

# Code word for this Charter Party

## "SHELLTIME 4"

Issued December 1984

**Time Charter Party**  
LONDON, Geneva 19 PROFORMA

### Description Condition of Vessel

IT IS THIS DAY AGREED between .....	1
of ..... (hereinafter referred to as "Owners"), being owners of the	2
good vessel called .....	3
(hereinafter referred to as "the vessel") described as per Clause 1 hereof and .....	4
of ..... (hereinafter referred to as "Charterers"):	5
1. At the date of delivery of the vessel under this charter	6
(a) she shall be classed:	7
(b) she shall be in every way fit to carry crude petroleum and/or its products,	8
(c) she shall be tight, staunch, strong, in good order and condition, and in every way fit for the	9
service, with her machinery, boilers, hull and other equipment (including but not limited to hull stress calculator	10
and radar) a in good and efficient state;	11
(d) her tanks, valves and pipelines shall be oil-tight;	12
(e) she shall be in every way fitted for burning	13
at sea -fueloil with a maximum viscosity of Centistokes at 50 degrees Centigrade/any	14
commercial grade of fueloil ("ACGFO") for main propulsion, marine diesel oil/ACGFO	15
for auxiliaries.	16
in port - marine diesel oil/ACGFO for auxiliaries;	17
(f) she shall comply with the regulations in force so as to enable her to pass through the Suez and	18
Panama Canals by day and night without delay;	19
(g) she shall have on board all certificates, documents and equipment required from time to time by	20
any applicable law to enable her to perform the charter service without delay;	21
(h) she shall comply with the description in Form B appended hereto, provided however that if there	22
is any conflict between the provisions of Form B and any other provision, including this Clause 1,of this charter	23
such other provision shall govern.	24

### Shipboard Personnel and their Duties

2. (a) At the date of delivery of the vessel under this charter	25
(i) she shall have a full and efficient complement of master, officers and crew for a vessel of her	26
tonnage, who shall in any event be not less than the number required by the laws of the flag state and who shall be	27
trained to operate the vessel and her equipment competently and safely;	28
(ii) all shipboard personnel shall hold valid certificates of competence in accordance with the	29
requirements of the law of the flag state;	30
(iii) all shipboard personnel shall be trained in accordance with the relevant provisions of the	31
International Convention of Standards of Training, Certification and Watchkeeping for Seafarers, 1978;	32
(iv) there shall be on board sufficient personnel with a good working knowledge of the English	33
language to enable cargo operations at loading and discharging places to be carried out efficiently and safely and	34
to enable communications between the vessel and those loading the vessel or accepting discharge therefrom to be	35
carried out quickly and efficiently.	36
(b) Owners guarantee that throughout the charter service the master shall with the vessel's officers	37
and crew, unless otherwise ordered by Charterers,	38
(i) prosecute all voyages with the utmost despatch;	39
(ii) render all customary assistance; and	40
(iii) load and discharge cargo as rapidly as possible when required by Charterers or their agents	41
to do so, by night or by day, but always in accordance with the laws of the place of loading or discharging (as the	42
case may be) and in each case in accordance with any applicable laws of the flag state.	43

### Duty to Maintain

3. (i) Throughout the charter service Owners shall, whenever the passage of time, wear and tear or any	44
event (whether or not coming within Clause 27 hereof) requires steps to be taken to maintain or restore the	45
conditions stipulated in Clauses 1 and 2(a), exercise due diligence so to maintain or restore the vessel.	46
(ii) If at any time whilst the vessel is on hire under this charter the vessel fails to comply with the	47
requirements of Clauses 1,2(a), or 10 then hire shall be reduced to the extent necessary to indemnify Charterers	48
for such failure. If and to the extent that such failure affects the time taken by the vessel to perform any services	49
under this charter, hire shall be reduced by an amount equal to the value, calculated at the rate of hire, of the time	50
so lost.	51
Any reduction of hire under this sub-Clause (ii) shall be without prejudice to any other remedy	52

