

This Contract, dated is concluded by and between or their guaranteed nominee as Charterers (hereinafter referred to as 'Charterers') and as Owners (hereinafter referred to as 'Owners').

WITNESSETH THAT :

This is a Contract of Affeigment with Owners for the shipment(s) of.... from to WHEREAS Charterers undertake to provide and owners undertake to transport on the terms and conditions are set forth as follows.

1. Definitions

In this Contract, unless otherwise defined, the terms should have following meanings:

1.A. "Ore" means iron ore in bulk including iron ore concentrates in bulk, and fine, pellets, lump in bulk. Their quality, nature and shipping conditions are within IMO regulation, but always excluding DRI/HBI.

1.B. "Dollars" and "Cents" means respectively dollars and cents in lawful money of the United States of America.

1.C. means

1.D.

1.E "Contract cargo" means cargo of from to

2. Vessels To Be Nominated

The operating vessels shall be Owners-controlled or chartered bulkcarriers or ore carriers, or OBO or ore-oil combination carriers, seaworthy, cargoworthy, tight, staunch, and strong, suitable for intended voyage and suitable for ordinary grab discharging and shall be in the highest classification for vessels of their age and type with Lloyds, ABS or equivalent. The nominated vessel should be approved by rightship if required by Shipper. All certificates of the nominated vessel shall be valid till the relevant voyage is complete

The following vessels are not acceptable to the Charterers:

- a) Non P and I club member vessel,
- b) Vessels older than 18 years,
- c) vessels with length of hatch less than 12m,
- d) vessels with the pressure strength of the top-tank in the hold less than 0.7 kg/cm²

If the vessel is more than 15 years, additional premium due to vessels' overage should be paid by Owners' maximum USD5,000, if any.

THE OPERATING DEDICATED VESSEL:

.....

.....

Upon nominating a vessel, Owners will fill in the following questionnaires:

NAME OF OWNER(S) AND DATES:

NAME(S) OF SHIP MANAGER/OPERATOR(S) AND DATES:

CLASSIFICATION SOCIETY:

DATE OF LAST DRY DOCKING:

DATE OF EXPIRY OF CONTINUOUS HULL SURVEY:

DATE OF EXPIRY OF CONTINUOUS ENGINE SURVEY:

DATES OF EXPIRY OF LOADLINE CERTIFICATE:

ANNUAL

FULL TERM

DATE OF EXPIRY OF SAFETY CONSTRUCTION CERTIFICATE:

ANNUAL

FULL TERM

DATE OF EXPIRY OF SAFETY EQUIPMENT CERTIFICATE:

ANNUAL

FULL TERM

DATE OF EXPIRY OF INTERNATIONAL OIL POLLUTION PREVENTION CERTIFICATE:

ANNUAL

FULL TERM

DATE OF EXPIRY OF SAFETY RADIO CERTIFICATE:

ANNUAL

LAST SIX CARGOES

CARGO PORTS ARRIVED SAILED

HATCH SIZES

No. Size No. Size No. Size

1 4 7

258

369

STOW PLAN

1
2
3
4
5
6
7
8
9

TOTAL**3. Cargo Quantity**

Total cargo are firm consecutive shipments between

The quantity of the shipment shall be in bulk F.I.O.T. DRI/DRIP/HBI to be always excluded. Cargo to be loaded, transported and discharged in accordance with IMO recommendations.

Schedule as followed:

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Owner should guarantee the number of shipment according to above schedule.

First shipment should be performed Baosteel Shipment. If the dedicated vessel obviously could not perform enough shipments according to above schedule due to inefficient voyage, Owners should nominate substituted vessel (DWT minimum 170000-maximum 210000, vessel's age maximum 18 years) to perform the contract. Owners should advise Charterers notice of changing another performing vessel at least 60 days prior to the estimated time of arrival next shipment of loading port. Once the Owners nominate the other performing vessel, the consecutive voyage COA will transfer to Baosteel normal COA automatically and perform as per Baosteel COA charter party terms, and PDM loading should be applied. At least 40 days before the first layday of shipment, Charterer declare the laycan with 10 days spread. At least 30 days prior to the commencement of the laydays, Owners notify Charterer the nominated vessel or substitute.

4. Intervals at Loading Port

Allocation of shipments shall be made basically with fairly evenly spread intervals, unless otherwise agreed.

5. Laydays and Canceling date

Laydays agreed can not be changed, unless otherwise agreed by both parties in written form (including telex or Fax). The canceling date is the last layday.

If it become obvious that the nominated vessel will fail to be ready for loading before/on the above mentioned canceling date, Owners to notify the Charterers as soon as same get to their attention. the Charterers have the option to cancel or to maintain the intended contract cargo.

