

Geneva,

Subject: Australian Iron Ore Spot Shipment

Owners :,
 Charterers :,

A) Load Port:

B) Lay/Can:

Provided the draft is available to load at least minimum quantity. Should the draft be insufficient to load minimum quantity then owner shall suffer no penalty, iron ore and/or iron ore concentrates in bulk including but not limited to lump and/or fines iron at Charterers option but excluding DRI/P.

C) Cargo Q'ty:

D) Disch Port:

E) Loading terms: As per terms under sales and purchase contract between POSCO and the Shipper.

- Loading Rate

Vessel's Weight	Daily loading rate in Dry Metric Ton
For vessels of 160,001 DWT to 200,000 DWT	95,000
For vessels of or over 200,001 DWT	100,000

- Dem/Des Rate(US\$/Day) :
- Turn Time :

Demurrage and Despatch at the loading port shall be settled directly between the Shipowner (representing Buyer) and the Shipper according to terms under the latest sales and purchase contract between POSCO and the Shipper(for the balance amount, if any, shall be settled between the Shipowner and POSCO).

F) Discharging terms

- Discharging Rate :
- Dem/Des Rate(US\$/Day) :
- Turn Time :

G) The performing vessels shall enter P&I Club coverage, and have at all times SMC(Safety Management Certificate) and DOC(Document of Compliance) which shall be and remain fully valid until sailing from discharging port after completion of discharging.

H) If the performing vessel is time chartered, you should submit the evidence of charter chain.

I) The Owner must nominate a vessel together with the information of the vessel's particulars, position, itinerary, ETA load port, loadable quantity, photo of internal hold, hold/hatch size and the Shipowner's full name. If the Owner fails to nominate the suitable vessel in the stipulated time, the Charterer could charter a vessel in the market. And if any loss occurred due to this chartering, the Owner must compensate proved damages to the Charterer. The vessel nominated by the Owner could not be substituted without the Charterer's consent.

J) The age of performing vessel shall be less than 25 years as of the first laydays at loading port, and the vessels and/or the owners recorded on the latest POSCO black list should not be allowed to participate in this tender. The performing vessel should be certified under the new ISPS (International Ship and Port Security) code.

** Following vessels are current Blacklist of Posco.

- Nightwhisper
- Starzulu

- K) The cargo shall be insured by POSCO, however, every additional insurance premium, if any, charged on the cargo resulting from the vessel's age, flag, class, ownership and/or any other reasons whatsoever shall be for the Owner's account.
- L) Freight : USD foist basis Dampier/ Qingdao 1/1
Freight rate for alternative discharge ports to be calculated on an open book basis to arrive at same TCE
- M) Additional freight rate for two ports(1st-Gwangyang, 2nd-Pohang) discharge, if any, shall be 5.33% of the freight rate of Gwangyang discharge from the first discharging port. In case of Pohang discharge, 2.19% of the freight rate of Gwangyang discharge would be added.
* When adjusting the freight rate due to change of discharging port, less than 1 cent shall be rounded off for the freight rate.
- N) The owners cannot sublet the contract without the charterer's consent.
- O) Further details are as per POSCO Charter Party General Provisions(2009) amended as of July 20, 2009 and the latest Sales and Purchase contract between POSCO and the Shippers. End of Document.
- P) Max \$100,000 port da's in China for 1 disport, max \$150,000 port da's in China for 2 disports same to be deducted from freight.
- Q) address commission + brokerage commission to

POSCO CHARTER PARTY GENERAL PROVISIONS (2009)

(amended as of July 20, 2009)

1 Definitions

"Bill(s) of Lading" shall mean the bill(s) of lading issued pursuant to this Charter Party.

"Cargo" shall mean a cargo described in Box 5 of the Charter Party.

"Charterers" shall mean charterers indicated in Box 3 of the Charter Party.

"Charter Party" or "C/P" shall mean a charter party between the Charterers and the Owners.

"Discharging Port" shall mean a discharging port designated in Box 7 of the Charter Party.

"Owners" shall mean Owners (or Disponent owners) designated in Box 2 of the Charter Party.

"Loading Port" shall mean a loading port designated in Box 6 of the Charter Party.

"Shipper" shall have the meaning set forth in Section 5 of this General Provision.

"Vessel" shall mean a vessel named in Box 4 of the Charter Party.