	available to Charterers, but where such reduction of hire is in respect of time lost, such time shall be excluded from any calculation under Clause 24.	53 54
(iii)	If Owners are in breach of their obligation under Clause 3(i) Charterers may so notify Owners in writing and if, after the expiry of 30 days following the receipt by Owners of any such notice, Owners have failed to demonstrate to Charterers' reasonable satisfaction the exercise of due diligence as required in Clause 3(i), the vessel shall be off-hire, and no further hire payments shall be due, until Owners have so demonstrated that they are exercising such due diligence .	55 56 57 58 59
	Furthermore, at any time while the vessel is off-hire under this Clause 3 Charterers have the option to terminate this charter by giving notice in writing with effect from the date on which such notice of termination is received by Owners or from any later date stated in such notice. This sub-Clause (iii) is without prejudice to any rights of Charterers or obligations of Owners under this charter or otherwise (including without limitation Charterers' rights under Clause 21 hereof).	60 61 62 63 64
<b>Period trading Limits</b>		
	4. Owners agree to let and Charterers agree to hire the vessel for a period of ..... commencing from the time and date of delivery of the vessel, for the purpose of carrying all lawful merchandise (subject always to Clause 28) including in particular in any part of the world, as Charterers shall direct, subject to the limits of the current British Institute Warranties and any subsequent amendments thereof. Notwithstanding the foregoing, but subject to Clause 35, Charterers may order the vessel to ice-bound waters or to any part of the world outside such limits provided that Owners consent thereto (such consent not to be unreasonably withheld) and that Charterers pay for any insurance premium required by the vessel's underwriters as a consequence of such order.	65 66 67 68 69 70 71 72
	Charterers shall use due diligence to ensure that the vessel is only employed between and at safe places (which expression when used in this charter shall include ports, berths, wharves, docks, anchorages, submarine lines, alongside vessels or lighters, and other locations including locations at sea) where she can safely lie always afloat. Notwithstanding anything contained in this or any other clause of this charter, Charterers do not warrant the safety of any place to which they order the vessel and shall be under no liability in respect thereof except for loss or damage caused by their failure to exercise due diligence as aforesaid. Subject as above, the vessel shall be loaded and discharged at any places as Charterers may direct, provided that Charterers shall exercise due diligence to ensure that any ship-to-ship transfer operations shall conform to standards not less than those set out in the latest published edition of the ICS/OCIMF Ship-to-Ship Transfer Guide.	73 74 75 76 77 78 79 80 81
	The vessel shall be delivered by Owners at a port in .....  at Owners' option and redelivered to Owners at a port in .....  at Charterers' option.	82  83  84
<b>Laydays/ Cancellling</b>		
	5. The vessel shall not be delivered to Charterers before ..... and Charterers shall have the option of cancelling this charter if the vessel is not ready and at their disposal on or before ..... ..	85 86
<b>Owner to Provide</b>		
	6. Owners undertake to provide and to pay for all provisions, wages, and shipping and discharging fees and all other expenses of the master, officers and crew also, except as provided in Clauses 4 and 34 hereof, for all insurance on the vessel, for all deck, cabin and engine-room stores, and for water for all drydocking, overhaul, maintenance and repairs to the vessel; and for all fumigation expenses and de-rat certificates. Owners' obligations under this Clause 6 extend to all liabilities for customs or import duties arising at any time during the performance of this charter in relation to the personal effects of the master, officers and crew, and in relation to the stores, provisions and other matters aforesaid which Owners are to provide and pay for and Owners shall refund to Charterers any sums Charterers or their agents may have paid or been compelled to pay in respect of any such liability. Any amounts allowable in general average for wages and provisions and stores shall be credited to Charterers insofar as such amounts are in respect of a period when the vessel is on-hire.	87 88 89 90 91 92 93 94 95 96
<b>Charterers to Provide</b>		
	7. Charterers shall provide and pay for all fuel (except fuel used for domestic services), towage and pilotage and shall pay agency fees, port charges, commissions, expenses of loading and unloading cargoes, canal dues and all charges other than those payable by Owners in accordance with Clause 6 hereof, provided that all charges for the said items shall be for Owners' account when such items are consumed, employed or incurred for Owners' purposes or while the vessel is off-hire (unless such items reasonably relate to any service given or distance made good and taken into account under Clause 21 or 22); and provided further that any fuel used in connection with a general average sacrifice or expenditure shall be paid for by Owners.	97 98 99 100 101 102 103
<b>Rate of Hire</b>		
	8. Subject as herein provided, Charterers shall pay for the use and hire of the vessel at the rate of ..... .. per day, and pro rata for any part of a day, from the time and date of her delivery (local time) until the time and date of her redelivery (local time) to Owners.	104 105 106

**Payment of Hire**

9. Subject to Clause 3 (iii), payment of hire shall be made in immediately available funds to .....	107
Account	108
in per calendar month in advance, less:	109
(i) any hire paid which Charterers reasonably estimate to relate to off-hire periods, and	110
(ii) any amounts disbursed on Owners' behalf, any advances and commission thereon, and	111
charges which are for Owners' account pursuant to any provision hereof, and	112
(iii) any amounts due or reasonably estimated to become due to Charterers under Clause 3 (ii) or	113
24 hereof,	114
any such adjustments to be made at the due date for the next monthly payment after the facts have been	115
ascertained. Charterers shall not be responsible for any delay or error by Owners' bank in crediting Owners'	116
account provided that Charterers have made proper and timely payment.	117
In default of such proper and timely payment,	118
(a) Owners shall notify Charterers of such default and Charterers shall within seven days of receipt of	119
such notice pay to Owners the amount due including interest, failing which Owners may withdraw the vessel from	120
the service of Charterers without prejudice to any other rights Owners may have under this charter or otherwise ;	121
and	122
(b) Interest on any amount due but not paid on the due date shall accrue from the day after that date	123
up to and including the day when payment is made, at a rate per annum which shall be 1% above the U.S. Prime	124
Interest Rate as published by the Chase Manhattan Bank in New York at 12.00 New York time on the due date,	125
or, if no such interest rate is published on that day, the interest rate published on the next preceding day on which	126
such a rate was so published, computed on the basis of a 360 day year of twelve 30-day months, compounded	127
semi-annually.	128

**Space Available  
to Charterers**

10. The whole reach, burthen and decks of the vessel and any passenger accommodation (including	129
Owners' suite) shall be at Charterers' disposal, reserving only proper and sufficient space for the vessel's master,	130
officers, crew, tackle, apparel, furniture, provisions and stores, provided that the weight of stores on board shall	131
not, unless specially agreed, exceed tonnes at any time during the charter period.	132

**Overtime**

11. Overtime pay of the master, officers and crew in accordance with ship's articles shall be for Charterers'	133
account when incurred, as a result of complying with the request of Charterers or their agents, for loading,	134
discharging, heating of cargo, bunkering of tank cleaning.	135

