

TANKER TIME CHARTER PARTY

Vessel Name: M.T. **[Insert vessel name]**

Date: **[Insert date of agreement]**

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1 **IT IS THIS [insert day] DAY of [insert month and year] MUTUALLY AGREED**
 2 between [Insert full-style name of the owner, or chartered owner], a company organized
 3 under the laws of [insert Owner's domicile] and having its head office at [insert address of
 4 Owner's head office], as owner ("**Owner**") of the M.T. [Insert the name of the vessel
 5 using all italics], as more fully described and warranted herein ("**Vessel**"), and [Insert the
 6 full-style name of the Charterer], a company organized under the laws of [insert
 7 Charterer's domicile] and having its head office at [insert address of Charterer's head
 8 office], as charterer ("**Charterer**"), that Owner lets and Charterer hires the use and
 9 services of the Vessel for the carriage of [Insert cargo description], in bulk, and such
 10 other lawful merchandise as may be suitable for a vessel of her description, for the term
 11 and on the terms and conditions hereinafter set forth in this time charter party
 12 ("**Charter**").

13 **1 Term**

14 **a Firm Period**

15 The term of the Charter shall be for a period of about [Insert the term of firm
 16 period] ("**Firm Period**") plus any extensions thereof as provided in Clause 1b
 17 and Clause 1c. The Firm Period shall commence at the time when the Vessel is
 18 placed at Charterer's disposal as provided in Clause 5. The word "about," as
 19 used in Clause 1a, shall mean up to forty-five (45) days more or less, at
 20 Charterer's option, and shall apply to the term of the Charter consisting of the
 21 Firm Period plus any optional periods or extensions as provided in Clause 1b
 22 and/or Clause 1c. The term of the Charter, as stipulated in Clause 1a, shall
 23 hereinafter be referred to as ("**Charter Term**").

24 **b Optional Period(s)**

25 Charterer shall have the option of extending the term of the Charter for additional
 26 period(s) ("**Optional Period(s)**") by written notice to Owner as follows:

27 [Insert the description of the optional period(s), if any. For example:

28 "There are no Optional Periods under the Charter.", or

29 **(1) First Optional Period**

30 One (1) year, to be declared not less than three (3) months prior to the
 31 expiration of the Firm Period.

32 **(2) Second Optional Period**

33 One (1) year, to be declared not less than three (3) months prior to the
 34 expiration of the first Optional Period.]

35 **c Off-Hire Extensions**

36 The term of the Charter may also be extended by Charterer for periods of all, or
 37 any part, of the time the Vessel is off-hire during the Firm Period and/or Optional
 38 Period(s) ("**Off-Hire Extension(s)**") by giving written notice to Owner at least
 39 thirty (30) days before the expiration of the Firm Period or the Optional Period, as
 40 the case may be. If Charterer so elects, and gives a further written notice to
 41 Owner at least fifteen (15) days before the expiration of any such Off-Hire
 42 Extension, all or any part of the time the Vessel is off-hire following the previous
 43 notice shall be added to the term of the Charter. The term "off-hire", as used in
 44 Clause 1c and elsewhere in the Charter, shall include any period(s) as specified
 45 in Clause 11, as well as any other period(s) for which cesser or suspension of
 46 hire is otherwise provided for in the Charter, or which are stipulated in the
 47 Charter to be for Vessel's or Owner's time and/or account.

48 **2 Vessel Particulars**

49 Owner warrants that, as of the date and time of Vessel delivery hereunder and during
50 the Charter Term, the Vessel and its equipment will have the particulars, capabilities,
51 and capacities as shown in Schedule A hereto. Should there be any conflict between
52 the particulars, capabilities, and capacities shown in Schedule A and any other
53 provision within a Clause of the Charter, the particulars, capabilities, and capacities
54 as specified in the Clause of the Charter shall prevail to the extent of the conflict.

55 **3 Hire**

56 **a Payment of Hire**

57 Charterer shall pay hire for the use of the Vessel in United States dollars per day,
58 or pro rata for part of a day. Payments shall be made monthly. Owner shall
59 send invoices for hire to Charterer by the first (1st) day of the calendar month for
60 which hire is due and Charterer shall pay hire due by the tenth (10th) day of the
61 calendar month or five (5) working days after receipt of Owner's invoice,
62 whichever is later. Payments shall be made to:

63 *[Insert the full-style payment instructions]*

64 Payments shall be made by electronic funds transfer, without discount or
65 adjustment except as specified in Clause 3 or elsewhere in the Charter,
66 commencing with the date and hour (UTC) the Vessel is placed at Charterer's
67 disposal as specified in Clause 5 and continuing to the date and hour (UTC) the
68 Vessel is redelivered to Owner at the expiration or any termination of the Charter,
69 except as may otherwise be provided in the Charter. Any hire paid in advance
70 and not earned shall be returned to Charterer at once by Owner and/or by any
71 party to whom Owner may have permissively assigned the hire hereunder.
72 Owner, in any event, shall be jointly and separately responsible, along with any
73 such assignee, for such return of hire. In no event will initial payment of hire be
74 made until the Vessel is placed at Charterer's disposal as provided in the
75 Charter. Charterer shall not be responsible for any delay or error by Owner's
76 bank in crediting Owner's account with hire, provided Charterer has made proper
77 payment of hire within the time permitted under Clause 3, including, without
78 limitation, the grace period specified in Clause 3f.

79 **(1) Hire Rate for Firm Period**

80 *[Insert the appropriate rate(s) of hire.]*

81 **(2) Hire Rate for Optional Period(s)**

82 *[Insert "There are no Optional Periods under the Charter," or the appropriate*
83 *hire rate(s) for the optional period(s), if any. For example:*

84 **(a) First Optional Period**

85 *[Insert hire rate].*

86 **(b) Second Optional Period**

87 *[Insert hire rate].*

88 **(3) Hire Rate for Off-Hire Extensions**

89 The daily rate of hire for any extended period due to off-hire in accordance
90 with Clause 1c shall be the rate that was in effect at the time of the off-hire.

91 **b Deductions**

92 Charterer shall be entitled to deduct from hire payments any:

- 93 1) disbursements for Owner's account, including commissions thereon;
- 94 2) lay-up savings calculated in accordance with Clause 17;
- 95 3) previous overpayments of hire, including the value of past off-hire;
- 96 4) amounts representing expenses incurred by Charterer relating to off-hire
- 97 periods ("Related Off-Hire Expense");
- 98 5) amounts representing the value of off-hire periods and Related Off-Hire
- 99 Expense anticipated to occur during the month or other period for which a
- 100 payment of hire to be is made, it being understood and agreed that Charterer
- 101 shall not be required to make a monthly advance or other payment of hire if
- 102 Vessel is, on the due date for payment, off-hire;
- 103 6) any sums due pursuant to Clause 3e;
- 104 7) claims pursuant to Clause 9, and;
- 105 8) other sums to which Charterer is entitled under the Charter.

106 Charterer shall have the right of deduction under subparagraphs 1) through 8)
107 above, even where right of deduction is disputed, provided Charterer's claim of
108 deduction is made in good faith. Any required adjustment for hire deduction shall
109 be made after all facts are established. Any difference between the amount(s)
110 withheld and the amount(s) due shall be refunded or credited, as the case may
111 be, in hire installment(s) due after any adjustment is determined.

112 **c Final Voyage**

113 **(1) Use of the Vessel**

114 Notwithstanding Clause 1a, should the Vessel be on a final ballast/laden
115 voyage or on a ship-to-ship transfer ("**Final Voyage**") at the expiry of the
116 Charter Term as calculated in accordance with Clauses 1a, 1b and 1c,
117 Charterer shall have the continued use of the Vessel under the same Charter
118 terms and rate of hire then prevailing under the Charter for such length of
119 time as is necessary to complete the voyage or ship-to-ship transfer, as the
120 case may be, and to thereafter effect redelivery of the Vessel to Owner at the
121 place of redelivery under the Charter. Any such period of continued use
122 shall be deemed to be part of the Charter Term.

123 **(2) Hire payment**

124 Should a payment of hire become due, when the Vessel is on the Final
125 Voyage, said payment shall be made for the time estimated by Charterer to
126 be necessary to complete the Final Voyage and effect redelivery of the
127 Vessel to Owner in accordance with the Charter, less all deductions provided
128 for in Clause 3b, which deductions shall be estimated by Charterer if the
129 actual amounts cannot then be reasonably ascertained, and also less the
130 amount estimated by Charterer to become payable by Owner for fuel on
131 redelivery as provided in Clause 19. Upon Vessel redelivery, any difference
132 between the estimated and actual amounts shall be refunded to or paid by
133 Charterer, as the case may require.

134 **d Loss of Vessel**

135 Should the Vessel be lost, or be missing and presumed lost, hire shall cease at
136 the time of the loss, or if such time is unknown, at the time when the Vessel was

137 last heard from. If the Vessel should become a Constructive Total Loss ("**CTL**"),
138 hire shall cease at the time of the casualty resulting in such loss. In either case,
139 any hire paid in advance and not earned shall be returned to Charterer and, in
140 addition, Owner shall reimburse Charterer for the value of the estimated bunkers
141 on board the Vessel at the time the Vessel went off-hire. If the Vessel should be
142 missing when a payment of hire would otherwise be due, such payment shall be
143 postponed until the safety of the Vessel is ascertained. If the Vessel should
144 become a CTL, Charterer shall have the option to cancel the Charter on written
145 notice to Owner. The Vessel shall be deemed a CTL under the Charter when the
146 cost of recovering and repairing the Vessel is reasonably estimated to exceed
147 either the Vessel's then current insured value or the fair market value of the
148 Vessel when repaired, without in the latter case taking into consideration any
149 value of the Charter.