"ITF" means the organisation presently styled the International Transport Federation or any successor organisation.

"WWF" shall mean Waterfront Worker's Federation.

"Laydays" and "Laycan" means the period from the opening loading date to the cancelling or last agreed loading, date.

"Berthing" means that a vessel moves from the anchorage to the berth(s) to discharge/load .

"Deberthing" means that a vessel departs from the berth(s).

"Shifting" means that a vessel moves from berth(s) to berth(s)

2 Vessel Requirements

A. The Owners undertake that the Vessel, shall at all time:

- i. conform to the requirements stipulated herein;
 - ii. be suitable for loading, carriage and discharge of the Cargo including grab loading and discharging;
 - iii. be in every respect fitted for the voyage.
- B. The Owners undertake, covenant, represent and warrant that the Vessel shall conform and comply with the following description before any voyage, at the beginning of and throughout such voyage:
- i. the Vessel shall be seaworthy, properly manned and equipped, tight staunch, and shall be a single deck carrier and shall be suitable for discharge with no fittings protruding from internal hold surfaces ;
 - ii. the Vessel shall be suitable in everyway for the dumping, loading, trimming, stowage, carriage and discharge of the Cargo in bulk, and in every other respect suitable and fit for the trade contemplated under this Charter Party;
 - iii. the Vessel shall conform to and comply with all applicable rules, regulations and law in force, including, but not limited to, Coast Guard Regulations, navigation regulations and customs, ITF and WWF regulations, and port and harbor regulations at the Loading and Discharging ports;
 - iv. the Vessel shall attain the highest Lloyds classification or the equivalent;
 - v. the Vessel's Owners shall be members of the International Group of Protection and Indemnity Clubs and shall have the maximum pollution liability insurance available from and through such clubs, and shall be continuously maintained and operated to the highest industry standards of safety.

C. The Charterers or a duly appointed agent of the Charterers shall have the rights at any time on reasonable notice to inspect or survey the Vessel or substitute Vessel, together with the master or his nominee for the purpose of ascertaining whether the Vessel conforms to the requirements in this Article 2 and is being maintained and operated in accordance with the terms and conditions of this Charter Party.

- D. Should the Vessel after arrival at the Loading or Discharging Port(s) be found to be in breach of the undertakings, covenants, representations and warranties contained in the above subsection (b), then without prejudice to the other rights or remedies of the Charterers,
 - i. the Charterers may treat the vessel's nomination as cancelled and the voyage unperformed or may treat the voyage suspended until the Owners rectify the Vessel's fault at their option and without prejudice to the Owners' obligations under this Charter Party;
 - ii. Any Notice of Readiness previously tendered shall be deemed to be invalid and all time counting to be for the Owners' account.
- E. The Vessel shall be Rightship approved and the Owners shall comply with the requirements of their vetting system including inspections.

3 Loading and Discharging Port(s)

- A. The Owners shall be responsible to verify whether there are any regulation, restrictions, limitations, or requirements at Loading and Discharging Port(s) and shall keep the Charterers fully indemnified against any consequences including, but not limited to, the cost of labour standing and all costs and expenses incurred by the Charterers due to the Vessel's lack of certificates or the Owners' or the Vessel's non-compliance of such regulation, limitations, restrictions or requirements.
- B. Notwithstanding anything to the contrary contained herein, even after the conclusion of the relevant Charter Party, the Charterers shall have the right to discharge the whole or part of the Cargo at any one or two berths of any one or two Discharging Ports, as arranged by the Charterers.
- C. The Charterers may from time to time propose to include one or more new ports as Loading and Discharging Ports. The freight rate applicable for any new port shall be calculated on the same timecharter equivalent as the freight rates for existing ports taking into account the deviation, if any. Within seven (7) days of the Charterers' notification, the Owners shall propose a freight rate for the new port supported by a detailed analysis. New ports shall be always safely accessible and afloat within the performing Vessels' parameters.