6. Deviation

Carrying vessel shall sail and arrive at the port of discharging within the normal and reasonable period of time. Any unreasonable deviation or delay is not allowed. It is understood that the vessels are allowed to proceed at economical speed and bunker on usual route. Owners shall have the responsibility to advise Charterers of accidents occurred as soon as which is known to Owners while vessel being en route. If Owners fail to give such advice in time, any losses and charges incurred therefrom shall be for Owners' account. For the purpose of saving life or property the vessel has liberty to sail with or without pilots to tow and assist vessel in distress and to deviate.

7. Notices

7.A. At least 40 days before the first layday of the shipment, Charterers are to advise Owners of a tentative schedule indicating laydays of 13 days spread for the shipment of the Contract, intended loading port and grades of cargoes to be loaded.

7.B. At least 30 days prior to the commencement of the laydays as indicated by Charterers in their tentative schedule, Owners to notify Charterers of the nominated vessel or sub, indicating main particulars of the vessel, ETA at the loading port and estimated cargo intake, arrival draft . Owners to have the option to substitute performing ship but same shall be done latest 5days before the first day the laydays provided such vessel intake is similar to the vessel originally nominated and the laycan remains unchanged.

Charterers shall confirm the nomination of the vessel or sub vessel within 2 business days after receiving nomination in Charterers' working hours in accordance with Clause 2, such confirmation shall not be unreasonably withheld. Latest 25 days prior to the commencement of laydays as indicated by Charterers in their tentative schedule, Owners shall narrow laydays further to 10 days and inform the Charterers in time.

7.C. On sailing to the loading port, Master or the Owner shall provide a notice of the vessel's ETA at loading port to both Shippers and the Charterers, Such notice shall be given prior to vessels expected arrival at loading port or at any time upon Charterers' request.

7.D. Master or Owners shall with the notice inform Shippers about vessels cargo plan with following details:

--- Arrival and departure drafts

PREVIEW

- Air draft
- Ballast quantity on arrival and, if in cargo holds, how distributed
- Time required for deballasting after berthing
- Loading sequence

Master or Owners shall also state in 72 hours notices, whether a "Gas Free Certificate" is required or not. Unless otherwise instructed by Shippers, Master or Owners shall undertake that vessel be presented for berthing with minimum ballast compatible with vessels seaworthiness.

7.E. Owners should, on departure of each vessel from the loading port, inform Charterers of the departure date, ETA China, loaded quantity of each type of ore, quantity/type of ore in each hold and estimated arrival draft.

7.F. If no special declaration is made by Charterers 10 days prior to ETA of the vessel at the first discharging port, Owners shall also proceed to the first discharging port,

7.G. In case of Qingdao/Majishan chosen as the first discharging port, Charterers shall notice Owners at least 10 days prior to ETA of the vessel at the discharging port.

7.H. Master of the vessel or Owners shall give Charterers agents at discharging ports, and respectively the following 5 notices of ETA of the vessel at the first discharging port. The first notice to be given on departure loading port, then to ETA. The first notice shall indicate the name of the vessel, the type and quantity of cargo and the number of compartments.

8. Loading Port And Discharging Port

8. A. a. Charterers shall load the cargo and spout trimmed at always safely afloat, free of risks, expenses to Owners.

8. A. b. In case the loading port is available to install the filters (MDSV), Owners shall permit Shippers to install the filters which helps to improve the drainage of water from iron ore during sea transportation, and lend relevant assistance to Shippers. Masters shall pump out the water diligently in due course en route and keep a record accordingly.

8. A. c. Shipowners agree to carry two grades of ore (fine, pellets or lump ore). Charterers shall inform Owners of the quantity and variety of the cargo prior to the vessel reaching the loading port.

8. B. a. Upon completion of loading, the vessel shall proceed to one or two berth(s) each of one or two safe port(s), as set forth in this Contract, always be safely afloat, free of risks, expenses to Owners.

8. B. b. At **Beilun and Majishan and Qingdao**, Charterers guarantee draft (SSW) MAX 18 meters. If the second discharging port is applicable, Charterers shall arrange lightening at the first discharging port. The quantity to be lightened is calculated according to the available draft at the second discharging port, which in any case to be agreed between Master, Baoshan pilot and Charterers.

8. B. c. The available draft at the second discharging port **Baoshan or Luojing** is 10.5m SW.

9. Freight Rates

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Tubarao-Beilun/Majishan+Baoshan/Luojing: per metric tons (net)

All freight rates shall be on the basis of F.I.O.S.T. per wet metric ton on Bill of Lading cargo quantity, one or two safe berth(s), one safe loading port in Brazil to one or two safe berth(s), each of one or two safe discharging ports in China.