150 **e Reduction in Hire**

151 Should the Vessel, for any reason during the Charter Term, fail to fulfill the
152 particulars, capabilities, capacities, and/or conditions stipulated in Clause 2,
153 Clause 4, or elsewhere in the Charter, Charterer shall be entitled, without
154 prejudice to any claim Charterer may otherwise have under the Charter, to a
155 reduction in the hire to compensate Charterer for such failure; and, where the
156 failure affects the time taken by the Vessel to perform any services under the
157 Charter or the availability of the Vessel for such services, hire shall be reduced
158 by an amount equal to the value of the time so lost, using the rate of hire
159 applicable at that time.

160 **f Default**

161 In default of punctual and regular payment of hire as specified in the Charter,
162 Owner will notify Charterer at:

163 *[Insert full-style of Charterer's payment contact]*

164 (or such other address as Charterer may, subsequent to the date of the Charter,
165 advise Owner in writing) whereupon Charterer shall make payment of the
166 amount due within ten (10) working days of receipt of said notification from
167 Owner, failing which Owner shall have the right, on written notice to Charterer
168 given prior to any receipt of late payment by or on behalf of Owner, to withdraw
169 the Vessel from the service of Charterer without prejudice to any claim Owner
170 may otherwise have against Charterer under the Charter.

171 **g Extra Expenses and Advances**

172 The hire rate(s) set forth in Clauses 3a(1) and 3a(2) cover in full any and all
173 expenses for extra victualling by the Master, communications charges, and all
174 overtime worked by the Vessel's officers and crew at Charterer's request.
175 Charterer shall be entitled to a two and one-half percent (2.5%) commission on
176 any sums advanced or disbursements made for Owner's account. Charterer
177 shall make no cash advances to the Master. However, Owner shall have the
178 option of making advances to Charterer, or its designated agent, for
179 disbursement (provided such advances are deemed adequate and reasonable
180 by Charterer) and, in such event, no commission shall be paid to Charterer.

181 **h Hourly Rate of Hire**

182 The hourly rate of hire ("**Hourly Rate of Hire**") for any period under the Charter
183 shall be one twenty-fourth (1/24th) of the then-prevailing daily rate of hire.

184 **i Taxes**

185 All taxes, and dues in the nature of a tax, on Owner's income (howsoever
186 described) shall be for Owner's account. All taxes and dues on the Vessel
187 and/or cargo and/or on freights, arising out of cargoes carried or ports at which
188 the Vessel calls in accordance with Charterer's orders under the Charter, shall
189 be for Charterer's account if and to the extent that they are imposed because of
190 Charterer's orders or in connection with the Vessel's service to Charterer under
191 the Charter.

192 If Charterer is obliged to deduct withholding tax from any payment due Owner,
193 because of any action by or responsibility of Owner (whether in relation to
194 Owner's business generally or to the Vessel), Charterer shall pay only the net
195 amount due Owner after such deduction. However, where a tax or dues is for
196 Charterer's account but such tax or dues takes the form of a mandatory
197 withholding of part of a payment due to Owner from Charterer, then such
198 payment shall be increased such that the net amount received by Owner after
199 the mandatory withholding shall be amount contractually due from Charterer to
200 Owner.

201 Notwithstanding any other provision of the Charter, Charterer shall not be liable
202 for any taxes or dues:

- 203 1) if they are imposed at ports and/or places where the Vessel calls solely for
204 Owner's purposes, or to the extent that they are imposed with reference to
205 periods when the Vessel has deviated from Charterer's ordered voyage or is
206 off-hire, and/or
- 207 2) if they would not have been imposed but for some action or fact that is the
208 responsibility of Owner not related exclusively to the service of the Vessel
209 under the Charter, and/or
- 210 3) to the extent that they are subject to increase due to some action, fact or
211 reason that is the responsibility of Owner and is not related exclusively to the
212 service of the Vessel under the Charter.

213 **4 Owner's Warranties**

214 **a Vessel Condition**

215 Owner warrants that, at the time the Vessel is placed at Charterer's disposal, the
216 Vessel shall be tight, staunch, and strong; in thoroughly efficient order and
217 condition, and in every way fit, manned, equipped and supplied for the service
218 contemplated; with holds, cargo tanks, pipelines and valves clear, clean and
219 tight; and its machinery, pumps, boilers, inert gas system, crude oil washing
220 system, navigational equipment, heating coils, and all other equipment fully
221 functional and in good working order and condition, and in every way seaworthy
222 and fit to carry cargoes required under the Charter. Such description, particulars,
223 and capabilities of the Vessel shall be maintained by Owner throughout the
224 Charter Term, so far as is possible by the exercise of due diligence. In the event
225 of a conflict between Clause 4a and Clause 2, Clause 2 shall prevail to the extent
226 of the conflict.

227 **b Vessel Management and Operation**

228 Owner warrants that the Vessel will be managed and operated during the
229 Charter Term by the company or companies named in Schedule A. Owner shall
230 not change the management and/or operation of the Vessel during the Charter
231 Term without the prior written consent of Charterer. If Owner transfers the

232 operation and/or management of the Vessel to another entity without Charterer's
233 prior written consent, in addition to its other rights Charterer may (in its absolute
234 discretion and upon written notice to Owner) terminate the Charter.

235 **c Evaporator**

236 Owner warrants that, during the Charter Term, the Vessel shall be equipped with
237 a fresh water evaporator, which shall be maintained in good operating condition.
238 Owner warrants that this evaporator is capable of making sufficient fresh water to
239 supply the Vessel's needs.

240 **d Stability and Structural Integrity**

241 Owner warrants that, during the Charter Term, the Vessel shall be suitable to
242 carry cargoes in any size ranging from no cargo to a full cargo (up to the
243 appropriate Classification Society load line), with relative density ranging from
244 0.6 to 1.2, without incurring operational restrictions resulting from potential
245 stability or structural problems.

246 **e Cargo Heating**

247 If the Vessel is described in Schedule A as being fitted with cargo heating coils or
248 heat exchangers, Owner warrants that, during the Charter Term, the Vessel shall
249 be capable of maintaining the temperature of the cargo loaded and/or increasing
250 such temperature by 4.0°C per day during the voyage up to a maximum of 57° C
251 (in either case as instructed by Charterer) and maintaining same throughout the
252 voyage and during the entire discharge. Should the Vessel fail to heat cargo in
253 accordance with Charterer's instructions, Charterer shall have the option to:

- 254 1) delay discharge of the cargo; and/or
255 2) delay berthing of the Vessel; and/or
256 3) discontinue discharge and remove the Vessel from the discharge berth or
257 place until cargo is heated in accordance with Charterer's instructions.

258 Any time lost due to the Vessel's failure to maintain the temperature of the cargo,
259 or to heat the cargo, in accordance with Charterer's instructions shall be off-hire
260 time and for Owner's account; including, without limitation, any delay in moving
261 the Vessel from and then back to a berth or place of discharging and any
262 intermediate waiting in a vessel queue. In addition, any expense incurred by
263 reason of such delay or otherwise shall be for Owner's account.

264 **f Cargo Manifolds**

265 Owner warrants that, during the Charter Term, the Vessel shall be equipped with
266 pressure gauges fitted outboard of the valve at each discharge manifold
267 connection. Such gauges shall be maintained in proper working condition and
268 each gauge shall have a valid test certificate. The Vessel shall be equipped with
269 a sufficient number of cargo manifold reducing pieces, of steel or comparable
270 material (excluding aluminum and gray cast iron) and that meet the most recent
271 Oil Companies International Marine Forum ("**OCIMF**") standards, to make
272 available appropriate flanges for cargo hoses or arms at all manifold connections
273 on one side of the Vessel as follows:

274 Vessels less than 16 kWDT shall be equipped to present flanges of 4", 6" and 8"
275 (ASA) and

276 Vessels from 16 to 60 kWDT shall be equipped to present flanges of 8", 10" and
277 12" (ASA) and

278 Vessels over 60 kDWT shall be equipped to present flanges of 10", 12" 14", 16",
279 and 20" (ASA).

280 **g Communications**

281 Owner warrants that, during the Charter Term, the Vessel shall be equipped with
282 VHF radiotelephone, satellite communications earth station, facsimile machine,
283 radio teletypewriter, electronic mail capability, and such other radio
284 telecommunications equipment as may be required by international, flag state,
285 and port state regulations. The Vessel shall also be fitted with a computer
286 capable of sending and receiving electronic mail (including attachments) as well
287 as maintaining and transmitting Charterer's logs via electronic mail to Charterer.

288 **h Crew Complement**

289 Owner warrants that, during the Charter Term, the Vessel shall have a full and
290 efficient complement of Master, officers and crew, with adequate training and
291 experience in operating all of the Vessel's equipment, and that the Master and all
292 officers shall possess valid and current certificates and/or documents issued or
293 approved by the country of the Vessel's registry. Owner shall provide and
294 maintain navigation and bridge organization manual(s) and procedures that
295 conform to the latest International Chamber of Shipping and International
296 Maritime Organization standards. The deck officer complement shall be not less
297 than the Master and three (3) deck officers, except when the Vessel is engaged
298 in discharging cargo to lighters when four (4) deck officers shall be provided.

299 Conversational English language proficiency is required for the Master and any
300 officer in charge of cargo or bunker oil handling, and is warranted under the
301 Charter.

