay the freight forwarder the performed work and compensate all additional expenses borne by the freight forwarder.
- 5.3. Information and instructions on the order and terms of freight forwarding of goods have to be transferred to the freight forwarder only in writing.
- 5.4. If the freight forwarder, under unforeseen circumstances, acts in the most beneficial way for the customer, the customer is obliged to indemnify him for incurred additional expenses.
- 5.5. If the freight forwarder is able to prove that not his fault entailed goods delay, loss or damage, the customer on request of the freight forwarder shall pay him due amounts.
- 5.6. The customer has no right to require from the freight forwarder to perform the actions not included in contract of freight forwarding services and attached written instructions.

VI. LIABILITY OF CUSTOMER

- 6.1. The customer shall be responsible to freight forwarder for all losses and additional expenses arising due to inaccurate or incomplete information or instructions given by the customer, as well as for the transfer to the freight forwarder or any other person, whom the freight forwarder is responsible for, of dangerous goods, what entailed death or physical injuries, property damages, caused a harm to the surrounding or any other loss.
- 6.2. The customer is responsible and is obliged to take care that the freight forwarder does not bear losses which can be caused by:
 - a) inaccurate, unclear, or incomplete information concerning the goods characteristics, insufficient packing and marking unless according to the Contract it is the obligation of the freight forwarder;
 - b) not-meeting of requirements of quarantine, sanitary, customs services etc.;
 - c) improper following to the standard terms and rules while loading the goods on the transport means, unless it is the obligation of the freight forwarder;
 - d) untimely payments for the services of the freight forwarder;
 - e) the fact that the freight forwarder, without the prove of his fault, is obliged to pay duty or official taxes, to provide security or otherwise be exposed to claims from the third party;
 - f) other reasons which entailed the expenses of the freight forwarder he could not foresee.
- 6.3. If the customer revokes his own instructions after the freight forwarder has started their performance, then losses and expenses, caused hereupon, shall be covered by the customer.

VII. INSURANCE

- 7.1. The freight forwarder insures the goods in response to written entrusting of a customer. Insurance shall be realised in accordance with Ukraine's legislation in force and on the terms of insurance company policy.
- 7.2. Insurance of freight forwarder's liability is an obligatory term while using FIATA multimodal transport bill of lading (FBL).

VIII. JURISDICTION

- 8.1. These Conditions and related to them contracts and other documents shall be regulated by Ukraine's legislation in force.
- 8.2. Possible disputes and discords in connection with the performance of contract of freight forwarding services and these Conditions shall be settled through the negotiations between the parties. If the parties fail to settle the disputes, the disputes shall be settled by International Commercial Court of Arbitration under Ukraine's Chamber of Trade and Commerce in accordance with its regulations (Kyiv, Ukraine).
- 8.3. If the place of resolving of disputes is not agreed, they shall be settled in general order in accordance with Ukraine's legislation in force.

M. V. VALE BRASIL SHIPS PARTICULARS

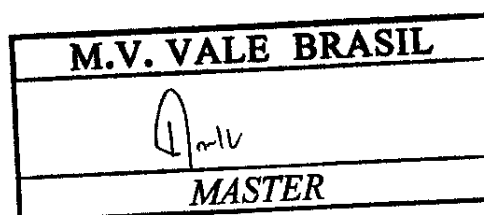
NAME OF THE VESSEL: M. V. VALE BRASIL
IMO NUMBER/OFFICIAL NUMBER: 9488918 / 396661
PORT OF REGISTRY: SINGAPORE
CLASS : DNV, +1A1, "ORE Carrier ESP", EO, ES(O), NAUTICUS
 (New building, CSA-2, IB-3, COAT-PSPC(B), NAUT-OC, BWM-E(s), TMON, BIS, EL-2
CALL SIGN: 9V9127
OWNER: VALE Shipping Enterprise Pte Ltd.
NAME OF THE OPERATOR: AESM-Hong Kong
DATE KEEL LAID/LAUNCHING: 15th Nov 2010/31st Dec2010
DATE OF DELIVERY: 30th Mar 2011
NUMBER OF HATCHES: 7, Total Volume=219980 Cub. Mtr.
BUILT BY: DSME-South Korea
MAIN ENGINE: MAN B&W 7S80ME-C8, Two Stroke, Turbo Charged
 29,260 KW @ 78.0 RPM (SMCR) & 24,870 KW @ 73.9RPM (NCR), 170.0g/kWh-hr at 100% SMCR
AUX ENGINE: 3 Nos, HYUNDAI-HIMSEN-6H21/32, 4-STROKE, 1270 Kw @ 900 rpm, 450 Volt/60Hz.
AUX BOILER: AALBORG MISSION OS-2500 kg/hr, W.Pr. 7Bar
SERVICE SPEED: 15.4 KNOTS
COMPLIMENT : 33 Persons
MMSI: 56490500
INMARSAT Fleet 77 (voice/fax): 870 773 210721 / 870 783 984604
INMARSAT- C : 456490510/456490511 Telex with A/B:VABZ
E-MAIL: 9V9127@globeemail.com
INCINERATOR: MAXI 1200SL WS / 1,000,000 KCA/Hr
BALLAST PUMP CAP. : 4 X 3000 m3/hr
C.S.W. PUMP CAP. : 3 X 695 m3/hr
HFO Tr PUMP CAP. : 45 m3/hr
O.W.S/E.R Bilge pump cap.: 10 m3/hr. approved TYPE as per MEPC 107 (49)