4 Loading and Discharging

- A. No Cargo shall be loaded in the deeptanks, in twin decks, and in any compartment not accessible for discharging by means of the mechanical equipments, and all Cargo shall be loaded in the holds only that mechanical loading and discharging equipments can be accessible. Should any cargo be loaded by the Vessel in above excepted places, any time lost and any additional expenses incurred in loading, trimming or discharging such cargo to be for the Owners' account.
- B. There should be no obstacle in the holds hindering loading or discharging.
- C. If the shore regulations permit, the Master shall open hatches prior to tendering and shall close the hatch(es) of each hold as soon as loading or discharging into that hold has finished. When loading or discharging has finished for the day, he shall have all hatches closed if weather is inclement or wet. He shall also, during rain and/or snow, close all hatches where loading or discharging is not in progress.
- D. The Charterers shall not be liable for and the Owners shall indemnify and defend the Charterers from any loss, damage or claim resulting from, or arising out of, negligence or error of any of the pilot, master, officers, and crew of the vessel, and any tow boat, person or facility assisting the vessel while the vessel is proceeding to, or lying at, any place of loading or discharging.

5 Loading terms

The loading terms including, but not limited to, laytime calculation shall be pursuant to the terms and conditions under the latest sales and purchase contract between the charterers and the Cargo seller under such contract (the "Shipper").

Should the charterers and the Shippers agree on CQD(Customary Quick Dispatch) terms at the Loading Port(s), laytime shall be calculated according to Article 6.

6 Discharging terms

A. Notice of Readiness

A Notice of Readiness may be tendered at any time or on any day, Sundays and Holidays included, immediately upon the Vessel's arrival, whether in berth or not, whether in port or not, whether customs have cleared or not, whether in free pratique or not, provided that the vessel is in every respect ready for discharging. In the event that free pratique and /or customs clearance is not granted, or the vessel is not ready in all respects to load or discharge the previously tendered NOR shall be deemed null and void and a new NOR shall be tendered when the vessel has complied with the aforementioned conditions.

B. Laytime

- i. Normal working hours at the Discharging Port shall be understood as weather working day of twenty-four (24) consecutive hours including Saturdays, Sundays and Holidays.
- ii. Laytime shall commence at the first or sole Discharging Port twelve (12) hours after a notice of readiness is tendered. If discharging has commenced before laytime has begun, one-half of the time actually used until the expiration of the turntime shall be counted as laytime.
- iii. If the Charterers order the vessel to discharge at two ports, time shall not count from the time of completion of discharge at the first port until arrival of the vessel at the second port, whether in berth or not, or when discharge resumes, whichever occurs first. Shifting time from waiting place to berth in the second port is not to count at as laytime.
- iv. Berthing shall not be counted as laytime, even if the Vessel is already on demurrage. And deberthing from discharging berth(s) to the anchorage due to any other defect and/or default in the vessel shall not be counted as laytime, whether the vessel is on demurrage or not. And if the Master shall for any reason whatsoever order the vessel out of a berth, time shall not count from the cessation of loading or discharging, whichever is applicable, until the vessel is again in the berth ready to resume loading or discharging, whether the vessel is on demurrage or not.
- v. The first shifting expenses shall be borne by the Owners and the time shall be counted as laytime, but the charges from the second shifting shall be borne by the party that requested such shifting and the time shall be counted if requested by the Charterers. If the port authorities request the shifting, the expenses shall be borne by the Charterers and the time shall be counted.
- vi. The time used for initial and final draft surveys shall not be counted as laytime. And the time used by the vessel for draft checkings shall not be counted as laytime.
- vii. Any time lost due to the extra trimming, while Charterers waits for instructions from the Master, shall not be counted as laytime.
- viii. Any stoppage of discharging at the Vessel's request shall not be counted as laytime, even if the Vessel is on demurrage
- ix. Any time lost during loading or discharging due to inability of the vessel to ballast or deballast at a rate commensurate with the respective loading or discharging rate, then such time lost shall not count as laytime.
- x. The opening and closing of hatches at the commencement and completion of the discharging at each port, and the removal of any other remaining equipment on board obstructing a smooth work flow shall be at the Owners' expense, provided that the port authorities allow for such, and the time used therefore shall not be counted as laytime.
- xi. If the Vessel suffers any problems due to the Vessel's condition, it shall be the Owners' responsibility and the time and expenses required to settle such problems shall be borne by the Owners.
- xii. Time lost due to line troubles and breakdowns of the unloader at the Discharging Port shall be counted as laytime.
- xiii. Laytime shall cease to be counted upon the completion of discharging. The Vessel shall sail from the Discharging Port as soon as the discharging is complete, barring unforeseen circumstances, which shall be notified to the Charterers immediately.
- xiv. Time justly required to complete the discharging, and to repair any damages, for which the Charterers or consignees are liable, shall be included in the unexpired laytime, if any.