302 **i Drug and Alcohol Policy**

303 Owner warrants that, during the Charter Term, it shall have a policy ("**Policy**")
304 on drug and alcohol abuse applicable to the Vessel that meets or exceeds the
305 standards in the latest edition of OCIMF Guidelines for the Control of Drugs and
306 Alcohol Onboard Ship. Under the Policy, alcohol impairment shall be defined as
307 a blood alcohol content of 40 mg/100 ml or greater, the appropriate seafarers to
308 be tested shall be all the Vessel's officers, and the drug/alcohol testing and
309 screening shall include unannounced testing in addition to routine medical
310 examinations. An objective of the Policy should be that the frequency of the
311 unannounced testing be adequate to act as an effective abuse deterrent, and
312 that all officers be tested at least once a year through a combined program of
313 unannounced testing and routine medical examinations. Owner further warrants
314 that the Policy will remain in effect during the Charter Term and that Owner shall
315 exercise due diligence to ensure that the Policy is complied with. It is understood
316 that an actual impairment, or any test finding of impairment, shall not in and of
317 itself mean Owner has failed to exercise due diligence. Persons who test
318 positive, refuse to test, or are unfit for duty (impaired because of drug or alcohol
319 use) shall be removed from the Vessel during the remaining Charter Term and
320 shall not be reassigned to service of Charterer or any of Charterer's associated
321 or affiliated companies.

322 **j Compliance**

323 Owner warrants that the Vessel shall, at all times during the Charter Term, be in
324 full compliance with all applicable international conventions, all applicable laws,
325 regulations, and/or other requirements of the country of the Vessel's registry and
326 of the countries of the port(s) and/or place(s) to which the Vessel may be ordered
327 hereunder, and all applicable regulations and/or requirements of any terminals or

328 facilities in such port(s) or place(s) where the Vessel may load or discharge.
 329 Owner further warrants that the Vessel shall have on board, during the Charter
 330 Term, all certificates, records, or other documents required by the aforesaid
 331 conventions, laws, regulations, or requirements, including any required for
 332 transiting of the Suez or Panama Canal, by day or night, if such transit is
 333 possible. Without limitation, the conventions, laws, regulations, and
 334 requirements referred to in Clause 4j mean conventions, laws, regulations, and
 335 requirements concerning ship size, ship design, safety, operation of ship's
 336 equipment (including inert gas and crude oil washing systems, if the Vessel is so
 337 equipped), navigation, pollution, and other like matters. At the time of delivery
 338 and during the entire Charter Term, the Vessel shall have on board an
 339 International Tonnage Certificate, or equivalent, and shall meet applicable
 340 guidelines published by the OCIMF. In addition, Owner warrants that, if required
 341 by Charterer or the Vessel's trade, the Vessel will hold a valid International
 342 Transport Workers' Federation ("ITF") certificate or an equivalent document
 343 acceptable to Charterer throughout the Charter Term. The Vessel shall be off-
 344 hire during any time lost as a consequence of ITF action and Owner shall
 345 reimburse Charterer for any Related Off-Hire Expense.

346 **k Charterer's Representatives**

347 Owner warrants that, during the Charter Term, Charterer shall have the right to
 348 have its representatives visit the Vessel to observe operations as often and at
 349 such intervals as Charterer elects. Such visits shall include, but not be limited to,
 350 access to pump room(s), engine room(s), cargo control room(s), navigation
 351 bridge, and deck areas. Owner shall allow Charterer's representatives to survey
 352 and take samples of all the Vessel's bunker tanks and cofferdams at loading,
 353 discharge and/or bunkering ports. Charterer's representatives shall also have
 354 the right to attend on board the Vessel to ascertain the circumstances of any
 355 incident involving cargo carried hereunder. Neither the exercise nor non-
 356 exercise by Charterer of any such right shall in any way absolve or reduce the
 357 obligations of Master and/or Owner under the Charter.

358 **I Quality Assurance**

359 **(1) The Vessel**

360 If at any time during the Charter Term one or more of the below
 361 circumstances occur:

- 362 • Owner is in breach of its obligations under Clause 2 and/or any of
 363 Clauses 4a through 4k and Owner fails, to Charterer's reasonable
 364 satisfaction, to cure such breach within thirty (30) consecutive days after
 365 Charterer sends written notice to Owner specifying the breach(s) and
 366 demanding correction, and/or
- 367 • the Vessel is responsible for an incident that results in damage to the
 368 Vessel, its equipment, or other property in excess of US\$ 100,000, or
 369 that results in a discharge of oil of 10,000 U.S. gallons or more, and/or
- 370 • the Vessel is off-hire for a total of two hundred forty (240) cumulative
 371 unplanned hours during any one (1) year period during the Charter
 372 Term,

373 upon each occurrence of any of the above circumstances, Charterer shall
 374 have the option on written notice to Owner to terminate the Charter with
 375 immediate effect if the Vessel is free of cargo or at a date and time as stated
 376 in Charterer's notice, such termination being without prejudice to any other
 377 rights and remedies Charterer may have under the circumstances. Owner

378 warrants that Owner and the Vessel's Master will comply with all orders
 379 and/or instructions given by Charterer with respect to the reporting to
 380 Charterer of any incidents affecting the Vessel and/or cargo. In all cases,
 381 Owner shall ensure that Charterer is promptly advised of all accidents to
 382 and/or pollution incidents involving the Vessel, and of any Vessel system
 383 failure.

384 (2) The Operator

385 Charterer's designated vetting affiliate has rated the Vessel Operator named
 386 in item 2.2 of Schedule A as being eligible for time charters as indicated in
 387 item 2.2.9 of Schedule A. Such rating is based in part upon an assessment
 388 of the Vessel Operator's OCIMF Tanker Management and Self Assessment
 389 report ("TMSA") provided by the Vessel Operator. Owner warrants that, as
 390 of the date of the Charter and throughout the Charter Term, the TMSA does
 391 and will continue to accurately reflect the status of the Vessel Operator's
 392 safety and quality-management systems. Owner further warrants that during
 393 the Charter Term the Vessel Operator will maintain or improve the safety and
 394 quality-management achievement levels for each Element identified in the
 395 TMSA as of the date of the Charter and set forth in Schedule D. Owner shall
 396 authorize or procure permission for Charterer's representatives to audit the
 397 status of the Vessel Operator's safety and quality-management systems with
 398 respect to the levels of achievement for each Element stated in the TMSA at
 399 any time during the Charter Term; provided, however, that reasonable notice
 400 of any such audit has been given to Owner and the date(s) of such audit
 401 agreed with the Vessel Operator. If Charterer's representatives find that the
 402 Vessel Operator has failed to maintain the safety and quality-management
 403 achievement levels identified in the TMSA as required by this Clause, and
 404 corrective action acceptable to Charterer (which acceptance shall not be
 405 unreasonably withheld) is not taken within three (3) months after notice of
 406 such failure is given by Charterer to Owner, Charterer may, at its option and
 407 upon written notice to Owner, require Owner to promptly change the Vessel
 408 Operator to another operator of Owner's choice that is then eligible for time
 409 charters as specified in item 2.2.9 of Schedule A. If Owner does not
 410 promptly change the Vessel Operator in accordance with this Clause 4l(2),
 411 such failure shall be deemed a fundamental breach of the Charter and in
 412 such event Charterer shall have the option to terminate the Charter upon
 413 written notice to Owner and redeliver the Vessel to Owner when the Vessel
 414 is free of cargo, without prejudice to any other rights and remedies Charterer
 415 may have.

416 Clause 4 shall be without prejudice to Clause 13.

417 5 Delivery

418 a Place of Delivery

419 The use and services of the Vessel shall be placed at the disposal of Charterer
 420 *[Insert specific place of delivery, and any conditions on delivery; e.g. "all-fast*
 421 *alongside the berth"]* ("Place of Delivery"). Charter hire shall commence when
 422 the Vessel is at the Place of Delivery and in all respects ready to load and
 423 otherwise fully perform the Charter and ready for sea, and written notice thereof
 424 has been given by the Master to Charterer or its Agents at the Place of Delivery.

425 b Laydays

426 Hire shall not commence before *[Insert the first day of the delivery range]*, except
 427 with Charterer's written pre-consent, and the Vessel shall be placed at

428 Charterer's disposal, in accordance with the provisions of Clause 5a, no later
429 than **[Insert the last day of the delivery range]** ("Canceling Date"), in default of
430 which Charterer shall have the option to cancel the Charter. Charterer's option
431 to cancel the Charter is declarable not later than seventy-two (72) hours after
432 expiration of the Canceling Date, local time at the Place of Delivery. Cancellation
433 by Charterer, or acceptance of the use of the Vessel's services, shall be without
434 prejudice to any claims for damages Charterer may have for late tender of the
435 Vessel's services or other breach of Owner's obligations under the Charter.
436 Owner shall give Charterer written notices of the Vessel's estimated time of
437 arrival at the Place of Delivery **[Insert notification requirements (e.g.: 180, 90, 60,**
438 **30, 20, 10, 5, 2, and 1)]** days prior to Owner's anticipated time of delivery. If,
439 prior to the Canceling Date, it appears to Charterer that the Vessel will not be
440 ready for delivery under the Charter by the Canceling Date, Charterer shall have
441 the option on written notice to Owner:

- 442 1) to cancel the Charter, or
443 2) to require Owner to promptly give in writing to Charterer a new canceling
444 date, with continuing right in Charterer to cancel the Charter, at any time
445 prior to the original Canceling Date, either before or after receipt of any new
446 canceling date that Owner may provide in accordance with Charterer's
447 requirement.

448 If Charterer accepts a new canceling date in writing, the Vessel shall use utmost
449 dispatch to meet such date and the terms of Clause 5b shall otherwise apply to
450 this new date as if it was the original Canceling Date.

451 **c Fuel at Delivery**

452 Charterer shall accept and pay for all fuel in the Vessel's bunker tanks at the time
453 the Vessel is placed at Charterer's disposal. Payment for such fuel shall be in
454 accordance with the last documented net price paid by Owner, excluding any
455 delivery charges.