Freight differentials at other loading and discharging ports:

Below freights are based on one or two safe berth(s), one safe loading port TUBARAO Loading and corresponding one or two safe berth(s), each of one to two safe discharging ports in China, for entire cargo and on basis of USD & PER MT & FIOST :

Discharging Ports PORT COST FREIGHT

Beilun / Majishan

1/1

US pmt

Qingdao/Rizhao 1/1 US\$ pmt

Yantai 1/1 US pmt

Majishan/ Beilun / Luhuashan + Qingdao 1/2 US\$ pmt

Majishan / Beilun/ + Baoshan / Luojing 1/2 US\$ pmt

Majishan / Beilun / Luhuashan + Nantong 1/2 US\$ pmt

Qingdao / Rizhao + Baoshan / Luojing 1/2 US\$ pmt

Qingdao / Rizhao + Nantong 1/2 US\$ pmt

Yantai + Baoshan / Luojing 1/2 US\$ pmt

Yantai + Nantong 1/2 US\$ pmt

PREVIEW

Luhuashan + Baoshan / Luojing 1/1* US\$ pmt

*Note : LuHuaShan + Baoshan or Luojing to be considered as one port discharge, with one 24-hour turntime and max port cost US\$ to apply.

Loading ports Extra Freight Premium

PDM + usd pmt for consecutive dedicated vessel

vessel

+ usd pmt for non-consecutive vessel

GIT + usd pmt

ITAGUAI (EX NAME: SEPETIBA) + usd pmt if chtrs gtee draft is 17.10m, usd

pmt if chtrs gtee draft is 18.10m, all sailing

draft.

UBU + pmt

10. Bunker Escalation/ De-escalation

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11. Demurrage and Dispatch Clause

Demurrage and dispatch shall be calculated on the basis of the statement of facts made by Agents at loading and discharging port(s) entrusted by Owners and mutually confirmed by Master and LOADING PORT AUTHORITIES or DISCHARGING PORT AUTHORITIES.

11.A. Loading Port

Laytime at the loading port is non-reversible otherwise see the relevant Purchase Contracts.,

Loading rates and turn time at loading ports are as followed scale terms.

Demurrage rate: USD per day or pro rata for part of a day, dispatch rate should be half of the demurrage for laytime saved.

Loading terms and conditions as per relevant purchase contract.

11.B. Discharging Ports

Laytime at the two discharging ports is reversible.

11. B. a. Demurrage and Dispatch rates at discharge port:

Demurrage rate: USD per day or pro rata for part of a day, dispatch rate should be half of the demurrage.

11. B. b. Discharging rates at each discharge port:

..... Mt. per weather working day of 24 consecutive hours.

11. B. c. At the first discharging port *Beilun or Majishan or Qingdao*, Notice of readiness shall be tendered any time any day Sunday holiday included, provided the vessel is ready for discharging. Laytime shall commence 24 hours after tendering the Notice of Readiness. Sunday and holiday included, unless sooner commenced, in such case actual time used will be counted as laytime.

11. B. d. At second discharging port, *Baoshan or Luojing*, Notice of readiness shall be tendered any time any day Sunday holiday included, provided the vessel is ready for discharging. Laytime shall commence 24 hours after tendering the Notice of Readiness of discharging by Master to or Agent in Shanghai, Sunday and holiday included, unless sooner commenced, in such case actual time used will be counted as laytime.

11. B. e. The following time shall not count as laytime and demurrage time:

-- Time used for sailing from anchorage to wharf till all fastened at the designated discharging berth

-- Time used for joint inspection

-- Time used for draft survey.

-- The stoppage caused by adjusting ballast (or deballasting)

-- The stoppage caused by bad weather

-- Stoppage or Partial stoppage caused by Owners and Partial stoppage as pro rata.

-- Stoppage caused by Force Majeure

11. B. f. Discharging shall complete upon the last grab of cargo leaving hatches.

11. B.g. The cargo on vessel shall be in grabs' reach. Vessel shall be guaranteed suitable for grab discharge. If the cargo is not accessible by means of grabs (including in hatches), any time and /or dispatch money so lost and the extra expenses over and above the cost of normal grab discharge at discharging ports shall be for Owners' account.

11. B. h. Once a vessel is on demurrage, it counts as per like laytime at discharging port(s).

11. B.i. Each vessel has the right, according to the rules and regulations of the port, to sail from discharging port at the first available tide (confirmed by pilot station of the port) after completion of discharging, no matter laytime has been fully used or not.