**Instructions and  
Logs**

12. Charterers shall from time to time give the master all requisite instructions and sailing directions, and	136
he shall keep a full and correct log of the voyage or voyages, which Charterers or their agents may inspect as	137
required. The master shall when required furnish Charterers or their agents with a true copy of such log and with	138
properly completed loading and discharging port sheets and voyage reports for each voyage and other returns as	139
Charterers may require. Charterers shall be entitled to take copies at Owners' expense of any such documents	140
which are not provided by the master.	141

**Bills of Lading**

13. (a) The master (although appointed by Owners) shall be under the orders and direction of	142
Charterers as regards employment of the vessel, agency and other arrangements, and shall sign bills of lading as	143
Charterers or their agents may direct (subject always to Clauses 35 (a) and 40) without prejudice to this charter.	144
Charterers hereby indemnify Owners against all consequences or liabilities that may arise	145
(i) from signing bills of lading in accordance with the directions of Charterers or their agents, to	146
the extent that the terms of such bills of lading fail to conform to the requirements of this charter, or (except as	147
provided in Clause 13 (b)) from the master otherwise complying with Charterers' or their agents' orders;	148
(ii) from any irregularities in papers supplied by Charterers or their agents.	149
(b) Notwithstanding the foregoing, Owners shall not be obliged to comply with any orders from	150
Charterers to discharge all or part of the cargo	151
(i) at any place other than that shown on the bill of lading and/or	152
(ii) without presentation of an original bill of lading	153
unless they have received from Charterers both written confirmation of such orders and an	154
indemnity in a form acceptable to Owners.	155

**Conduct of  
Vessel's  
Personnel**

14. If Charterers complain of the conduct of the master or any of the officers or crew, Owners shall	156
immediately investigate the complaint. If the complaint proves to be well founded, Owners shall, without delay,	157
make a change in the appointments and Owners shall in any event communicate the result of their investigations	158
to Charterers as soon as possible.	159

**Bunkers at  
Delivery  
Redelivery**

15. Charterers shall accept and pay for all bunkers on board at the time of delivery, and Owners shall on	160
redelivery (whether it occurs at the end of the charter period or on the earlier termination of this charter) accept	161
and pay for all bunkers remaining on board, at the then-current market prices at the port of delivery or redelivery,	162

as the case may be, or if such prices are not available payment shall be at the then-current market prices at the nearest port at which such prices are available; provided that if delivery or redelivery does not take place in a port payment shall be at the price paid at the vessel's last port of bunkering before delivery or redelivery, as the case may be. Owners shall give Charterers the use and benefit of any fuel contracts they may have in force from time to time, if so required by Charterers, provided suppliers agree.

#### Stevedores, Pilots, Tugs

16. Stevedores when required shall be employed and paid by Charterers, but this shall not relieve Owners from responsibility at all times for proper stowage, which must be controlled by the master who shall keep a strict account of all cargo loaded and discharged. Owners hereby indemnify Charterers, their servants and agents against all losses, claims, responsibilities and liabilities arising in any way whatsoever from the employment of pilots, tugboats or stevedores, who although employed by Charterers shall be deemed to be the servants of and in the service of Owners and under their instructions (even if such pilots, tugboat personnel or stevedores are in fact the servants of Charterers their agents or any affiliated company); provided, however, that

- (i) the foregoing indemnity shall not exceed the amount to which Owners would have been entitled to limit their liability if they had themselves employed such pilots, tugboats or stevedores, and
- (ii) Charterers shall be liable for any damage to the vessel caused by or arising out of the use of stevedores, fair wear and tear excepted, to the extent that Owners are unable by the exercise of due diligence to obtain redress therefor from stevedores.

#### Supernumeraries

17. Charterers may send representatives in the vessel's available accommodation upon any voyage made under this charter, Owners finding provisions and all requisites as supplied to officers, except liquors, Charterers paying at the rate of per day for each representative while on board the vessel.

#### Sub-letting

18. Charterers may sub-let the vessel, but shall always remain responsible to Owners for due fulfillment of this charter.

#### Final Voyage

19. If when a payment of hire is due hereunder Charterers reasonably expect to redeliver the vessel before the next payment of hire would fall due, the hire to be paid shall be assessed on Charterers' reasonable estimate of the time necessary to complete Charterers' programme up to redelivery, and from which estimate Charterers may deduct amounts due or reasonably expected to become due for

- (i) disbursements on Owners' behalf or charges for Owners' account pursuant to any provision hereof, and
- (ii) bunkers on board at redelivery pursuant to Clause 15.

Promptly after redelivery any overpayment shall be refunded by Owners or any underpayment made good by Charterers.

If at the time this charter would otherwise terminate in accordance with Clause 4 the vessel is on a ballast voyage to a port of redelivery or is upon a laden voyage. Charterers shall continue to have the use of the vessel at the same rate and conditions as stand herein for as long as necessary to complete such ballast voyage, or to complete such laden voyage and return to a port of redelivery as provided by this charter, as the case may be.

#### Loss of Vessel

20. Should the vessel be lost, this charter shall terminate and hire shall cease at noon on the day of her loss; Should the vessel be a constructive total loss, this charter shall terminate and hire shall cease at noon on the day on which the vessel's underwriters agree that the vessel is a constructive total loss; should the vessel be missing, this charter shall terminate and hire shall cease at noon on the day on which she was last heard of. Any hire paid in advance and not earned shall be returned to Charterers and Owners shall reimburse Charterers for the value of the estimated quantity of bunkers on board at the time of termination, at the price paid by Charterers at the last bunkering port.