7 Loading and Discharging Costs

- A. The cargo shall be loaded and discharged free of expense to Owners, while under Owners'/Master's direction and supervision which includes, but is not limited to loading and discharging speeds, which at all times remain the sole responsibility of the Owners and Master.
- B. The extra trimming other than spout or bulldozer charges if required by the Vessel shall be for the Owners' account.
- C. The Cargo shall be discharged at the Charterers' risk and expense.
- D. The Vessel always supplies winches and necessary men and power to work same.
- E. The expense of ship's clerk or runners at the Loading or Discharging Port(s) shall be for the Owners' account.
- F. In the event where anchorage is incurred for reasons attributed to a Party, the anchorage fee shall be borne by that Party

8 Laydays and Cancelling Date

- A. The laydays for loading shall not commence before the first day of the laydays of the respective voyage indicated in Box 8 of the C/P.
- B. The charterers shall have the option of cancelling this charter if the Vessel is not ready to load on or before the cancelling date indicated in Box 8 of the C/P or any willful misrepresentation is made respecting the size, position, state of the Vessel, such option to be declared on or before notice of readiness being given.
- C. Should the charterers accept the Vessel which arrives at Loading Ports outside the laydays, laytime shall commence from the acceptance of notice of readiness by the Shippers.

9 ETA Notice

- A. The Owners and the Master shall notify the charterers, their nominees, the Shippers and the shippers' agents at the Loading Port at least twenty (20) days prior to the Vessel's estimated time of arrival (ETA) at the Loading Port, and every two (2) days thereafter in addition to a twenty-four (24) hour prior notice of ETA at the Loading Port.
- B. Upon sailing from the Loading Port(s), the Owners and the Master shall notify the charterers, their nominees and the charterers' agent at the Discharging Port of the Vessel's name, the tonnage by hold, and by brand loaded on the Bills of Lading, the sailing date and the estimated time of arrival at the Discharging Port. Furthermore, the Owners and the Master shall notify the charterers, their nominees and the charterers' agent at the Discharging Port of the Vessel's ETA every two (2) days after sailing from the Loading Port(s) and twenty-four (24) hours prior to the Vessel's ETA at the Discharging Port.
- C. The charterers may ask the Vessel's position, if necessary, at any time during the voyage, in which case the Owners must advise of the Vessel's latest position at that time.
- D. The Owners shall be liable for any time loss and other expenses resulting from the Owners' failure to notify the Vessel's ETA at the Loading and Discharging Port(s) in the manner stated in this Article 8.

10 Lighterage

Should Owners or the Master cause or permit the vessel to be loaded with a quantity of cargo such that on arrival the vessel has at any Discharging Port, a draft in excess of the permissible entry draft at that port, Charterers or consignee(s) or their agent(s) shall have the right to require the vessel to proceed to that port, or to any other port or place as they may require, for the purpose of lightening and/or complete or partial discharge. The costs of any

lightening and any other additional costs incurred and time lost by reason of the necessity to lighten and/or divert the vessel as aforesaid as a consequence of the above shall be for Owners' account.

Charterers has the option of discharging into lighters and/or otherwise lightening the vessel if it so requires; the time and expenses thereof shall be for Charterers' account and time so used to count as laytime.

11 Demurrage and Despatch

- A. Demurrage and despatch rates at the Loading and Discharging Ports shall be as per Box 11 of the C/P.
- B. Demurrage and despatch at Loading Port(s) shall be settled between the Shippers and the Owners directly according to the terms and conditions under sales and purchase contract between the Charterers and the Shippers, in which case the Charterers shall guarantee and remain responsible for the eventual settlement by the Shippers. The balance amount, if any, shall be settled between the Charterers and the Owners within thirty (30) days from the date when the Owners submit a copy of the laytime statement agreed with the Shippers.
- C. Demurrage and despatch at Discharging Port(s) shall be settled between the Charterers and the Owners within thirty (30) days from the date when the Owners confirm the mutually agreed laytime statement via e-procurement on <http://www.steel-n.com>, a POSCO website (or the alternatives approved by the Charterers).