456 **d Space Available to Charterer**

457 The whole reach and burthen of the Vessel (but not more than she can
458 reasonably stow and safely carry) shall be at the Charterer's disposal, reserving
459 proper and sufficient space for the Vessel's officers, crew, Master's cabin, tackle,
460 apparel, furniture, fuel, provisions, and stores.

461 **6 Trading Limits**

462 **a Trading Range**

463 The Vessel may be employed in any part of the world trading between and at
464 ports, places, berths, docks, anchorages, and submarine pipelines in such lawful
465 trades as Charterer or its agents may direct, subject to the limits of the current
466 British Institute Warranties and any subsequent amendments thereto, but may be
467 sent to ports and places on the St. Lawrence River and tributaries between May
468 15 and November 15 and through the Straits of Magellan and around Cape Horn
469 and the Cape of Good Hope at any time of the year without payment of any extra
470 premium. Notwithstanding the foregoing restrictions, the Vessel may be sent to
471 Baltic Sea ports not north of Stockholm, and to Helsingfors and Abo, Finland,
472 and other ports and places as set forth in the British Institute Warranties and
473 Clauses, provided, however, that Charterer shall reimburse Owner for any
474 additional documented premium properly assessed by the Vessel's underwriters
475 and paid by Owner for breach of such trade warranties. In the event that the
476 Vessel shall, for any reason, be unable to be employed in trade to any port or

477 place not excluded by Clause 6a, all time lost shall be for Owner's account and
478 Charterer shall have the option to terminate the Charter upon written notice to
479 Owner and redeliver the Vessel to Owner when the Vessel is free of cargo,
480 without prejudice to any other rights and remedies Charterer may have.

481 **b Berths and Lightering**

482 The Vessel shall be loaded, discharged, or lightened at any suitable port, place,
483 berth, dock, anchorage, submarine pipeline, or alongside other vessels or
484 lighters, whether in port or not and while at anchorage or underway, as Charterer
485 may direct. Notwithstanding anything contained in Clause 6 or any other
486 provisions of the Charter, Charterer shall not be deemed to warrant the safety of
487 any port, place, berth, dock, anchorage, submarine pipeline, vessel, or lighter,
488 and shall not be liable for any loss, damage, injury, or delay resulting from
489 conditions of, or at, ports, places, berths, docks, anchorages, submarine
490 pipelines, vessels, or lighters not caused by Charterer's fault or neglect when
491 directing the Vessel to such ports or places or which could have been avoided by
492 the exercise of reasonable care on the part of the Master or Owner.

493 When the Vessel is employed as a lightering vessel, in order to assist the Vessel,
494 Master, and Owner in the lightering operation, whether at anchorage or
495 underway, Charterer may, at its option, provide and pay for lightering advisor(s)
496 and lightering gang to be employed under the exclusive direction, supervision,
497 and control of the Vessel's Master, who shall continue to be fully responsible for
498 the operation, management, and navigation of the Vessel during the entire
499 lightering operation. In the event it is necessary for Owner to incur additional hull
500 insurance premium directly related to the employment of the Vessel as a
501 lightering vessel, Charterer agrees that such provable and necessary additional
502 premium shall be for Charterer's account.

503 Lightering and ship-to-ship transfer operations shall be performed in accordance
504 with, and meet or exceed, the standards in the latest OCIMF guidelines for ship-
505 to-ship transfers.

506 **c Vessel Speed Orders**

507 Charterer may issue orders directly to the Master to slow down or speed up the
508 Vessel, consistent with the safe operation of the Vessel and its machinery, on
509 ballast and/or laden passages. A copy of any such orders shall also be sent to
510 Owner.

511 **d Controlled Passages**

512 The following passages shall not be navigated by the Vessel while performing
513 under the Charter without Charterer's prior written agreement:

- 514 1) The Strait of Messina
- 515 2) The Strait of Bonifacio
- 516 3) Between the Scilly Islands and Land's End
- 517 4) The Minches, if the Vessel is over 10,000 Gross Tons
- 518 5) If bound to port(s) on the East Coast of the U.K., north of the River Thames,
519 the in-shore traffic zones in the English Channel
- 520 6) The Old Bahama Channel

521 When transiting the Florida Straits, from Key Biscayne south to the Dry Tortugas,
522 the Vessel shall maintain a distance of not less than ten (10) miles off the outer
523 navigational aids marking the reefs off the Florida Keys. When transiting the

524 Windward Passage or the Yucatan Channel, the Vessel shall give the coast of
525 Cuba a wide berth. It is understood and agreed that the daily rate of hire
526 includes all compensation for the restrictions in Clause 6d.

527 **e Ship Inspection Report (SIRE) Program**

528 Owner shall ensure that during the Charter Term there is on file with OCIMF a
529 complete and correct SIRE Vessel Particulars Questionnaire. Further, Owner
530 shall make its best efforts to ensure that, throughout the Charter Term, there
531 shall be on file with OCIMF a SIRE report submitted within the past six (6)
532 months by a major international oil company that is a member of OCIMF and not
533 an associated or affiliated company of Charterer. Any cost of complying with this
534 Clause 6e, and any time lost by reason of Owner's failure to so comply, shall be
535 for Owner's account.

536 **7 Dry Cargoes**

537 Charterer shall have the option of shipping any lawful dry cargo in bulk, for which the
538 Vessel and her tanks are suitable, and any lawful merchandise in cases and/or cans
539 and/or other packages in the Vessel's forehold, between decks, and/or other suitable
540 space available, subject, however, to the Master's approval as to kind and character,
541 amount and stowage. All charges for dunnage, loading, stowing, and discharging so
542 incurred shall be paid by Charterer.

543 **8 Speed, Fuel and Pumping Warranties**

544 Owner warrants that, during the Charter Term, the Vessel shall fully meet the speed,
545 fuel, and pumping warranties stipulated in Clause 8.

546 **a Speed Performance Warranty**

547 Owner warrants that the Vessel is capable of maintaining, and shall maintain, on
548 all sea passages from sea buoy to sea buoy, a guaranteed average speed of not
549 less than *[Insert the proper warranty speed]* knots in a laden condition and not
550 less than *[Insert the proper warranty speed]* knots in a ballast condition
551 ("**Warranty Speed**"). Speed warranty performance to be excluded for periods of
552 wind conditions exceeding force six (6) on the Beaufort Scale persisting for more
553 than twelve (12) consecutive hours. The Master shall promptly advise Charterer
554 in writing whenever the Vessel encounters wind conditions exceeding Beaufort
555 Force Six (6), and again when the wind conditions moderate to Beaufort Force
556 Six (6) or less.

557 **b Fuel Consumption Warranty**

558 **(1) Propulsion and Auxiliary Fuel**

559 Owner warrants a maximum daily fuel consumption on all sea passages from
560 sea buoy to sea buoy of high viscosity fuel oil meeting the latest quality
561 standards of ISO 8217 RMG 380 if reasonably available, or RMH 380 if RMG
562 380 is not reasonably available ("**HFO**") and marine diesel fuel meeting the
563 latest quality standards of ISO 8217 DMB or better ("**DMB**") for all purposes
564 excluding heating and tank cleaning ("**Warranty Consumption**") as listed
565 below. Fuel consumption warranty performance to be excluded for periods
566 of wind conditions exceeding force six (6) on the Beaufort Scale persisting
567 for more than twelve (12) consecutive hours.

[Insert the appropriate speed and consumption figures in the following table and paragraphs]

Speed (knots)	HFO Laden (MT)	HFO Ballast (MT)	DMB (MT)
10.0	-	-	-
10.5	-	-	-
11.0	-	-	-
11.5	-	-	-
12.0	-	-	-
12.5	-	-	-
13.0	-	-	-
13.5	-	-	-
14.0	-	-	-
14.5	-	-	-
15.0	-	-	-
15.5	-	-	-
16.0	-	-	-
16.5	-	-	-
17.0	-	-	-

568 **(2) Heating and Tank Cleaning Fuel**

569 For each day heat is applied to the cargo or slop tanks, Owner warrants that
 570 the fuel consumption will not exceed *[Insert the appropriate quantity]* metric
 571 tons of HFO per day for maintaining heat, or *[Insert the appropriate quantity]*
 572 metric tons per day for increasing heat, of all tanks and pro rata for part of
 573 the tanks. For tank cleaning, other than crude oil washing, Owner warrants
 574 that the fuel consumption will not exceed *[Insert the appropriate quantity]*
 575 metric tons of HFO for washing all tanks, and pro rata for washing part of the
 576 tanks, which also includes shifting ballast and other tank cleaning functions.

577 **(3) Fuel Consumption in Port**

578 Owner warrants that the maximum fuel consumption in port shall be as
 579 follows:

580 Idle (at anchor or on berth): *[Insert the appropriate quantity]* MT of HFO per
 581 day (with boiler secured).
 582 *[Insert the appropriate quantity]* MT of HFO per
 583 day (on standby with boiler on).

584 Loading: The Idle consumption warranted above for
 585 standby with boiler on plus an additional *[Insert*
 586 *the appropriate quantity]* MT of HFO for loading
 587 a full cargo, or pro rata for part cargo.

588 Discharging: The Idle consumption warranted above for
 589 standby with boiler on plus an additional *[Insert*
 590 *the appropriate quantity]* MT of HFO for
 591 discharging a full cargo, or pro rata for part
 592 cargo.