12. Payment of Freight

12.A. Freight is to be paid in US Dollars to the Bank account designated by Owners.

12.B.

13. Overtime at Discharging Ports

Overtime of the crews and officers on board shall be for Owners' account. The vessel shall, if required, supply light for night work as on board free of expenses to Charterers.

14. Taxes and Dues

Any taxes /dues/ wharfages on cargo at loading and discharging ports shall be for Charterers' account. Any taxes/dues/wharfages on vessel/ freight/Bill of Lading at loading port shall be for Owners' account. The maximum port charges of USD120,000 (one hundred and twenty thousand United States Dollars) for two(2) discharging ports and USD 90,000 (ninety thousand United States Dollars) for one(1) discharging port for Owners account in China, Which to be deducted directly from initial freight payment by the Charterers without supporting vouchers. The following items are considered as port charges:

1. Tonnage dues,
2. Harbour dues, berthing charges, pilotage, shifting, towage charges, mooring, unmooring charges, charges for opening/closing of hatches, light dues.
3. Agent fee and other miscellaneous service charges

15. Stevedoring Damage at Discharging Port(s)

Stevedor damage, if any, at loading port shall be settled between port authorities and Owners, but charterers will lend all possible assistance to Owners in collecting any stevedore damage claims.

Stevedoring damage, if any, at discharging port, shall be settled between Owners and Port Authorities at Beilun/Qingdao/Majishan/Luojing and Baoshan Steel Works Transportation Company at Baoshan, but Charterers will lend all possible assistance to Owners in collecting any stevedore damage claims.

16. Bill of Lading

The Bill of Lading shall be prepared in accordance with procedures established in the Purchase Contract. The Bill of Lading shall be signed by Master or Agents of Owners within 24 hours after completion of loading and awarded to shippers, freight and all conditions as per this Contract. If any of clauses in bill of lading is inconsistent with the clauses in this Contract, the latter to be taken as governing documents.

If the original Bill(s) of Lading is not available at the discharging port(s) or/and actual discharging port(s) is not described at Bill of Lading, Master/Owners allow cargo to be discharged and delivered against Charterer' letter of indemnity in Owners's standard P&I Club wording without bank guarantee or bank endorsment.

17. Assignment

Neither Owners nor Charterers may assign the Contract in whole or in part without prior written consent of the other party. Owners and Charterers shall always remain responsible for the due fulfillment of this Contract.

18. Agent(s)

Agents at loading port and discharging ports shall be nominated by Charterers and appointed by Owners, and both for Owner's account.

Once the agent has been confirmed, Owners shall inform Charterers of their agent at loading and discharging port in time. Owners shall send to Charterers by express-mail or fax the statement of facts of loading and discharging ports within 3 business days after the completion of loading or discharging.

19. General Average

In case of general average, the same shall be adjusted according to 'YORK-ANTWERP Rules, amended 1990'. Should the vessel put into any port or ports due to leakage or damage incurred en route or in any port, the Master and Owners shall inform Charterers without any delay.

20. War Cancellation Clause

In the event of war or warlike operation involving either Japan, the United States of America, Great Britain, Russia, P.R. China, Brazil, Norway or the nation under the flag of which any vessel performing under this Contract is registered ,and this, seriously affects Charterers' or Owners' ability to perform or cost of performing their obligations under this Contract, Charterers or owners may advise the other party, that they wish to cancel this particular voyage.

The parties shall then meet within thirty (30) days, to decide whether this Contract or any part of it shall be amended, suspended or otherwise dealt with. If no agreement is reached, the Contract shall be suspended for ninety (90) days and failing agreement by end of this ninety (90) days extension, the voyage in question shall be canceled. If major war breaks out between any two or more of the above-mentioned countries directly affecting the performing of this Contract, both Owners and Charterers shall have the right to cancel this Contract.

21. Both to Blame Collision Clause of clause 23 of ASBATIME 1981 apply to this Contract.**22. New Jason Clause of clause 23 of ASBATIME 1981 apply to this Contract.**

23. Clause Paramount

All bills of lading under the Contract shall include the following Clause Paramount:
Hague-Visby Rules 1968 or similar legislation of the nation of destination shall be applicable.

24. War Risk

Clause 16 of Gencon (Revision 1976) shall apply to this Contract.