#### Off-hire

21. (a) On each and every occasion that there is loss of time (whether by way of interruption in the vessel's service or, from reduction in the vessel's performance, or in any other manner)

- (i) due to deficiency of personnel or stores; repairs; gas-freeing for repairs; time in and waiting to enter dry dock for repairs; breakdown (whether partial or total) of machinery, boilers or other parts of the vessel or her equipment (including without limitation tank coatings); overhaul, maintenance or survey; collision, stranding, accident or damage to the vessel; or any other similar cause preventing the efficient working of the vessel; and such loss continues for more than three consecutive hours (if resulting from interruption in the vessel's service) or cumulates to more than three hours (if resulting from partial loss of service); or
- (ii) due to industrial action, refusal to sail, breach of orders or neglect of duty on the part of the master, officers or crew; or
- (iii) for the purpose of obtaining medical advice or treatment for or landing any sick or injured person (other than a Charterers' representative carried under Clause 17 hereof) or for the purpose of landing the body of any person (other than a Charterers' representative), and such loss continues for more than three consecutive hours; or
- (iv) due to any delay in quarantine arising from the master, officers or crew having had

	communication with the shore at any infected area without the written consent or instructions of Charterers or their agents, or to any detention by customs or other authorities caused by smuggling or other infraction of local law on the part of the master, officers, or crew; or	220 221 222
(v)	due to detention of the vessel by authorities at home or abroad attributable to legal action against or breach of regulations by the vessel, the vessel's owners, or Owners (unless brought about by the act or neglect of Charterers ); then	223 224 225
	without prejudice to Charterers' rights under Clause 3 or to any other rights of Charterers hereunder or otherwise the vessel shall be off-hire from the commencement of such loss of time until she is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which such loss of time commenced; provided, however, that any service given or distance made good by the vessel whilst off-hire shall be taken into account in assessing the amount to be deducted from hire.	226 227 228 229 230
(b)	If the vessel fails to proceed at any guaranteed speed pursuant to Clause 24, and such failure arises wholly or partly from any of the causes set out in Clause 21 (a) above, then the period for which the vessel shall be off-hire under this Clause 21 shall be the difference between	231 232 233
	(i) the time the vessel would have required to perform the relevant service at such guaranteed speed, and	234 235
	(ii) the time actually taken to perform such service (including any loss of time arising from interruption in the performance of such service).	236 237
	For the avoidance of doubt, all time included under (ii) above shall be excluded from any computation under Clause 24.	238 239
(c)	Further and without prejudice to the foregoing, in the event of the vessel deviating (which expression includes without limitation putting back, or putting into any port other than that to which she is bound under the instructions of Charterers) for any cause or purpose mentioned in Clause 21 (a), the vessel shall be off-hire from the commencement of such deviation until the time when she is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which the deviation commenced, provided, however, that any service given or distance made good by the vessel whilst so off-hire shall be taken into account in assessing the amount to be deducted from hire. If the vessel, for any cause or purpose mentioned in Clause 21 (a), puts into any port other than the port to which she is bound on the instructions of Charterers, the port charges, pilotage and other expenses at such port shall be borne by Owners. Should the vessel be driven into any port or anchorage by stress of weather hire shall continue to be due and payable during any time lost thereby.	240 241 242 243 244 245 246 247 248 249 250
(d)	If the vessel's flag state becomes engaged in hostilities, and Charterers in consequence of such hostilities find it commercially impracticable to employ the vessel and have given Owners written notice thereof then from the date of receipt by Owners of such notice until the termination of such commercial impracticability the vessel shall be off-hire and Owners shall have the right to employ the vessel on their own account.	251 252 253 254
(e)	Time during which the vessel is off-hire under this charter shall count as part of the charter period.	255 256
<b>Periodical Drydocking</b>		
22. (a)	Owners have the right and obligation to drydock the vessel ,at regular intervals of	257
	On each occasion Owners shall propose to Charterers a date on which they wish to drydock the vessel, not less than before such date, and Charterers shall offer a port for such periodical drydocking and shall take all reasonable steps to make the vessel available as near to such date as practicable.	258 259 260 261
	Owners shall put the vessel in drydock at their expense as soon as practicable after Charterers place the vessel at Owners' disposal clear of cargo other than tank washings and residues. Owners shall be responsible for and pay for the disposal into reception facilities of such tank washings and residues and shall have the right to retain any monies received thereof, without prejudice to any claim for loss of cargo under any bill of lading or this charter.	262 263 264 265 266
(b)	If a periodical drydocking is carried out in the port offered by Charterers (which must have suitable accommodation for the purpose and reception facilities for tank washings and residues), the vessel shall be off-hire from the time she arrives at such port until drydocking is completed and she is in every way ready to resume Charterers' service and is at the position at which she went off-hire or a position no less favourable to Charterers, whichever she first attains. However,	267 268 269 270 271
	(i) provided that Owners exercise due diligence in gas-freeing, any time lost in gas-freeing to the standard required for entry into drydock for cleaning and painting the hull shall not count as off-hire, whether lost on passage to the drydocking port or after arrival there (notwithstanding Clause 21), and	272 273 274
	(ii) any additional time lost in further gas-freeing to meet the standard required for hot work or entry to cargo tanks shall count as off-hire, whether lost on passage to the drydocking port or after arrival there.	275 276
	Any time which, but for sub-Clause (i) above, would be off-hire, shall not be included in any calculation under Clause 24.	277 278
	The expenses of gas-freeing, including without limitation the cost of bunkers, shall be for Owners' account.	279 280
(c)	If Owners require the vessel, instead of proceeding to the offered port, to carry out periodical drydocking at a special port selected by them, the vessel shall be off-hire from the time when she is released to proceed to the special port until she next presents for loading in accordance with Charterers' instructions, provided, however, that Charterers shall credit Owners with the time which would have been taken on passage at the service speed had the vessel not proceeded to drydock. All fuel consumed shall be paid for by Owners but Charterers shall credit Owners with the value of the fuel which would have been used on such notional passage calculated at the guaranteed daily consumption for the service speed, and shall further credit Owners with any	281 282 283 284 285 286 287