12 Force Majeure

- A. The demurrage shall be paid to the Owners at the rate stated in Box 11 of the C/P per day or pro rata for any part of a day except for any time lost by Force Majeure. The term "Force Majeure" as used in this Charter Party means cause or causes which are not within the control of the party or parties claiming Force Majeure and includes, but is not limited to:
 - i. Acts of God, war (declared or undeclared), or hostilities, insurrection, civil commotion, political disturbance, riots, epidemics, strikes or lockouts, fire, floods, frosts, storms
 - ii. Stoppage or delay on railway, canal, quay, wharf, jetty, rope or cable way, loading or discharging plants and equipment, lack of trucks, stoppage of pitmen, trimmers or other hands connected with the working or delivery of the cargo for which the Vessel is stemmed, breakdown of the machinery at the mines or governmental restrictions or control on imports, exports or foreign exchange, whether partial or general
 - iii. Any event of force majeure duly declared under the sales and purchase contract between the Charterers and the Shippers.
- B. In the event of an occurrence of Force Majeure under Article 12.(a), Charterers shall give prompt notice thereof to the Owners with writing particulars of the relevant event.
- C. The time when by any cause of nature beyond the control of the Charterers or the Owners, supplying, loading, discharging or conveyance of the Cargo from the mines to the Vessel is prevented or delayed, such time shall not be counted as laytime for loading or discharging.
- D. Should a strike or any other cause prevent the loading of the Vessel at the time the Vessel is ready to sail from the last discharging port, and provided that such strike or other cause is not likely to be settled prior to the Vessel's arrival at the Loading Port, the Charterers and the Owners shall mutually and in good faith agree on an alternative loading ports, new laydays, or terminating for the particular voyage. However, if no agreement is reached, the terms of this Charter Party shall prevail.

13 Bills of Lading

- A. The master shall sign the Bills of Lading as soon as the Cargo is on board, as presented, without prejudice to this "Charter Party".
- B. The Bills of Lading shall be prepared in accordance with the Dock or Railway weight or draft survey and shall be endorsed by the Master, Agent or Owners, with remarks "Freight payable as per the relevant Charter Party".
- C. In case the original Bills of Lading are not available upon the Vessel's arrival at the discharging port, the Owners shall be allowed to release the Cargo on board without producing the original Bills of Lading against the

Charterers' L.O.I. (Letter of Indemnity), the wording of which shall be as per the Owners' Protecting and Indemnity Club without bank signature.

14 Freight

- A. Full freight to be deemed earned on completion of loading whether or not the vessel and/or cargo is subsequently lost, and shall be paid on the loaded weight as determined by a draft survey, which quantity will be incorporated in the Bill(s) of Lading.
- B. The freight is always on the basis of F.I.O.S.T(Free In and Out, Stowed and Trimmed).
- C. One hundred percent (100%) of the freight on Bill(s) of Lading quantity shall be paid in cash in U.S.Dollars to the Owners within fourteen (14) days from the date when the Charterers receive the Owners' invoices via charterers' e-procurement system and copies of the Bills of Lading.
- D. If the actual cargo loaded exceeds maximum cargo quantity mentioned in Box 5 of the Charter Party under the mutual agreement between the charterers and the Owners, the half of the contracted freight rate shall be applied to the quantity that exceeds maximum cargo quantity.
If there is no mutual agreement between the charterers and the Owners, no freight shall be applied to the quantity that exceeds maximum cargo quantity.

15 Additional Insurance Premiums

All additional insurance premiums, if any, charged on the Cargo due to the Vessel's age, class, flag or ownership shall be at the Owners' expense. If the Owners do not pay additional insurance premium, the Charterers shall have the right to deduct additional insurance premiums from the freight against relevant vouchers.

16 Taxes / Dues

The taxes/dues levied on the Vessel or the freight at both ends, if any, shall be for the Owners' account. The taxes/dues on the Cargo at both ends, if any, shall be for the Charterers' account.

17 Penalty

- A. Should the Owners fail to arrange the Vessel at the Loading Port within the laydays, the Charterers shall have the right to cancel the voyage or to continue the delayed shipment by imposing a penalty for the days delayed that shall be deducted from the freight on the voyage at the rate of demurrage per day, or pro rata, but not to exceed 30% of the total freight.
- B. In case the Vessel's delay is caused by bad weather during the approach voyage, for which the Owners can prove with third party's written evidence, no penalty shall be imposed; however, delays owing to causes other than bad weather shall not be exempted from penalty even though such reasons may be beyond the Owners' control.