593 **c Pumping Performance Warranty**

594 Owner warrants that the Vessel will discharge cargo at the following minimum
595 rates:

596 Light petroleum (viscosity less than 69 cSt at 50° C) *[Insert the appropriate*
597 *quantity]* m³/hr.;

598 Medium petroleum (viscosity of 69 to 690 cSt at 50° C) *[Insert the appropriate*
599 *quantity]* m³/hr.;

600 Heavy petroleum (viscosity above 690 cSt at 50° C) *[Insert the appropriate*
601 *quantity]* m³/hr.;

602 or that the Vessel will maintain throughout the entire period of discharge,
603 including crude oil washing and stripping, an average pressure of 100 pounds
604 per square inch gauge (PSIG) at the ship's manifold should the foregoing
605 minimum rates not be met. Charterer shall have the option to Crude Oil Wash all
606 or part of the Vessel's cargo tanks. In the event the Vessel uses crude oil cargo
607 to wash cargo tanks during discharge, the Vessel shall be allowed an additional
608 eight (8) hours for crude washing of all tanks or pro rata for crude washing part of
609 the tanks.

610 **9 Performance Reviews**

611 **a Performance Review Frequency and Compensation**

612 The speed, fuel consumption, and pumping performance guaranteed by Owner
613 under Clause 8 will be reviewed by Charterer at the end of approximately six (6)
614 months, counting from the time of delivery of the Vessel to Charterer in
615 accordance with the Charter, and thereafter at approximately six (6) month
616 intervals. The Vessel's performance will be reviewed on a voyage-by-voyage
617 basis in accordance with Clause 9b. If it is found that the Vessel has failed to
618 maintain the speed, fuel consumption, or pumping performance warranted during
619 the preceding performance review period (or at any time during the Charter
620 Term), Charterer shall be retroactively compensated in respect of such failings
621 as follows:

622 **(1) Speed Warranty Compensation**

623 Payment to Charterer of the Hourly Rate of Hire for each hour, or pro rata for
624 each part of an hour, that the Vessel steams in excess of the time the Vessel
625 would have taken at the Warranty Speed under Clause 8a. Owner will
626 receive no credit or compensation if Vessel performance with respect to
627 speed is greater than the Warranty Speed.

628 **(2) Fuel Performance Warranty Compensation**

629 Payment to Charterer for each metric ton, or pro rata for part of a ton, in
630 excess of the guaranteed daily consumption under Clause 8b for all
631 purposes at sea for main engine and/or auxiliaries and/or heating and/or tank
632 cleaning and while at anchor, loading, or discharging, including any excess
633 not borne by Owner in accordance with Clause 11 of the Charter, at the
634 average actual price paid for the particular grade of fuel oil purchased by
635 Charterer for the total period under review. Charterer shall provide
636 supporting price vouchers or invoices for such purchased fuel oil as soon as
637 possible after completion of the review for the specified performance period.
638 Subject to Clause 9b(2), Owner will receive no credit or compensation if the
639 Vessel's fuel consumption is less than the Warranty Consumption.

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(3) Pumping Performance Warranty Compensation

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Charterer is to be compensated at the Hourly Rate of Hire for each hour, or pro rata for each part of an hour, that the Vessel takes in excess of the pumping time allowed per the rates warranted in Clause 8c. Owner will receive no credit or compensation if the Vessel is able to discharge at a rate greater than warranted in Clause 8c. If the terminal or place of discharging does not allow or permit the Vessel to meet the warranty specified in Clause 8c, the Master shall forthwith issue a Letter of Protest (which shall, if possible, be acknowledged) to such terminal or place and shall immediately advise Charterer in writing by electronic mail, telex, or facsimile. If the Master fails to issue the Letter of Protest, Owner shall be deemed to waive any rights to contest that time was lost as a result of the Vessel's failure to comply with the pumping warranties in Clause 8c. Any delay to Vessel's discharge caused by shore conditions identified in Master's Letter of Protest shall be taken into account in the assessment of pumping and loading performance.

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(4) Performance Review Basis

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The basis for determining the Vessel's performance in Clauses 9a(1) through 9a(3) shall be the statistical data supplied by the Master in the Sea Logs, Port Logs, and Pump Logs provided by Charterer.

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(5) Performance Claims Review

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Charterer shall provide Owner with an opportunity to review any claim submitted by Charterer under Clause 9a and Owner shall complete such review and provide Charterer with the results thereof within fifteen (15) days from the date such claim was sent by electronic mail or facsimile from Charterer to Owner. Charterer may deduct from hire any amount to which it claims it is entitled under Clause 9a after the expiration of twenty-five (25) days from the date of Charterer's sending of a claim relating thereto to Owner. Such deduction shall be without prejudice to Owner defending such claim.

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(6) Claim for Final Period

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In the event of Charterer having a claim in respect of Vessel's performance during the final performance review period, the amount of such claim shall be withheld from hire in accordance with Charterer's estimate made not earlier than three (3) months before the end of the Charter Term and any necessary adjustment after the termination of the Charter shall be made by Owner to Charterer or Charterer to Owner, as the case may require.

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b Performance Review Calculations

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(1) Speed Warranty Calculations

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Speed performance will be determined by taking the shortest safe distance for the sea passage from the BP Shipping Marine Distance Tables ("**BP Distance**"), less the distance reported in the Vessel's Sea Log for steaming from the sea buoy to the loading/discharge berth or place inbound and from the loading/discharge berth or place to the sea buoy outbound, divided by the Warranty Speed to determine charter party hours at sea. Total actual hours at sea, as reported in the Vessel's Sea Log, will be compared to the charter party hours at sea to determine lost or saved hours. Each laden and ballast sea passage shall be calculated independently and the results of different sea passages shall not be averaged over time. For the avoidance of doubt, Vessel over-performance with respect to speed on any voyage(s)

690 shall not be deemed to offset Vessel under-performance on any other
691 voyage(s).

692 **(a) Speed Warranty Adjustments**

693 All stops at sea and any sea passage covered by an off-hire calculation
694 will be excluded from speed warranty calculations.

695 In the event the Vessel is ordered by Charterer to deviate during a sea
696 passage, such actual deviation miles and actual hours shall be recorded
697 in the Vessel's Sea Log. For the purpose of Clause 9b, deviation shall
698 mean a change in course caused by a change in destination ordered by
699 Charterer after the Vessel has commenced its voyage to the initial port
700 or place ordered by Charterer. The actual deviation miles reported in the
701 Vessel's Sea Log will be added to the BP Distance for the sea passage
702 performed up to the point of deviation to determine the charter party
703 hours for the passage.

704 In the event Charterer orders the Vessel to proceed at speed(s) greater
705 than the Warranty Speed on any sea passage, and the Vessel is able to
706 achieve speed(s) greater than the Warranty Speed, such sea passage
707 will be excluded from speed and fuel warranty calculations. In such
708 cases, if the Vessel is unable to achieve speed(s) greater than the
709 Warranty Speed, then the speed and fuel warranty calculations for that
710 sea passage shall be based on the Warranty Speed.

711 In the event Charterer orders the Vessel to proceed at speed(s) equal to
712 or less than the Warranty Speed on any sea passage, such sea passage
713 will not be excluded from speed and fuel warranty calculations which
714 shall be based on Charterer's ordered speed.

715 In the event Charterer orders the Vessel to adjust speed on any sea
716 passage to arrive at a port or place at a specified time, such sea
717 passage shall be excluded from speed and fuel warranty calculations,

718 Actual hours at sea recorded in the Vessel's Sea Log and corresponding
719 BP Distance(s) for passage in the following restricted waters will be
720 excluded from speed warranty calculations:

721 *English Channel* — Between NW/SE line through Bassurelle Light and
722 NW/SE line through Noord Hinder Light Vessel.

723 *Malacca/Singapore Straits, Eastbound through Passage* — Between
724 NE/SW line through 03-00 N, 100-40 E and Latitude 01-35 N.

725 *Malacca/Singapore Straits, Westbound through Passage* — Between
726 Horsbough Lighthouse and the Brothers Lighthouse.

727 *Malacca/Singapore Straits, Eastbound to Singapore Only* — Between
728 NE/SW line through 03-00 N, 100-40 E and 1 mile SW of Sultan Shoal
729 Light.

730 *Malacca/Singapore Straits, From Singapore to Westbound Only* —
731 Between 1 mile SW of Sultan Shoal Light and the Brothers Lighthouse.

732 **(b) Speed Warranty Calculation Method**

733 Each sea passage not excluded from the speed performance review
734 process as detailed above will be calculated as follows:

- 735 (i) The BP Distance for the sea passage, minus the sum of the distance
736 reported in the Vessel's Sea Log for steaming from the sea buoy to

737 the loading/discharge berth or place inbound and from the
738 loading/discharge berth or place to the sea buoy outbound and the
739 distance reported for passages in restricted waters, divided by the
740 Warranty Speed equals charter party hours.

741 (ii) Total actual hours at sea, minus the sum of time stopped at sea and
742 time reported for passage of restricted waters, minus charter party
743 hours as determined in (i) above equals hours saved or lost.

744 (iii) Hours lost, times the Hourly Rate of Hire, equals the amount due
745 Charterer.

746 **(2) Fuel Warranty Calculations**

747 For each grade of fuel the following calculation is performed for each sea
748 passage. Each laden and ballast sea passage shall be calculated
749 independently. Within each performance review period, fuel saved on any
750 voyage (including in-port consumption determined in accordance with Clause
751 9b(4)) shall be credited against any excess consumption on other voyages
752 performed during the same performance review period. However, any net
753 savings of fuel during one performance review period shall not be credited
754 against excess consumption in any other performance review period and
755 Owner shall receive no credit or compensation for any net fuel savings
756 during a performance review period.

757 **(a) Average Speed**

758 The BP Distance for the sea passage minus the sum of the distance
759 reported in the Vessel's Sea Log for steaming from the sea buoy to the
760 loading/discharge berth or place inbound and from the loading/discharge
761 berth or place to the sea buoy outbound divided by the actual hours at
762 sea minus stops at sea reported in the Vessel's sea log equals the
763 average speed for fuel consumption purposes. The distance steamed in
764 restricted waters is not excluded from the BP Distance included in this
765 calculation.