	benefit they may gain in purchasing bunkers at the special port.	288
(d)	Charterers shall, insofar as cleaning for periodical drydocking may have reduced the amount of tank-cleaning necessary to meet Charterers' requirements, credit Owners with the value of any bunkers which Charterers calculate to have been saved thereby, whether the vessel drydocks at an offered or a special port.	289 290 291

### Ship Inspection

23.	Charterers shall have the right at any time during the charter period to make such inspection of the vessel as they may consider necessary. This right may be exercised as often and at such intervals as Charterers in their absolute discretion may determine and whether the vessel is in port or on passage, Owners affording all necessary co-operation and accommodation on board provided, however,	292 293 294 295
(i)	that neither the exercise nor the non-exercise, nor anything done or not done in the exercise or non-exercise, by Charterers of such right shall in any way reduce the master's or Owners' authority over, or responsibility to Charterers or third parties for, the vessel and every aspect of her operation, nor increase Charterers' responsibilities to Owners or third parties for the same; and	296 297 298 299
(ii)	that Charterers shall not be liable for any act, neglect or default by themselves, their servants or agents in the exercise or non-exercise of the aforesaid right.	300 301

### Detailed Description and Performance

24. (a)	Owners guarantee that the speed and consumption of the vessel shall be as follows:-	302
	Average speed in knots	303
	Maximum average bunker consumption	304
	main propulsion - auxiliaries	305
	fuel oil/diesel oil	306
	Laden tonnes	306
	tonnes	306
	Ballast	307
	The foregoing bunker consumption are for all purposes except cargo heating and tank cleaning and shall be pro-rated between the speeds shown.	308 309
	The service speed of the vessel is knots laden and knots in ballast and in the absence of Charterers' orders to the contrary the vessel shall proceed at the service speed. However if more than one laden and one ballast speed are shown in the table above Charterers shall have the right to order the vessel to steam at any speed within the range set out in the table (the "ordered speed").	310 311 312 313
	If the vessel is ordered to proceed at any speed other than the highest speed shown in the table, and the average speed actually attained by the vessel during the currency of such order exceeds such ordered speed plus 0.5 knots (the 'maximum recognised speed'), then for the purpose of calculating any increase or decrease of hire under this Clause 24 the maximum recognised speed shall be used in place of the average speed actually attained.	314 315 316 317 318
	For the purposes of this charter the "guaranteed speed" at any time shall be the then-current ordered speed or the service speed, as the case may be	319 320
	The average speeds and bunker consumptions shall for the purposes of this Clause 24 be calculated by reference to the observed distance from pilot station to pilot station on all sea passages during each period stipulated in Clause 24 (c), but excluding any time during which the vessel is (or but for Clause 22 (b) (i) would be) off-hire and also excluding "Adverse Weather Periods", being (i) any periods during which reduction of speed is necessary for safety in congested waters or in poor visibility (ii) any days, noon to noon, when winds exceed force 8 on the Beaufort Scale for more than 12 hours.	321 322 323 324 325 326
(b)	If during any year from the date on which the vessel enters service (anniversary to anniversary) the vessel falls below or exceeds the performance guaranteed in Clause 24 (a) then if such shortfall or excess results	327 328 329
(i)	from a reduction or an increase in the average speed of the vessel, compared to the speed guaranteed in Clause 24 (a), then an amount equal at the hire rate of the time so lost or gained, as the case may be, shall be deducted from or added to the hire paid;	330 331 332
(ii)	from an increase or a decrease in the total bunkers consumed, compared to the total bunkers which would have been consumed had the vessel performed as guaranteed in Clause 24 (a), an amount equivalent to the value of the additional bunkers consumed or the bunkers saved, as the case may be, based on the average price paid by Charterers for the vessel's bunkers in such period, shall be deducted from or added to the hire paid. The addition to or deduction from hire so calculated for laden and ballast mileage respectively shall be adjusted to take into account the mileage steamed in each such condition during Adverse Weather Periods, by dividing such addition or deduction by the number of miles over which the performance has been calculated and multiplying by the same number of miles plus the miles steamed during the Adverse Weather Periods, in order to establish the total addition to or deduction from hire to be made for such period. Reduction of hire under the foregoing sub-Clause (b) shall be without prejudice to any other remedy available to Charterers.	333 334 335 336 337 338 339 340 341 342 343
(c)	Calculations under this Clause 24 shall be made for the yearly periods terminating on each successive anniversary of the date on which the vessel enters service, and for the period between the last such anniversary and the date of termination of this charter if less than a year. Claims in respect of reduction of hire arising under this Clause during the final year or part year of the charter period shall in the first instance be settled in accordance with Charterers' estimate made two months before the end of the charter period. Any necessary	344 345 346 347 348



adjustment after this charter terminates shall be made by payment by Owners to Charterers or by Charterers to Owners as the case may require.	349
Payments in respect of increase of hire arising under this Clause shall be made promptly after receipt by Charterers of all the information necessary to calculate such increase.	350
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## Salvage