18 Stevedore Damage

The Charterers shall not be responsible for any stevedore damage under this Charter Party. Such damage, if any, shall be settled between the Owners and the Stevedores directly; however, should the Owners fail to receive prompt settlement of stevedore claims from the stevedores, the Owners can request the Charterers' assistance for the earlier settlement of all stevedore claims that may exist between the Owners and the stevedores.

Owners or Master shall give written notice to stevedores of damage claimed before the vessel sail from the loading port or discharging port.

19 Agency

The Charterers shall have the right to designate an agent at both the Loading and Discharging Ports. However, the Charterers may accept the agent duly nominated by the Owners in due consideration of the propriety. Agency fees as customary shall be for Owners' account.

20 Owners' Responsibilities

- A. Owners shall provide and maintain in good working order vessel's lights for loading and discharging.
- B. The Vessel shall sail from the Loading Port or Discharging Port as soon as the loading [or discharging] is complete, weather and tides permitting.
- C. The Owners shall provide the Charterers with the general arrangement plan and capacity plan of the performing vessel at any time if required by the Charterers.
- D. The Owners must guarantee that the Vessel is not precluded from due and normal performance under this Charter Party by virtue of any previous trading.
- E. In case the Vessel loses its turn, a turn which is consistent with the prevailing practices of all ports and railway authorities, for any reason attributable to the Owners or to the Vessel, including the Owners' misrepresentation, excepting however reasons deemed Acts of God and perils of the sea, the time lost thereby and the relevant proved damages thereof, if any, shall be at the Owners' expense.

21 Lien

The Master shall have a lien on the Cargo for freight, dead-freight and demurrage, and it is agreed that all liability of the Charterers shall cease as soon as the Cargo is shipped and the freight, dead freight and demurrage at the Loading and Discharging Port(s) are paid.

If the vessel is under charter to the Owners then the Owners shall defend, indemnify and hold the Charterers herein harmless from any lien on cargo exercised by the actual/head Owners of the vessel arising from the failure of Owners to discharge its obligations to the vessel's actual Owners under charter.

22 Sublease; Assignment

The Owners may not sublease or assign all or any part of the Charter Party without the Charterers' written consent.

23 Negligence Clause

The Act of God and perils of the seas excepted. Also fire, barratry of the Master and crew, pirates, collisions, strandings and accidents of the navigation, or latent defects in or accidents to, the hull and/or the machinery and/or the boilers always excepted, even when occasioned by the negligence, default or error in judgment of the pilot, master, mariners or other persons employed by the Owners or for whose acts he is responsible, not resulting, however, in any case from want of the due diligence by the Owners of the ship, or by the ship's husband or the manager. The Charterers shall not be answerable for any negligence, default, or error in judgment of the trimmers or the stevedores employed in loading or discharging the Cargo.

24 Both to Blame Collision Clause

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

of their claim against the carrying Vessel or Carrier. The foregoing provisions shall also apply where the Owners, operators or those in charge of any ship or ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect of a collision or contact.

25 General Average and New Jason Clause

General Average shall be payable according to the York/Antwerp Rules, 1994, as amended, but where the adjustment is made in accordance with the law and practice of the United States of America, the following Clause shall apply:

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 goods, shippers, consignees or owners of the goods shall contribute with the carrier in general average to the payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the goods.'

If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if the said salving ship or ships belonged to strangers. Such deposit as the carrier or his agent(s) may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon shall, if required, be made by the goods, shippers, consignees or owners of the goods to the carrier before delivery.'

Charterers shall ensure that the Bills of Lading issued under this Contract shall contain or by general reference be deemed to incorporate the abovementioned 'General Average and New Jason Clause'.

26 War Risk Clauses

- A. No Bills of Lading to be signed for any blockaded port and if the port of discharging be declared blockaded after Bills of Lading have been signed, or if the port to which the ship has been ordered to discharge either on signing Bills of Lading or thereafter be one to which the ship is or shall be prohibited from going by the Government of the Nation under whose flag the ship sails or by any other Government, the Owners shall discharge the Cargo at any other port covered by this Charter Party as ordered by the Charterers (provided such other port is not a blockaded or prohibited port as above mentioned) and shall be entitled to the freight as if the ship had discharged at the port(s) of discharging to which she was originally ordered.
- B. The ship shall have liberty to comply with any orders or directions, as to departure, arrival, routes, ports of call, stoppages, destinations, delivery or otherwise howsoever given by the government of the nation under whose flag the Vessel sails or any department thereof, or any person acting or purporting to act with the authority of such government or of any department thereof, or by any committee or person having, under the terms of the war risks Insurance on the ship, the right to give such orders or directions and if by reason of and in compliance with any such orders or directions anything is done or is not done, the same shall not be deemed a deviation, and delivery in accordance with such orders or directions shall be a fulfillment of the contract voyage and the freight shall be payable accordingly.