25. Strike and Force Majeure Clause

25.A At loading port

The time lost as a result of all or any of the following causes shall not count as laytime and demurrage VIZ.: war, rebellions, tumults, civil commotions, strikes, insurrections, political disturbances, epidemics, quarantine, riots, lock-out, stoppage of miners, workmen, railway employees, stevedores, seamen or any other workers essential to the working, carriage, delivery, shipment, interruptions of railway transport, whether partial or general, landslips, flood, intervention of sanitary, customs and/or other constituted authorities or other causes beyond Charterers' control preventing or postponing cargo preparation, loading or berthing vessel. Once a nominated vessel has been confirmed by Charterers, any loss of vessels schedule incurred by strikes of the miners or company employees is to be considered as force Majeure.

25.B At discharging ports

The time lost as a result of all or any of the following causes shall not count as laytime and demurrage VIZ: war, rebellions, tumults, civil commotions, strikes, insurrections, political disturbances, epidemics, quarantine, riots, lock-out, stoppage of workmen, railway employees, stevedores, seamen or any other workers essential to the working, carriage, delivery, shipment, interruptions of railway transport, whether partial or general, landslips, flood, intervention of sanitary, customs and/or other constituted authorities or other causes beyond Charterers' control preventing or postponing cargo preparation, discharging or berthing vessel.

If there is a strike or lockout or boycott or Force Majeure condition, affecting the vessel's arrival time, the discharging after the vessel arrival at or off the port of discharge, vessel's berthing, departure and same has not been settled within 48 hours, Charterers shall have the option of keeping the vessel waiting until such strike or lockout or boycott or Force Majeure condition is at an end against paying demurrage plus bunkers consumed after expiration of the time allowed for discharge, or ordering the vessel to a safe port where she can safely discharge without risk of being detained by strike or lockout or boycott or Force Majeure.

Such orders shall be given within 48 hours after the Master or Owners have given notice to Charterers of strike or lockout, boycott or Force Majeure condition affecting the discharge. On delivery of the cargo at such port, all conditions of this Contract shall apply and the vessel shall receive the same freight as if she had discharged the cargo at the original port. If the distance of the substituted port exceeds 100 nautical miles, the freight rate on the cargo delivered at the substituted port to be increased in proportion. In any event any expenses and risk causes by strike or lockout or boycott of Master, officers or crews on board the performing vessel always to be for Owners' account.

26. Arbitration

Any disputes arising under the Contract shall be settled amicably. In case no such settlement can be reached, the matter in dispute shall be referred to three persons at LONDON and according to English law. One chosen by each of the parties hereto and the third by the two so chosen; their decision or that of two of them shall be final, and for the purpose of enforcing and award, this agreement may be made a rule of the court. The arbitrators shall be commercial men.

27. War Risk Insurance

War Risk Insurance, if any, shall be for Owners' account.

28. Extra Insurance

Extra insurance on cargo, on account of vessel's flag / age, Ownership and class shall be for Owners' account.

29. Penalty

Deleted.

30. Lien

Owners shall have a lien on cargo for ocean freight, deadfreight, demurrage and general average contribution due under the Contract.

31. Gas Free Clause

Vessel nominated by Owners shall be in gas free condition and shall have a valid gas free certificate on board if required by Shippers prior to presentation at loading port. Owners undertake to submit the vessel to a further gas free inspection by a local independent surveyor at loading port for their own account. Notice of Readiness may be tendered prior to such inspection but if the vessel is found not to be gas free, then laytime not to commence until vessel has obtained gas free certificate. If the vessel has already been berthed at the terminal and then is found not to be gas free by the local surveyor, then the vessel is to vacate the berth immediately and proceed to a safe anchorage for cleaning, all extra expenses for shifting to be for owners' account. Laytime at loading port not to commence to count until the vessel has passed gas free by the local independent surveyor, even if after the expiry of the turn time. In order to expedite such inspection, Master of combination vessel are recommended to inform the loading port agents 48 hours prior to arrival that a surveyor is required on vessels arrival at or off the terminal.

32. Language / Communication

It is agreed that the English language will be used in notices letter, Cables and all other means of communications. All relevant communications between Charterers and Owners shall be made through telex, telegram or Fax.

33. Commission

Owners shall pay to an brokerage of 1.25% on the freight earned which includes the bunker adjustment, demurrage and dead freight, but excludes port charges adjustment.

34. Headings

The headings in the Contract are for purpose of convenience only and shall not limit or otherwise affect any of the terms or stipulation hereof. The Contract is written in English and signed as performing contract.

IN WITNESS WHEREOF, this Contract of Affreightment has been executed by and between Owners and Charterers in Two (2) originals, one of each to be retained by Owners and Charterers.

CHARTERERS:

(or their guaranteed nominee)

OWNERS:

(or their guaranteed nominee)