TANK CAPACITIES

Water ballast+Peak tanks	218,000m3 Approx
HFO Tanks including Sett/Serv Tanks	11057.7 m3
MDO tanks including Serv Tank	546.2 m3
MGO Storage Tank	101.8 m3
F.W. Tank Port/Stbd	429.1 m3 / 259.1 m3
Sewage Holding Tank	110 m3
Distilled Water Tank	170 m3
Bilge Holding Tank	86.6 m3
Waste Oil Tank/Sludge Tank	77.6 m3 / 25.3 m3
CLO Storage Tank	2 x 58.3 m3
AE L.O. Storage Tank/Sett Tank	4.0 / 2.0 m3
M.E.Sys. oil Storage/ Sett Tank	46.7 m3 / 46.7 m3
Cargo Hold Ore volume (Approx) including Hatch covers	197000 m3

HULL DIMENSIONS & LOAD LINE

Length L.O.A	362.0 mtr.
Length L.B.P	350.0 mtr.
Breadth Moulded	65.0 mtr.
Depth Moulded/Freeboard	30.4mtr./30.437mtr.
Draught, Moulded	23.0 mtr.
Corresponding DWT	402,347.7 MT
Int. Net/Gross Tonnage	67993/198980 MT
Summer Draft	23mtr.
Winter Freeboard from DK line	7.916 mtr.
Summer Freeboard from DK line	7.437 mtr/



M/V " NURI BEY "

SHIP'S PARTICULARS

OWNERS AND MANAGERS : DENAK DEPOCULUK VE NAKLIYECILIK A.S.

" ALL DETAILS ARE ABOUT "

Ship Builder : STX Jinhae Shipyard, Gyeongsangnam-do, Korea
Hull No : S 2067
Delivery Date : 31 May 2011
Class and No. : DNV 30297
IMO Number : 9569750
Port of registry & Official Number : ISTANBUL 26335
Call Sign : TCMF4
Reg. Loa / Lbp : 229.00 m / 222.41 m
Reg. Breadth / Mould Breadth : 32.24 m
Reg. Depth / Mould Depth : 20.10 m
Summer Deadweight : 80,459.8 mt on 14.468 m. sw drft
Gross Tonnage : 43,767 mt
Nett Tonnage : 26,241 mt
Light Weight : 13,362.1 mt
Cargo Holds / Hatches : 7 / 7
Cranes / Grabs : None
Cargo Hold Grain Capacity : 95,137.2 Cub.m - 3,359,720 cub.ft
(# 1 / 7 : 430,229 / 490,744 / 491,175 / 491,175 / 491,175 / 491,175 / 474,047 Cub.ft)
Fuel Oil Capacity : 2383 Cub.m (100 %)
Diesel Oil Capacity : 85 Cub.m (100 %)
Marine Gas Oil Capacity : 65 Cub.m (100 %)
Fresh Water : 300 Cub.m (100 %)
Ballast Water Capacity : 34,000 Cub.m (including # 4 Cgo Hold : 13,908 Cub.m)
Summer Water Line : 80,459.8 DWT ON 14.468 m SW draft