27 Altered Destination

In case of any war risk, striking work, quarantine or epidemic in the original port of the destination, the Charterers during the voyage of this Charter Party is entitled, but not obliged, to alter by wire the original port of the destination to other ports.

28 Deviation

The Vessel shall have the liberty to call at any ports on route, to sail with or without pilots, except where compulsory pilotage is required, to tow or to be towed, to deviate from the voyage for the purpose of saving human life, to assist

the vessel in distress in case lives may be in danger or to avoid danger to the ship or cargo, but for no other purpose whatsoever. The Owners shall notify the Charterers as soon as deviation is made for any purpose.

29 Arbitration

Any dispute, controversies, or differences which may arise between the parties, out of or relation to or in connection with this Charter Party or for the breach thereof, shall be finally settled by arbitration in Seoul, Korea in accordance with the Commercial Arbitration Rules of the Korean Commercial Arbitration Board and under the law of Korea. The award rendered by the arbitrator(s) shall be final and binding upon both parties concerned.

Such arbitration may be initiated by either party hereto by giving ten (10) days notice in writing to the other as to commencement of the arbitration proceedings.

Thereupon, a Board of three arbitrators shall be appointed, one of whom shall be chosen by Owners, one by Charterers and the third by the two so chosen. If either of the parties hereto fails to choose any arbitrators within fourteen (14) days after receiving notice of commencement of arbitration proceedings, or if the two arbitrators chosen cannot agree on a third arbitrator within fourteen (14) days after they have been chosen, the Korean Commercial Arbitration Board, Korea shall, upon request of either party, appoint the arbitrator or arbitrators required to complete the Board.

30 ISM Clause

- A. From the date of coming into force of the International Safety Management(ISM) Code in relation to the Vessel and thereafter during the currency of this Charter Party, the Owners shall procure that both the 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.
- B. Except as otherwise provided in this Charter Party, loss, damage, expense or delay caused by failure on the part of the Owners or "the Company" to comply with the ISM Code shall be for the Owners' account.

31 ISPS/MTSA Clause

- A. (i) The Owners shall comply with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) relating to the Vessel and "the Company" (as defined by the ISPS Code). If trading to or from the United States or passing through United States waters, the Owners shall also comply with the requirements of the US Maritime Transportation Security Act 2002 (MTSA) relating to the Vessel and the "Owner" (as defined by the MTSA).
(ii) Upon request the Owners shall provide the Charterers with a copy of the relevant International Ship Security Certificate (or the Interim International Ship Security Certificate) and the full style contact details of the Company Security Officer (CSO).
(iii) Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused by failure on the part of the Owners or "the Company"/"Owner" to comply with the requirements of the ISPS Code/MTSA or this Clause shall be for the Owners' account, except as otherwise provided in this Charter Party.
- B. (i) The Charterers shall provide the Owners and the Master with their full style contact details and, upon request, any other information the Owners require to comply with the ISPS Code/MTSA.
(ii) Loss, damages or expense (excluding consequential loss, damages or expense) caused by failure on the part of the Charterers to comply with this Clause shall be for the Charterers' account, except as otherwise provided in this Charter Party, and any delay caused by such failure shall count as laytime or time on demurrage.
- C. The Master shall be entitled to tender NOR even if the Vessel is not cleared due to applicable security regulations or measures imposed by a port facility or any relevant authority under the ISPS Code provided that the SSO and the Master believe (having made all reasonable enquiries) that clearance will be granted swiftly in accordance with normal practice and procedure at the port. However, the NOR shall be invalidated if any delay in clearance of the Vessel arises from any failure at any time of the Company or the Vessel to comply with the requirements in the ISPS Code (or the taking of any action to meet such requirements) or breach by Owners of any of its obligations in this clause.