25. Subject to the provisions of Clause 21 hereof, all loss of time and all expenses (excluding any damage to or loss of the vessel or tortious liabilities to third parties) incurred in saving or attempting to save life or in successful or unsuccessful attempts at salvage shall be borne equally by Owners and Charterers provided that Charterers shall not be liable to contribute towards any salvage payable by Owners arising in any way out of services rendered under this Clause 25.	353
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All salvage and all proceeds from derelicts shall be divided equally between Owners and Charterers after deducting the master's, officers' and crew's share.	358
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## Lien

26. Owners shall have a lien upon all cargoes and all freights, sub-freights and demurrage for any amounts due under this charter; and Charterers shall have a lien on the vessel for all monies paid in advance and not earned, and for all claims for damages arising from any breach by Owners of this charter.	360
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## Exceptions

27. (a) The vessel, her master and Owners shall not, unless otherwise in this charter expressly provided, be liable for any loss or damage or delay or failure arising or resulting from any act, neglect or default of the master, pilots, mariners or other servants of Owners in the navigation or management of the vessel; fire, unless caused by the actual fault or privity of Owners; collision or stranding; dangers and accidents of the sea; explosion, bursting of boilers, breakage of shafts or any latent defect in hull, equipment or machinery; provided, however, that Clauses 1,2,3 and 24 hereof shall be unaffected by the foregoing. Further, neither the vessel, her master or Owners, nor Charterers shall, unless otherwise in this charter expressly provided, be liable for any loss or damage or delay or failure in performance hereunder arising or resulting from act of God, act of war, seizure under legal process, quarantine restrictions, strikes, lock-outs, riots, restraints of labour, civil commotions or arrest or restraint of princes, rulers or people.	363
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(b) The vessel shall have liberty to sail with or without pilots, to tow or go to the assistance of vessels in distress and to deviate for the purpose of saving life or property.	373
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(c) Clause 27 (a) shall not apply to or affect any liability of Owners or the vessel or any other relevant person in respect of	375
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(i) loss or damage caused to any berth, jetty, dock, dolphin, buoy, mooring line, pipe or crane or other works or equipment whatsoever at or near any place to which the vessel may proceed under this charter, whether or not such works or equipment belong to Charterers, or	377
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(ii) any claim (whether brought by Charterers or any other person) arising out of any loss of or damage to or in connection with cargo. All such claims shall be subject to the Hague-Visby Rules or the Hague Rules, as the case may be, which ought pursuant to Clause 38 hereof to have been incorporated in the relevant bill of lading (whether or not such Rules were so incorporated) or, if no such bill of lading is issued, to the Hague-Visby Rules.	380
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(d) In particular and without limitation, the foregoing subsections (a) and (b) of this Clause shall not apply to or in any way affect any provision in this charter relating to off-hire or to reduction of hire.	385
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## Injurious Cargoes

28. No acids, explosives or cargoes injurious to the vessel shall be shipped and without prejudice to the foregoing any damage to the vessel caused by the shipment of any such cargo, and the time taken to repair such damage, shall be for Charterers' account. No voyage shall be undertaken, nor any goods or cargoes loaded, that would expose the vessel to capture or seizure by rulers or governments.	387
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## Grade of Bunkers

29. Charterers shall supply marine diesel oil/fuel oil with a maximum viscosity of Centistokes at 50 degrees Centigrade/ACGFO for main propulsion and diesel oil/ACGFO for the auxiliaries. If Owners require the vessel to be supplied with more expensive bunkers they shall be liable for the extra cost thereof.	391
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Charterers warrant that all bunkers provided by them in accordance herewith shall be of a quality complying with the International Marine Bunker Supply Terms and Conditions of Shell International Trading Company and with its specification for marine fuels as amended from time to time	394
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## Disbursements

30. Should the master require advances for ordinary disbursements at any port, Charterers or their agents shall make such advances to him, in consideration of which Owners shall pay a commission of two and a half per cent, and all such advances and commission shall be deducted from hire.	397
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**Laying-up**

31. Charterers shall have the option, after consultation with Owners, of requiring Owners to lay up the vessel at a safe place nominated by Charterers, in which case the hire provided for under this charter shall be adjusted to reflect any net increases in expenditure reasonably incurred or any net saving which should reasonably be made by Owners as a result of such lay-up. Charterers may exercise the said option any number of times during the charter period.

**Requisition**

32. Should the vessel be requisitioned by any government, de facto or de jure, during the period of this charter, the vessel shall be off-hire during the period of such requisition, and any hire paid by such government in respect of such requisition period shall be for Owners' account. Any such requisition period shall count as part of the charter period.

**Outbreak of War**

33. If war or hostilities break out between any two or more of the following countries: U.S.A., U.S.S.R. P.R.C., U.K., Netherlands, both Owners and Charterers shall have the right to cancel this charter.