766 **(b) Days at Sea**

767 Total actual hours at sea, minus the sum of stops at sea, divided by 24
768 equals the total days at sea.

769 **(c) Warranted Consumption**

770 Average speed as calculated in Clause 9b(2)(a) and rounded to the
771 nearest tenth (1/10) of a knot is compared to the fuel consumption table
772 of guaranteed consumption and the appropriate value(s), tons per day, is
773 chosen. The appropriate value is chosen as follows:

774 (i) If the average speed equals a value in the table, the corresponding
775 fuel value is selected.

776 (ii) If the average speed falls between any two values in the table, the
777 appropriate value is determined by linear interpolation using the next
778 lowest and the next highest values in the table.

779 (iii) If the average speed falls below the lowest or above the highest
780 value in the table, the appropriate value is determined by linear
781 extrapolation using the lowest two values in the table when the
782 speed is below the lowest value, or using the highest two values in
783 the table when the speed is above the highest value in the table.

784 Example of linear extrapolation:

785 Actual speed above the highest value in the table; e.g., 14.3 knots

<u>Speed</u>	<u>MT/Day</u>
786 14.3 (Actual)	?
788 14.0	38.0
789 13.5	35.0
790	$[(14.3k-14k) \times (38MT - 35MT) / (14k - 13.5k)] + 38MT = 39.8MT$

791 Actual speed below the lowest value in the table; e.g., 11.8 knots

<u>Speed</u>	<u>MT/Day</u>
792 12.5	31.0
794 12.0	29.0
795 11.8 (Actual)	?
796	$29MT - [(12k-11.8k) \times (31MT - 29MT) / (12.5k - 12k)] = 28.2MT$

797 **(d) Allowed Consumption**

798 The total days at sea from Clause 9b(2)(b) times the appropriate value,
799 in tons per day, from the fuel table as detailed in Clause 9b(2)(c) equals
800 Charter Party Allowed Consumption.

801 **(e) Amount Due Charterer**

802 Charter Party Allowed Consumption minus actual consumption as
803 reported in the Vessel's Sea Log equals tons saved or excess tons
804 consumed.

805 Excess tons consumed, times the appropriate price as determined in
806 accordance with Clause 9a(2) equals amount due Charterer.

807 **(3) Pumping Warranty Calculations**

808 For each discharge, the following calculations will be performed to determine
809 any time lost during pumping, and any compensation due to Charterer.

810 **(a) Warranty Pumping Time**

811 The gross volume discharged, divided by the appropriate warranted
812 pumping rate from Clause 8c, equals the Warranty Pumping Time.

813 **(b) Crude Oil Washing ("COW") Allowance**

814 The number of tanks crude oil washed, divided by the total number of
815 cargo tanks, times the total time allowed for crude oil washing all tanks
816 from Clause 8c equals the COW Allowance.

817 **(c) Charter Party Pumping Hours**

818 The sum of the Warranty Pumping Time, plus the COW Allowance,
819 equals the Charter Party Pumping Hours.

820 **(d) Actual Pumping Hours**

821 The actual hours spent discharging cargo, including COW and stripping,
822 equal the Actual Pumping Hours.

823 **(e) Hours Lost**

824 If the Actual Pumping Hours exceeds the Charter Party Pumping Hours,
825 the difference equals Hours Lost.

826

(f) Compensation Due Charterer

827

Hours Lost, times the Hourly Rate of Hire, equals the amount of Compensation Due Charterer.

828

829

(g) Waiver of Compensation Due Charterer

830

If the minimum discharge pressure specified in Clause 8c is maintained throughout the discharge, including COW and stripping, there shall be no Compensation Due Charterer for that discharge.

831

832

833

(4) In-Port Fuel Warranty Calculations

834

For each grade of fuel the following calculation is performed for each port call. Each port call shall be calculated independently and the results of different port calls shall be included in the voyage calculations in accordance with Clause 9b(2).

835

836

837

838

(a) Warranty In-Port Time

839

The gross elapsed time from sea buoy inbound to sea buoy outbound less the time elapsed during passage inbound, passage outbound, and shifting between berths is the Warranty In-Port Time.

840

841

842

(b) Idle Consumption Allowance

843

The Warranty In-Port Time from Clause 9b(4)(a) times the appropriate value, in tons per day, from the idle allowance as detailed in Clause 8b(3) equals the Idle Consumption Allowance.

844

845

846

(c) Loading Allowance

847

The metric tons of cargo loading at the port, divided by the total metric tons loaded on the voyage, multiplied by the Loading warranty in Clause 8b(3) equals the Loading Allowance.

848

849

850

(d) Discharging Allowance

851

The metric tons of cargo discharged at the port, divided by the total metric tons discharged on the voyage, multiplied by the Discharging warranty in Clause 8b(3) equals Discharging Allowance.

852

853

854

(e) Allowed Consumption

855

(i) Port Calls without Loading or Discharge

856

If no cargo is loaded or discharged during a port call, the Allowed Consumption is the Idle Consumption Allowance.

857

858

(ii) Loading Port Calls

859

If cargo is loaded during a port call, the Allowed Consumption is the Idle Consumption Allowance plus the Loading Allowance.

860

861

(iii) Discharging Port Calls

862

If the cargo is discharged during a port call, the Allowed Consumption is the Idle Consumption Allowance plus the Discharging Allowance.

863

864

865

(iv) Loading and Discharging Port Calls

866

If cargo is discharged and loaded during a port call, the Allowed Consumption is the Idle Consumption Allowance plus the Discharging Allowance plus the Loading Allowance.

867

868

- 869 **(f) Amount Due Charterer**
- 870 Allowed Consumption minus actual consumption as reported in the
- 871 Vessel's Sea Log equals tons saved or excess tons consumed.
- 872 Excess tons consumed, multiplied by the appropriate price as
- 873 determined in accordance with Clause 9a(2) equals amount due Charterer.

874 **10 Liens**

875 Owner shall have a lien on all cargoes for all amounts due Owner under the Charter,
 876 and Charterer shall have a lien on the Vessel for all monies paid in advance and not
 877 earned, all disbursements and advances for Owner's account, all amounts due to
 878 Charterer under Clause 9 and other provisions of the Charter, including, without
 879 limitation, the value of fuel in the Vessel's bunker tanks supplied or paid for by
 880 Charterer, and for any damages sustained by Charterer as a result of the breach of
 881 the Charter by Owner.

882 **11 Off-Hire**

883 **a General Provisions**

- 884 (i) In the event of loss of time from repairs; breakdown of machinery (whether
- 885 partial or otherwise) including, without limitation, tank coatings; interference
- 886 by authorities; collision, stranding, fire, or other accident or damage to the
- 887 Vessel or cargo (not caused by the fault of Charterer) preventing, or which
- 888 would prevent, the full and efficient working of the Vessel for more than three
- 889 (3) consecutive hours, or
- 890 (ii) In the event of loss of time (whether or not continuing for any length of time)
- 891 from deficiency of men or stores; breach of orders or neglect of duty by the
- 892 Master, officers or crew; or from the consequences of illness or injury to, or
- 893 strikes by, or refusal, inability or unwillingness to sail or otherwise do work on
- 894 the part of the Master, officers or crew; or from labor-related picketing or
- 895 boycott due to the Vessel or crew union affiliation or lack thereof, at places of
- 896 loading, discharge, bunkering, or elsewhere by persons or organizations
- 897 other than the Master, officers or crew of the Vessel; or from deviation (which
- 898 expression includes, without limitation, putting back or putting into any port or
- 899 place other than that to which the Vessel was bound under orders from
- 900 Charterer) for the purpose of obtaining medical advice or treatment, or
- 901 landing any injured, ill or other person, or the body of a deceased person on
- 902 board (other than any person who may be carried at Charterer's request);
- 903 while saving or attempting to save life or property or going to the aid of a ship
- 904 in distress (whether voluntary or not), or
- 905 (iii) In the event of loss of time (taking into account, where appropriate, the three-
- 906 hour franchise in sub-paragraph (i) above) from failure of the Vessel for any
- 907 reason to fulfill the requirements of Clause 2 and/or Clause 4; then,
- 908 payment of hire shall cease for all time lost until the Vessel is again in an efficient
- 909 state to resume her service and has regained a point of progress equivalent to
- 910 that when the hire ceased hereunder, including, without limitation, return to the
- 911 berth, queue position, or place occupied by the Vessel when the Vessel went off-
- 912 hire. The cost of fuel consumed while the Vessel is off-hire hereunder, as well as
- 913 all port charges, pilotage, and other expenses incurred during such period or
- 914 consequent to the putting-in to any port or place other than that to which the
- 915 Vessel is bound, shall be borne by Owner; but should the Vessel be driven into
- 916 port or to anchorage by stress of weather or on account of accident to her cargo,

917 such loss of time shall be for Charterer's account. If, upon the voyage, the speed
918 of the Vessel is reduced or her fuel consumption is increased by breakdown,
919 casualty, or inefficiency of Master, officers, or crew, so as to cause a delay of
920 more than eight hours in arriving at the Vessel's next port or an excess
921 consumption of more than one day's fuel, hire for the time lost and cost of extra
922 fuel consumed, if any, shall be borne by Owner. Any delay by ice or time spent
923 in quarantine shall be for Charterer's account, except delay in quarantine
924 resulting from the Master, officers, or crew having communications with the shore
925 at an infected port where Charterer has given the Master adequate written notice
926 of infection, which shall be for Owner's account, as shall also be any loss of time
927 through detention by authorities as a result of charges of smuggling or of other
928 infraction of law by the Master, officers, or crew.