Speed and consumption at sea :

about 15.0 knots(Ballast) / about 14.0 knots(Laden) on about 38 / 39 mts/day IFO (Ballast/Laden),
No diesel at sea upto Beaufort force 4 and Douglas sea state 3,

Consumption in PORT : - IDLE : about 3.5 mts IFO,
- Ballasting / Deballasting : about 6.0 mts IFO

All speed/consumption figures based on in good weather conditions and smooth seas which means no adverse currents and no negative influence of swell upto including beaufort force 4 douglas sea state 3 , always basis clean/smooth bottom, even keel, deep and currentless water, with the vessel laden underdeck to her summer saltwater loadline, and in temperate seas.

Remarks : Diesel oil may be used when

- (A) Manouvering and in restricted areas in the main engine,
- (B) Main engine and generator engine required to carry out maintenance job,
- (C) Diesel generators start/stop and oil change over use,
- (D) Flushing of the both main and auxiliary engines' fuel oil line should vessel stays in port for a long time period.

- BUNKER QUALITY SPECIFICATIONS:

- **IFO:** '380 CST' - 'RMG 380' STANDARD AS PER ISO 8217: 2005 (E) INCLUDING IT'S ANNEXES (SULPHUR CONTENT MINIMUM 1.0 % m/m).
- **MDO:** MDO TO COMPLY WITH 'GRADE DMB' STANDARD AS PER ISO 8217 : 2005 (E) INCLUDING IT'S ANNEXES.

CHARTERERS ARE TO ENSURE THE FOLLOWINGS:

- 1) According to Solas Chapter VII/ Regulation 5-1, the fuel physical suppliers have to provide a material safety data sheet(MSDS) to the vessel's Chief Engineer prior to loading of the marine fuel oils. Therefore, the fuel transfer process may only begin after the MSDS has been reviewed and approved by the vessel's Chief Engineer . If MSDS could not be provided or is not suitable according to the recommendation of MARPOL Annex I cargoes and marine fuel oils, adopted by the Organization by resolution MSC.150(77), the supply then to be rejected by the Master, and all related expenses/time loss arising therefrom are to be for Charterers account.
- 2) All bunkers, bunker suppliers, bunker delivery procedures (compliant bunker delivery notes and sampling Location at ship's manifold), etc and all bunker specs must fully comply with the latest requirements of " Marpol / EU(European Union) / EU community ports(and berths) / IMO-regulated emission control areas(ECAs) for limitation on the low sulphur content of bunkers to be used within the requested area/place and emission control and/or similar applicable requirements/amendments [inclusive of "EU sulphur directive 2005/33/EC"] " . And, DNVPS or equivalent bunker quality/quantity survey at bunkering port(s) for Charterers account.

Hatch Size : Length(m) X Breadth(m)

Hatch No.1 : 17.20 X 12.10

Hatch No.2 ~ No.7 : 17.20 X 15.00

Cargo Hatch Covers : 2 - panels side rolling type , weathertight , steel

OWNERS P & I CLUB : UK P & I CLUB

VESSEL'S H&M INSURED VALUE (TOTAL): USD ---- MILLION

H&M INSURANCE BROKER : OMNI LTD., ISTANBUL/TURKEY

D.O.C. GIVEN BY N.K.K. CERT NO: SMS219TRK

S.M.C. GIVEN BY N.K.K. CERT NO : SMS ???

VESSEL HAS TURKISH FLAG AND ALL CREW/OFFICERS ARE TURKISH NATIONALS, EMPLOYED IN ACCORDANCE WITH TURKISH SOCIAL SECURITY ACT ACCEPTABLE TO I.T.F.

LAST / NEXT DRY DOCK: MAY. 2011 / MAY. 2014

LAST / NEXT S.S. : MAY. 2011 / MAY. 2016

SATCOM NUMBERS: INM - C TELEX : 427101187

INMARSAT TEL/TLX: + 870773159270

INMARSAT FAX: + 870783202846

INMARSAT ISDN: + 870783202845

" ALL DETAILS ARE ABOUT "

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RISK CONVERTOR

When any good is to be moved from one place to another, especially by ship, this movement is called “shipping” and requires minimum two parties for a shipment; the merchant and the ship owner.