**Additional War Expenses**

34. If the vessel is ordered to trade in areas where there is war (de facto or de jure) or threat of war Charterers shall reimburse Owners for any additional insurance premia, crew bonuses and other expenses which are reasonably incurred by Owners as a consequence of such orders, provided that Charterers are given notice of such expenses as soon as practicable and in any event before such expenses are incurred, and provided further that Owners obtain from their insurers a waiver of any subrogated rights against Charterers in respect of any claims by Owners under their war risk insurance arising out of compliance with such orders.

**War Risks**

35. (a) The master shall not be required or bound to sign bills of lading for any place which in his or Owners' reasonable opinion is dangerous or impossible for the vessel to enter or reach owing to any blockade, war, hostilities, warlike operations, civil war, civil commotions or revolutions.
- (b) If in the reasonable opinion of the master or Owners it becomes, for any of the reasons set out in Clause 35 (a) or by the operation of international law, dangerous, impossible or prohibited for the vessel to reach or enter, or to load or discharge cargo at, any place to which the vessel has been ordered pursuant to this charter (a "place of peril"), then Charterers or their agents shall be immediately notified by telex or radio messages, and Charterers shall thereupon have the right to order the cargo, or such part of it as may be affected, to be loaded or discharged, as the case may be, at any other place within the trading limits of this charter (provided such other place is not itself a place of peril). If any place of discharge is or becomes a place of peril, and no orders have been received from Charterers or their agents within 48 hours after dispatch of such messages, then Owners shall be at liberty to discharge the cargo or such part of it as may be affected at any place which they or the master may in their or his discretion select within the trading limits of this charter and such discharge shall be deemed to be due fulfillment of Owners' obligations under this charter so far as cargo so discharged is concerned.
- (c) The vessel shall have liberty to comply with any directions or recommendations as to departure, arrival, routes, ports of call, stoppages, destinations, zones, waters, delivery or in any other wise whatsoever given by the government of the state under whose flag the vessel sails or any other government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or local authority including any de facto government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or local authority or by any committee or person having under the terms of the war risks insurance on the vessel the right to give any such directions or recommendations. If by reason of or in compliance with any such directions or recommendations anything is done or is not done, such shall not be deemed a deviation.
- If by reason of or in compliance with any such direction or recommendation the vessel does not proceed to any place of discharge to which she has been ordered pursuant to this charter, the vessel may proceed to any place which the master or Owners in his or their discretion select and there discharge the cargo or such part of it as may be affected. Such discharge shall be deemed to be due fulfillment of Owners' obligations under this charter so far as cargo so discharged is concerned.
- Charterers shall procure that all bills of lading issued under this charter shall contain the Chamber of Shipping War Risks Clause 1952.

**Both to Blame Collision Clause**

36. If the liability for any collision in which the vessel is involved while performing this charter fails to be determined in accordance with the laws of the United States of America, the following provision shall apply:

"If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship, the owners of the 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 the said cargo, paid or payable by the other or non-carrying ship or her owners to the owners of the 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 ship 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."	458
Charterers shall procure that all bills of lading issued under this charter shall contain a provision in the foregoing terms to be applicable where the liability for any collision in which the vessel is involved falls to be determined in accordance with the laws of the United States of America.	459 460 461

#### New Jason Clause

37. General average contributions shall be payable according to the York/Antwerp Rules, 1974 , and shall be adjusted in London in accordance with English law and practice but should adjustment be made in accordance with the law and practice of the United States of America, the following provision shall apply:	462 463 464
"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."	465 466 467 468 469 470
"If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if the said salving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the cargo and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees or owners of the cargo to the carrier before delivery."	471 472 473 474
Charterers shall procure that all bills of lading issued under this charter shall contain a provision in the foregoing terms, to be applicable where adjustment of general average is made in accordance with the laws and practice of the United States of America.	475 476 477

#### Clause Paramount

38. Charterers shall procure that all bills of lading issued pursuant to this charter shall contain the following clause:	478 479
"(1) Subject to sub-clause (2) hereof, this bill of lading shall be governed by, and have effect subject to, the rules contained in the International Convention for the Unification of Certain Rules relating to Bills of Lading signed at Brussels on 25th August 1924 (hereafter the "Hague Rules") as amended by the Protocol signed at Brussels on 23rd February 1968 (hereafter the "Hague-Visby Rules"). Nothing contained herein shall be deemed to be either a surrender by the carrier of any of his rights or immunities or any increase of any of his responsibilities or liabilities under the Hague-Visby Rules".	480 481 482 483 484 485
"(2) If there is governing legislation which applies the Hague Rules compulsorily to this bill of lading, to the exclusion of the Hague-Visby Rules, then this bill of lading shall have effect subject to the Hague Rules. Nothing herein contained shall be deemed to be either a surrender by the carrier of any of his rights or immunities or an increase of any of his responsibilities or liabilities under the Hague Rules".	486 487 488 489
"(3) If any term of this bill of lading is repugnant to the Hague-Visby Rules, or Hague Rules if applicable, such term shall be void to that extent but no further".	490 491
"(4) Nothing in this bill of lading shall be construed as in any way restricting, excluding or waiving the right of any relevant party or person to limit his liability under any available legislation and/or law".	492 493