929 **b Cumulative Off-Hire**

930 If the periods of time lost, for which hire does not cease to be payable under the
931 provisions of Clause 11a because each such period or delay is not of more than
932 three (3) consecutive hours duration, exceed in the aggregate twenty-four (24)
933 hours in any charter party year (and pro rata for part of a year), hire shall not be
934 payable for all time lost during such twenty-four (24) hour franchise period as
935 well as the excess beyond such period and any hire overpaid by Charterer shall
936 be repaid by Owner. The term "charter party year" means consecutive periods of
937 one year, with the first commencing on the date of delivery under the Charter.

938 **c Detention of the Vessel**

939 In the event of loss of time by detention of the Vessel by authorities at any place
940 in consequence of legal proceeding against the Vessel, Owner, Vessel operator,
941 Master and/or crew, or by reason of any strike or boycott against the Vessel,
942 payment of charter hire shall cease for all time so lost. The cost of fuel
943 consumed as well as all additional port charges, pilotage, and other expenses
944 incurred during the time so lost shall be borne by Owner. If any such loss of time
945 shall exceed thirty (30) consecutive days, Charterer shall have the option to
946 cancel the Charter by written notice given to Owner while the Vessel remains so
947 detained, without prejudice to any other right Charterer may have in the
948 premises.

949 **d Owner's Due Diligence**

950 The provisions of the Charter providing for Vessel off-hire and Related Off-Hire
951 Expense, including, without limitation, Clause 3 and Clause 11, shall be fully
952 operative regardless of any due diligence Owner may have exercised.

953 **e Trading While Off-Hire**

954 Owner may not, under any circumstances, trade the Vessel for its own account
955 during any period of off-hire.

956 **f Reservation**

957 Nothing in Clause 11 shall affect any other provisions of the Charter stipulating
958 loss of time for Vessel's or Owner's account or otherwise providing for
959 suspension or cessation of hire or other rights and remedies for loss or
960 diminution of Vessel services under the Charter.

961 **12 Dry-docking and Repairs**962 **a General Provisions**

963 Owner, at its expense, shall dry-dock the Vessel, clean and paint the Vessel's
 964 bottom, and make all overhaul and other necessary repairs at reasonable
 965 intervals. Such overhaul or repair intervals shall not be less than thirty (30)
 966 months and such dry-docking intervals shall not be less than sixty (60) months
 967 unless the Vessel's flag state or classification society requires shorter intervals.
 968 For the purpose of dry-docking or repair, Charterer shall allow the Vessel to
 969 proceed to an appropriate port. Owner shall be solely responsible for such dry-
 970 docking and repairs, and also for gas-freeing the Vessel upon each occasion. All
 971 towing, pilotage, fuel, and other expenses incurred while proceeding to and from
 972 and while in and waiting for dry dock or repair shall also be for Owner's account.
 973 Fuel used during such dry-docking or repair periods, as provided in Clause 12 or
 974 Clause 15, or used in proceeding to or from the port of dry-docking or repair, will
 975 be charged to Owner by Charterer at the price charged to Charterer by its bunker
 976 supplier at such port if bunkers are obtained there, or at the next replenishment
 977 port.

978 **b Adjustment of Hire**

979 In case of dry-docking or repair pursuant to Clause 12 at a port where the Vessel
 980 is to load, discharge or bunker under Charterer's orders, hire shall be suspended
 981 from the time the Vessel receives free pratique on arrival, if in ballast, or upon
 982 completion of discharge of cargo, if loaded, until the Vessel is again in all
 983 respects ready for service. In case of dry-docking or repair at a port other than
 984 where the Vessel loads, discharges or bunkers under Charterer's orders, the
 985 following time and bunkers shall be deducted from hire: The total time and
 986 bunkers, including dry-dock or repair port call, for the actual voyage from the last
 987 port of call under Charterer's orders to the next port of call under Charterer's
 988 orders, less the theoretical voyage time and bunkers for the direct voyage from
 989 said last port of call to said next port of call. The theoretical voyage will be
 990 calculated on the basis of the sea buoy to sea buoy distance at the warranted
 991 speed and consumption stipulated in Clauses 8a and 8b.

992 **c Accumulation of Off-Hire Time**

993 The period during which hire is suspended, including time in and waiting for dry
 994 dock and repairs, until the Vessel again comes on-hire under the terms of Clause
 995 12b shall count as off-hire time under the terms of the Charter.

996 **d Dry-docking Area**

997 When dry-docking or repair is required, the Vessel may only be dry-docked or
 998 repaired within the Vessel's then-current trading pattern or area unless Charterer
 999 pre-agrees otherwise in writing. Owner may not, under any circumstances, trade
 1000 the Vessel for its own account on the voyage to or from the dry dock or repair
 1001 location.

1002 **e Notices**

1003 Except in case of emergency, Owner shall give Charterer no less than three
 1004 months written notice of its intention to dry-dock or repair the Vessel, which
 1005 notice shall include Owner's estimate of the time required to complete the
 1006 planned dry-docking or repair. Owner shall also promptly give Charterer written
 1007 notice if Owner's original estimate of the duration of the dry-docking or repair
 1008 period changes by more than three days. In any case, Owner shall give no less

1009 than ten days written notice of the date for completion of any planned dry-dock or
1010 repair, failing which any time thereby lost to Charterer shall be off-hire time.

1011 **13 Owner Provides**

1012 **a Owner's Responsibility**

1013 Owner shall provide and pay for all provisions, deck and engine room stores,
1014 galley and cabin stores, P&I, hull, and other insurance on the Vessel (except as
1015 provided for in Clause 6a and Clause 21d), wages of the Master, officers, and
1016 crew, all certificates and other requirements necessary to enable the Vessel to
1017 be employed throughout the trading limits herein provided, consular fees
1018 pertaining to the Master, officers, and crew, all fresh water used by the Vessel,
1019 and all other expenses connected with the operation, maintenance, and
1020 navigation of the Vessel, and customs or import duties arising in connection with
1021 any of the foregoing.

1022 **b Wages, Provisions and Stores**

1023 Any amounts expended for wages, provisions, and stores (insofar as such
1024 amounts are in respect of a period when the Vessel is on-hire) shall not be
1025 deemed a general average expenditure.

1026 **c Lubricants**

1027 When, during the Charter Term, Owner plans to purchase lubricants for the
1028 Vessel, Owner shall purchase such lubricants from one of Charterer's associated
1029 or affiliated companies whenever they are available at competitive prices. In the
1030 event lower prices are quoted to Owner by any supplier at the relevant port(s),
1031 Owner shall give one of Charterer's associated or affiliated companies the
1032 opportunity to meet such quotation

1033 **14 Officers' Duties**

1034 **a Master's Duties**

1035 The Master, although appointed by and in the employ of Owner and subject to
1036 Owner's direction and control, shall observe the orders of Charterer in
1037 connection with Charterer's agencies, arrangements, and employment of the
1038 Vessel's services hereunder. The Master shall prosecute all voyages with the
1039 utmost dispatch and render all reasonable assistance with the Vessel's crew and
1040 equipment, including, without limitation, hoisting, connecting and disconnecting
1041 hoses at ports or sea-berths when requested or when such assistance is the
1042 normal practice. If a conflict arises between loading or discharge terminal orders
1043 and Charterer's orders, Master shall stop cargo operations and promptly request
1044 instructions from Charterer by the fastest available means. Nothing in Clause
1045 14, or elsewhere in the Charter, shall be construed as creating a demise of the
1046 Vessel to Charterer, nor as vesting Charterer with any control over, or
1047 responsibility for, the management, operation, and/or navigation of the Vessel.

1048 **b Logs**

1049 The Master and the engineers shall timely keep and sign full and correct logs of
1050 the voyages, which are to be patent to Charterer and its agents, and true log
1051 abstracts or such other paper or electronic forms as Charterer may require are to
1052 be sent, as instructed, directly to Charterer from each port of call.

1053 **c Conduct**

1054 If Charterer shall have reason to be dissatisfied with the conduct of the Master,
 1055 officers or crew, Owner shall, on receiving particulars of the complaint,
 1056 investigate it and, if reasonably required, make a change in the appointments.

1057 **15 Fuel, Port Charges, Etc.**

1058 **a Fuel, Port Charges, Dues and Fees**

1059 Charterer shall provide and pay for all fuel. Owner, at each fueling, shall arrange
 1060 for and retain properly sealed and identified samples of each grade of fuel
 1061 received and shall hold same subject to Charterer's written instructions.
 1062 Charterer shall also pay for all port charges (including the cost of obtaining a
 1063 certificate of arrangements for oil recovery boats or devices at Japanese ports),
 1064 light dues, dock dues, canal dues, pilotage, consular fees (except those
 1065 pertaining to Master, officers and crew), tugs necessary for assisting the Vessel
 1066 in, about, and out of port for the purpose of carrying out the Charter, and
 1067 Charterer's agencies and commissions incurred for Charterer's account. Owner
 1068 shall, however, reimburse Charterer for any fuel used or any expenses incurred
 1069 in making a general average sacrifice or expenditure, and for any fuel consumed
 1070 during, or related to, dry-docking, repair of the Vessel, or other periods of off-hire
 1071 and said reimbursement(s) shall in no event be deemed a General Average
 1072 expenditure. Charterer shall nominate and appoint Vessel's agents at all port(s)
 1073 and place(s). Such agents shall be paid for by Charterer; however, when such
 1074 agents are providing assistance or services to the Vessel, Master, crew or
 1075 Owner, Owner shall instruct such agents who shall represent solely the Owner
 1076 and Vessel.

1077 **b Tugs and Pilots**

1078 In engaging pilotage and tug assistance, Charterer is authorized by Owner to
 1079 engage them on behalf of Owner on the usual terms and conditions for such
 1080 services then prevailing at the ports or places where such services are engaged,
 1081 including provisions there prevailing, if any, making pilots, tug captains, or other
 1082 personnel of any tug the borrowed servants of Owner.