When these two parties lay down their agreement on paper defining the shipment conditions, you have a “contract”. This contract may be in several forms and types where we will only look into a few usually unnoticed but important clauses of some popular contracts from owners’ point of view, underlining the risks the owners are exposed to if they overlook such sneaky, gloating, floating clauses and how risks may be converted into benefit.

In most of the cases whether a single voyage contract (Voyage Charter) or a contract covering a period of time (Time Charter), or contracting for vast amounts of cargo carriage (Contract of Affreightment), the owners major risk is either bills of lading related or issues of uncollected monies, which of course once properly tackled, can cleverly be solved at early stages of the storm.

At other times, it is vital to set the score wisely to guide the owners, preventing them from stepping into grey areas to secure their rights, (actually always have the hunch - the legitimate resolution is only available for the ones who actually experienced them).

Things are overlooked due to two main reasons: At the time of the fixture it is either difficult to expect such an “unexpected” outcome or it is not important enough for the relevance of the contract. We may put together notes of the available experience under three categories as follows:

1. Single Voyage Contracts

The single voyage contract is basically a form of agreement usually approved by a shipping community (and maybe this leads owners to trust much in the form and not read in detail until they are severely punished by overlooking a “harmless” clause) answering the mutual needs of the parties concerned. Popular example would be Gencon 1994 (said to protect the charterers more), and we will only study some “itchy” clauses, - leaving out several important details i.e. vessel description, cargo description, ports description (safe berth), - and some “catchy” clauses recognized as easy and simple and never paid attention to;

GENCON 1994 Explored,

- Box 2, Place and date.

Without arbitration place being clearly mentioned, if you miss this clause, you can walk you into a courtroom where no assistance is offered due to applicable procedures at the “place”, forcing you to fight with your hands tied at the back. Never miss to check the place and date of the contract you sign, you will never regret.

-Box 4, Charterers/Place of business

Very important to know who you work with and have enough leverage when things go south. Sometimes this box is overshoot due to trust in brokers.

-Box 8, Present position.

Usually the vessel is “trading”, of course a simple answer for owners but if vessel delays, it will be difficult for owners to prove “exercise of due diligence” which may cause financial loss although they actually tried their best to catch the cancelling date. Detailed position of the vessel always helps.

-Box 25, Law and Arbitration

Detailed attention should be paid to make sure as some of the standard clauses attached to the charter party may not cover you, depending on the place of arbitration. Are you able to defend a general average situation according to Chinese laws? (Hope never needed but should be thought of in advance)

-Box 26, Additional clauses covering special provisions, if agreed

Seems not important but the clause numbers should be clearly mentioned so they are incorporated in the charter party.

-Clause 2, Owners' Responsibility

Can charterers order “so near thereto” a place where owners would be unable to discharge although they are obliged to? Maybe these innocent few words should be deleted out of the charter party.

-Clause 4, Payment of Freight

This is always important but “enough” attention never paid. When owners deem freight? When will the bills of lading be released, before getting paid? What happens if something goes wrong during loading operations, how freight will be earned? Always a catchy one!

Besides these, owners have to check if they are okay with standard clauses like Both-to-Blame Collision, General Average and New Jason Clause, General Ice Clause, General Strike Clause included in the charter party. Some of these clauses may only be activated under US jurisdiction. Good to double check!

The actual bond between the carriage of goods and the charter party is a bill of lading. The contradicting conditions should be studied so the charter party protects its integrity and not fail owners in case of a dispute. I.E. Personal experience, our owners lost their vessel because the agents had failed to insert the charter party date in the bill of lading at the time of signature.

Beyond above mentioned points, bills of lading, letter of indemnities, time counting, tendering valid notice of readiness, port charter party, berth charter party issues are always discussed in details at several shipping conferences (and worth cross checking, in a separate study).

2. Contracts covering a period of time

In time charter mode, simplest (and not the shortest) contract is a single trip with almost all details of the voyage carved into the contract, providing minimum risk exposure. Owners know what to expect. Longer the period gets, more important the contract details are amplified over that period, because the nature of the voyages and the cargoes carried are palpably increased with less details being known by the owners.

The main difference between a voyage charter and time charter is in the amount of exposure to the risk. The risky it gets, the more beneficial it may get provided you do have ends well tied contract.