#### TOVALOP

39. Owners warrant that the vessel is:	494
(i) a tanker in TOVALOP and	495
(ii) properly entered in P&I Club	496
and will so remain during the currency of this charter.	497
When an escape or discharge of Oil occurs from the vessel and causes or threatens to cause Pollution Damage, or when there is the threat of an escape or discharge of Oil (i.e. a grave and imminent danger of the escape or discharge of Oil which, if it occurred, would create a serious danger of Pollution Damage, whether or not an escape or discharge in fact subsequently occurs), then Charterers may, at their option, upon notice to Owners or master, undertake such measures as are reasonably necessary to prevent or minimise such Pollution Damage or to remove the Threat, unless Owners promptly undertake the same. Charterers shall keep Owners advised of the nature and result of any such measures taken by them and, if time permits, the nature of the measures intended to be taken by them. Any of the aforementioned measures taken by Charterers shall be deemed taken on Owners' authority as Owners' agent, and shall be at Owners' expense except to the extent that:	498 499 500 501 502 503 504 505 506
(1) any such escape or discharge or Threat was caused or contributed to by Charterers, or	507
(2) by reason of the exceptions set out in Article III, paragraph 2, of the 1969 International Convention on Civil Liability for Oil Pollution Damage, Owners are or, had the said Convention applied to such escape or discharge or to the Threat, would have been exempt from liability for the same, or	508 509 510
(3) the cost of such measures together with all other liabilities, costs and expenses of Owners arising out of or in connection with such escape or discharge or Threat exceeds one hundred and sixty United States Dollars (US \$160) per ton of the vessel's Tonnage or sixteen million eight hundred thousand United States Dollars (US \$16,800,000), whichever is the lesser, save and insofar as Owners shall be entitled to recover such excess under either the 1971 International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage or under CRISTAL;	511 512 513 514 515 516
PROVIDED ALWAYS that if Owners in their absolute discretion consider said measures should be discontinued, Owners shall so notify Charterers and thereafter Charterers shall have no right to continue said measures under the provisions of this Clause 39 and all further liability to Charterers under this	517 518 519

Clause 39 shall thereupon cease.	520
The above provisions are not in derogation of such other rights as Charterers or Owners may have under this charter or may otherwise have or acquire by law or any International Convention or TOVALOP.	521
The term "TOVALOP" means the Tanker Owners' Voluntary Agreement Concerning Liability for Oil Pollution dated 7th January 1969, as amended from time to time, and the term "CRISTAL" means the Contract Regarding an Interim Supplement to Tanker Liability for Oil Pollution dated 14th January 1971, as amended from time to time. The terms "Oil", "Pollution Damage", and "Tonnage" shall for the purposes of this Clause 39 have the meanings ascribed to them in TOVALOP.	522
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## Export Restrictions

40. The master shall not be required or bound to sign bills of lading for the carriage of cargo to any place to which export of such cargo is prohibited under the laws, rules or regulations of the country in which the cargo was produced and/or shipped.	528
Charterers shall procure that all bills of lading issued under this charter shall contain the following clause:	529
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"If any laws rules or regulations applied by the government of the country in which the cargo was produced and/or shipped, or any relevant agency thereof, impose a prohibition on export of the cargo to the place of discharge designated in or ordered under this bill of lading, carriers shall be entitled to require cargo owners forthwith to nominate an alternative discharge place for the discharge of the cargo, or such part of it as may be affected, which alternative place shall not be subject to the prohibition, and carriers shall be entitled to accept orders from cargo owners to proceed to and discharge at such alternative place. If cargo owners fail to nominate an alternative place within 72 hours after they or their agents have received from carriers notice of such prohibition, carriers shall be at liberty to discharge the cargo or such part of it as may be affected by the prohibition at any safe place on which they or the master may in their or his absolute discretion decide and which is not subject to the prohibition, and such discharge shall constitute due performance of the contract contained in this bill of lading so far as the cargo so discharged is concerned".	531
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The foregoing provision shall apply mutatis mutandis to this charter, the references to a bill of lading being deemed to be references to this charter.	545
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## Law and Litigation

41. (a) This charter shall be construed and the relations between the parties determined in accordance with the laws of England	547
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(b) Any dispute arising under this charter shall be decided by the English Courts to whose jurisdiction the parties hereby agree.	549
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(c) Notwithstanding the foregoing, but without prejudice to any party's right to arrest or maintain the arrest of any maritime property, either party may, by giving written notice of election to the other party, elect to have any such dispute referred to the arbitration of a single arbitrator in London in accordance with the provisions of the Arbitration Act 1950, or any statutory modification or re-enactment thereof for the time being in force.	551
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(i) A party shall lose its right to make such an election only if:	556
(a) it receives from the other party a written notice of dispute which -	557
(1) states expressly that a dispute has arisen out of this charter;	558
(2) specifies the nature of the dispute; and	559
(3) refers expressly to this clause 41 (c)	560
and	561
(b) it fails to give notice of election to have the dispute referred to arbitration not later than 30 days from the date of receipt of such notice of dispute.	562
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(ii) The parties hereby agree that either party may -	564
(a) appeal to the High Court on any question of law arising out of an award;	565
(b) apply to the High Court for an order that the arbitrator state the reasons for his award;	566
(c) give notice to the arbitrator that a reasoned award is required; and	567
(d) apply to the High Court to determine any question of law arising in the course of the reference.	568
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(d) It shall be a condition precedent to the right of any party to a stay of any legal proceedings in which maritime property has been, or may be, arrested in connection with a dispute under this charter, that that party furnishes to the other party security to which that other party would have been entitled in such legal proceedings in the absence of a stay.	570
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## Construction

42. The side headings have been included in this charter for convenience of reference and shall in no way affect the construction hereof.	574
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THE OWNERS

THE CHARTERERS