D. Notwithstanding sub-clause (c), any time lost as a result of security measures imposed by a port facility or relevant authority under the ISPS Code shall not count as Laytime or time on demurrage (unless such lost time was directly caused by Charterers' failure to comply with its obligations in the ISPS Code or this clause), whether the Vessel is on demurrage or not.

E. Notwithstanding anything else contained in this Charter Party:

Owners and Charterers shall share in equal proportions any additional costs or expenses arising out of, or related to, security regulations or measures required by the port facility or relevant authority under the ISPS Code including security guards, launch services, tug escorts, port security fees or taxes and inspections (provided that if any such additional costs arise solely from either party's failure to comply with the requirements of the ISPS Code or this clause, then that party will be solely responsible for such costs);

Owners shall be responsible for the cost and expense of all measures required by Owners or the Company to comply with the Ship Security Plan.

F. If either party makes any payment which is for the other party's account according to this Clause, the other party shall indemnify the paying party.

32 Additional Clauses

- A. Route Service. The Owners shall appoint a route service company at the Owners' account to provide all relevant route information to the Charterers via an electronic system.
- B. Combined Shipment. The Charterers shall have an option to assign their obligation of freight payment pursuant to Article 13 for any part of the Cargo to POSCO Terminal Ltd., their affiliated company established in Kwangyang, Korea. Should Charterers exercise the option, the Charterers shall notify the Owners of the Cargo quantity for POSCO Terminal Ltd. and any other information as required by the Owners prior to the Vessel's arrival at the Loading Port. The Charterers shall guarantee to the Owners the performance of their obligation of freight payment.
- C. Bilge Water. In case of loading at Ponta Da Madeira, the Owners and the masters are to make sure to pump out bilge water as much as possible during laden voyage of the performing vessel, prior to arrival at Discharging Port(s) in order to facilitate discharging operation. The masters shall keep a log of all bilge water pumped out and submit the log to the Charterers on arrival at Discharging Port(s). Any stoppage of discharging due to extra pumping at Discharging Port(s) shall not be counted as laytime.
- D. Dead Freight. In case the Vessel cannot load cargo upto its max capacity due to Charterers' issue subject to the port regulation/restriction, the Charterers shall pay dead freight to the Owners for the shortage of the cargo based on the same freight rate as loaded cargo.
- E. Good Faith. Should any dispute and/or argument with regard to terms and conditions including, but not limited to Force Majeure, both parties shall mutually discuss for solution with good faith.

33 Secrecy

It is hereby agreed that the terms of this Charter Party are confidential and that neither party shall disclose any of the terms to any third party unless such disclosure shall be required by law or to give commercial effect to this Charter Party.

34 Governing Law

This Contract shall in all respects be governed by and construed in accordance with Korean law and each party expressly submits to the jurisdiction of the Korean Courts.

35 Oil Pollution

Owners agrees to indemnify Charterers, their servants, their agent or any other party against any liability which may be imposed upon them or which they may incur under any statute regulation (or requirement or directive made thereunder) of any nation, state or international organisation regarding liability for pollution of navigable waters by oil

by reason of any contravention of such statute, regulation (requirement or directive made thereunder) as aforesaid by the vessel, the Master or by any servant or agent of Owners, provided that such contravention shall not have been caused by the party seeking to be indemnified under this Charter Party and provided further that the facts and matters giving rise to the contravention do not constitute a defence under Article 3 Section 2 of the International Convention on Civil Liability for Oil Pollution Damage 1969. Owners warrants that the ship is adequately insured at all times for any liabilities arising out of any contravention as aforesaid.

36 Communications

It is mutually agreed that the English/Korean language will be used in notices, letters, telexes and all other means of communication between parties. In this Charter Party:

- A. Charterers' address for purpose of service is:;
- B. Owners' address for purpose of service is:

Unless otherwise provided, notices hereunder may be given by either party by facsimile, telex, cable or airmail and shall be deemed to have been given at the time they would in normal circumstances be received by the other party.

37 Incorporated Documentation

Any document, letter, fax and/or e-mail, agreed by both Charterers and Owners, under and with reference to this charter party, is incorporated into and forms part of this charter party, including but not limited to the following:-

- A. Fixture Note(s)

In case of any conflict between the provisions of any of these documents, letters, faxes and or e-mails and the provisions of this charter party, the provision of this charter party will prevail.