Let's see what tricks a loose contract can pull on owners;

For time charter, we will go through a simple contract, government form approved by the New York Produce Exchange, NYPE revised on 3rd Oct, 1946;

NYPE 46 Scrutinized,

- Vessel Description and Performance: Nine out of ten, the disputes are due to low performance of the vessel, either on consumption and speed matters or lack of intake capacity, causing damage to the charterers. This is usually prevented by owners adding performance clauses inserting Beaufort Scale limitations and even sometimes WOG (without guarantee) tag being attached in the descriptions. This surely gives owners more room to breathe but not many contracts detail the fuel grade ISO specifications. If fuel grade specification is missed, under qualified grade fuel supply may cause damage to the engine of the vessel respectively to the owners and this is always a difficult court case to resolve. Figuring the party at fault takes long a time but inserting a grade specification in the contract takes only few seconds.

- Trading Areas : The trading areas are always strictly mentioned by the owners, no doubt. However, it is very rare to see clauses implementing the corrective action to be taken if Institute Warranty Limits (IWL) are violated. Likewise, if charterers are not trading in geographical rotation, causing trouble at owners supply points, the cooperation should be provided with short additional clauses.

- Cargo Exclusions : At the time of the fixture, it may be difficult to study the nature of all cargoes charterers are willing to trade. To protect the vessel and the owners, cargoes to be carried should be restricted with international, IMO and similar regulations.

- Cargo Claims : At times, claim chains seem never ending due to the presence of many disponent owners in the chain of communication/trade. In such cases, it is wise to check at least who your counterparty is working with in the insurance arena.

- Owners Obligations : Imagine you have signed and released the bill of lading for a 3rd party contractor but want to take action against “your” charterers as they are delaying the hire payment. First, you are aware you can not avoid fulfilling your contractual obligations against the 3rd parties but on the other hand your finance department is asking for the hire. At such times, strong “grace period” clause helps both the finance and legal departments before taking early action.

- Hire related issues : Delivery / redelivery on local times but calculations on GMT basis is important to prevent wrong calculations. Deduction on commissions, C/E/V calculation method is minor details but may cause loss on the long run.

- Bill of Lading signature authorization : As disponent owners, you may well be the carrier authorized to sign the bill of lading, but will you be eager to hand out such privilege (and responsibility) to your charterers swapping bills of lading back and forth? This is maybe the most important issue that usually goes unnoticed in most of the contracts.

- Delivery / Redelivery Points : At first sea pilot station (AFSPS) or dropping outbound pilot (DOP) definitions are easy to insert in charter parties but is it easy to accept i.e. “passing Çanakkale” ? As to reach Çanakkale, you have to enter Dardanelles, but the strait passage fees are on whose bill?

- Global Clauses : There are many protective clauses that owners take advantage of, but are they aware some of them are outdated? Easy to check global clauses like Bimco ISM, Conwartime 93 etc. should be checked, in any case.

- Items of Owners preference : There are minor things some owners may never give up on. Like, hold cleaning bonus, log books being distributed to sub-charterers, sailing supercargoes. In such cases, tenure should be properly studied preventing unwanted violations.

With all above items being discussed, actually it is very difficult to make major mistakes on time charter contracts as nature of the business brushes away the faulty clauses and in time you would be walking in the shadow of a major owner learning the correct way to step up with back to back contracts.

Last but not least,

3. Contract of Affreightments

If more than one shipment is needed especially on single load port with specific cargo being loaded, major traders, (charterers in our case) propose contracts on a standard form, usually called contract of affreightment. With low-negotiable forms, owners have minimum power to negotiate, because there are always others willing to bite in, there are some precautions you can take.

Owners may question the power of the charterers they are negotiating but sometimes misses the uncontrollable risks like Act of God and/or force majeure. At such stages, all you need is a good advisor, analyzing the case and justifying the risks with common sense. Beyond that like everyone else, owners need luck.

To sum up,
all above points are randomly picked as ragged summits among all the mountains and the seas we have in our inner globe, with the aim to show how can any risk may be converted to benefit in shipping.

Yet again, there are many points owners have to check before any fixture but here the purpose was to explore silent but dangerous parts of a contract, the parts which may be overlooked by many owners.

Hope this is useful for the ones who need them and gives me the chance to write more.

Sincere Regards,
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22.06.10