1083 **c Charterer's Responsibility**

1084 Neither Charterer, nor its agents, nor any associated or affiliated company of
 1085 Charterer, nor any of their agents, directors, officers, or employees shall be
 1086 under any responsibility for any loss, damage, or liability arising from any
 1087 negligence, incompetence, or incapacity of any pilot, tug captain, or other
 1088 personnel of any tug, or arising from the terms of the contract of employment
 1089 thereof, or for any unseaworthiness or insufficiency of any tug or tugs, the
 1090 services of which are arranged by Charterer on behalf of Owner, and Owner
 1091 agrees to indemnify and hold Charterer, its agents, its associated and affiliated
 1092 companies, and their agents, directors, officers and employees harmless from
 1093 and against any and all such consequences.

1094 **d Charterer's Tugs or Pilots**

1095 Charterer shall have the option of using its own tugs or pilots, or tugs or pilots
 1096 made available or employed by any associated or affiliated company, to render
 1097 towage or pilotage services to the Vessel. In this event, the terms and conditions
 1098 relating to such services prevailing in the port where such services are rendered
 1099 and applied by independent tugboat owners or pilots shall be applicable, and
 1100 Charterer, its associated or affiliated company and its pilots shall be entitled to all

1101 exemptions from, and limitations of, liability applicable to said independent
1102 tugboat owners or pilots and their published tariff terms and conditions.

1103 **e Exception**

1104 Any and all requirements of the Vessel, whatsoever, during or in connection with
1105 periods of off-hire and during loss of time for Owner's account, whether or not
1106 Vessel is off-hire, shall be provided and/or paid for by Owner, notwithstanding
1107 that such requirements would otherwise be provided for and/or paid for by
1108 Charterer under Clause 15.

1109 **16 Additional Equipment**

1110 Charterer, subject to Owner's approval not to be unreasonably withheld, shall be at
1111 liberty to fit any additional pumps and/or gear for loading or discharging cargo or
1112 other purposes it may require beyond that which is on board at the commencement
1113 of the Charter, and to make the necessary connections with steam or water pipes or
1114 other systems, such work to be done at its expense and time, and such pumps
1115 and/or gear so fitted to be considered its property, and Charterer shall be at liberty to
1116 remove same at its expense and time during or at the expiry of the Charter; the
1117 Vessel to be left in her original condition to Owner's satisfaction, ordinary wear and
1118 tear excepted. Owner shall, at its expense, provide appropriate maintenance for any
1119 equipment installed by Charterer.

1120 **17 Lay-up**

1121 Charterer shall have the option of laying-up the Vessel for all or any portion of the
1122 Charter Term, in which case hire hereunder shall continue to be paid, but there shall
1123 be credited against such hire the whole amount which Owner shall save (or
1124 reasonably should save) during such period of lay-up through reduction in expenses,
1125 less any extra expenses to which Owner is put as a result of such lay-up. The place
1126 of such lay-up shall be subject to Owner's approval, not to be unreasonably withheld.
1127 Should Charterer, having exercised the option granted hereunder, desire the Vessel
1128 to again be put into service, Owner will, upon receipt of written notice from Charterer
1129 to such effect, immediately take steps to restore the Vessel to service as promptly as
1130 possible. The option granted to Charterer hereunder may be exercised one or more
1131 times during the currency of the Charter or any extension thereof.

1132 **18 Requisition of Vessel**

1133 **a Requisition of Title**

1134 In the event that title to the Vessel shall be requisitioned or seized by any
1135 government authority (or the Vessel shall be seized by any person, entity, or
1136 government under circumstances that are equivalent to requisition of title), the
1137 Charter shall terminate automatically as of the effective date of such requisition
1138 or seizure.

1139 **b Other Requisition**

1140 In the event that the Vessel should be requisitioned for use or seized by any
1141 government authority or by any person or entity on any basis not involving or not
1142 equivalent to requisition of title, it shall be off-hire hereunder during the period of
1143 such requisition, and any hire or any other compensation paid in respect of such
1144 requisition shall be for Owner's account; provided, however, that if such
1145 requisition continues for a period in excess of sixty (60) days, Charterer shall
1146 have the option to terminate the Charter upon written notice to Owner. Any

1147 periods of off-hire under Clause 18b shall be subject to Charterer's option for off-
1148 hire extension set forth in Clause 1c.

1149 **19 Redelivery**

1150 **a Redelivery Conditions**

1151 Unless the Charter shall previously have been terminated by loss of the Vessel
1152 or as otherwise provided in the Charter or by law, Charterer shall redeliver the
1153 Vessel to Owner, free of cargo, at the expiration of the Charter Term upon
1154 completion of discharge at a port or place, worldwide, in Charterer's option, and
1155 shall give written notice of the date and hour of such redelivery. In addition,
1156 Charterer shall give Owner written notice of the estimated date of such redelivery
1157 30, 20, 10 and 5 days in advance of same. At Charterer's option, the Vessel may
1158 be redelivered to Owner with tanks in a clean or dirty condition and in no event
1159 shall Charterer be required to redeliver the Vessel gas-free.

1160 **b Fuel at Redelivery**

1161 Owner shall accept and pay for all fuel in the Vessel's bunker tanks when the
1162 Charter terminates. Payment for such fuel shall be in accordance with the last
1163 documented net price paid by Charterer, excluding any delivery charges.

1164 **c Early Redelivery**

1165 If the Charter is terminated prior to the expiration of the Charter Term in
1166 accordance with any provision of the Charter or by reason of law, Owner shall
1167 reimburse Charterer for the value of any hire paid but not earned, the value of
1168 fuel in the Vessel's bunker tanks at termination in accordance with Clause 19b,
1169 any other sums Charterer is entitled to under the Charter, as well as any
1170 damages Charterer may sustain if termination is due to Owner fault or breach of
1171 the Charter.

1172 **20 Bills of Lading**

1173 **a Signatures**

1174 Bills of Lading shall be signed by the Master as presented, the Master attending
1175 daily, if required, at the offices of Charterer or its agents. However, at
1176 Charterer's option, Charterer or its agents may sign Bills of Lading on behalf of
1177 the Master. All Bills of Lading shall be without prejudice to the Charter, and
1178 Charterer shall indemnify Owner against all consequences or liabilities which
1179 may arise from any inconsistency between the Charter and any Bills of Lading or
1180 other documents signed by Charterer or its agents, or by the Master at their
1181 request, or which may arise from an irregularity in papers supplied by Charterer
1182 or its agents.

1183 **b Carriage of Cargo**

1184 Notwithstanding anything in the Charter to the contrary, the carriage of cargo
1185 under the Charter and under all Bills of Lading issued for the cargo shall be
1186 subject to the statutory provisions and other terms set forth or specified in
1187 Clauses 20b(1) through 20b(6) and such terms shall be incorporated verbatim, or
1188 be deemed incorporated by reference, in any such Bill of Lading. In such
1189 Clauses and in any Act referred to therein, the word "Carrier" shall include Owner
1190 and any chartered owner of the Vessel.

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(1) Clause Paramount

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This Bill of Lading shall have effect subject to the provisions of the Carriage of Goods by Sea Act of the United States, approved April 16, 1936, except that if this Bill of Lading is issued at a place where any other act, ordinance, or legislation gives statutory effect to:

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1) the International Convention for the Unification of Certain Rules relating to Bills of Lading at Brussels, 15th August 1924 ("**Hague Rules**"), or

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2) the Hague Rules as amended by the Protocol signed at Brussels on 23rd February 1968 ("**Hague/Visby Rules**"), or

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3) the United Nations Convention on the Carriage of Goods by Sea 1978 ("**Hamburg Rules**"),

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then this Bill of Lading shall have effect subject to the provisions of such act, ordinance, or legislation. The applicable act, ordinance, or legislation ("**Act**") shall be deemed to be incorporated herein and nothing herein contained shall be deemed a surrender by the Carrier of any of its rights or immunities or an increase of any of its responsibilities or liabilities under the Act. If any term of this Bill of Lading be repugnant to the Act to any extent, such term shall be void to that extent but no further.

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(2) Jason Clause

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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 consequences of which, the Carrier is not responsible, by statute, contract or otherwise, the cargo shippers, consignees, or owners of the cargo shall contribute with the Carrier in General Average to the payment of any sacrifices, losses, or expenses of a General Average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the cargo. If a salving 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 its agents may deem sufficient to cover the estimated contribution of the cargo and any salvage and special charges thereon shall, if required, be made by the cargo shippers, consignees or owners of the cargo to the Carrier before delivery.

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(3) General Average

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General Average shall be adjusted, stated, and settled according to York-Antwerp Rules 2004 ("**Rules**") and, as to matters not provided for by those Rules, according to the laws and usage at the port of New York; provided that, when there is an actual escape or release of oil or pollutant substances from the Vessel (irrespective of Vessel location), the cost of any measures, continued or undertaken on that account, to prevent or minimize pollution or environmental damage shall not be allowable in General Average; and, provided further, that any payment for pollution damage (as defined in Article I 6.(a) of the 1992 Protocol to the International Convention on Civil Liability for Oil Pollution Damage) shall also not be allowable in General Average. It is understood and agreed, however, that the cost of measures to prevent pollution or environmental damage, undertaken in respect of oil or pollutant substances which have not escaped or been released from the Vessel, shall be included in General Average to the extent permitted by the Rules. If a General Average statement is required, it shall be prepared at such port by an Adjuster from the port of New York appointed by the Carrier and approved

1241 by Charterer of the Vessel. Such Adjuster shall attend to the settlement and
1242 the collection of the General Average, subject to customary charges.
1243 General Average Agreements and/or security shall be furnished by Carrier,
1244 and/or Charterer, and/or Owner, and/or Consignee of the cargo, if requested.
1245 Any cash deposit being made as security to pay General Average and/or
1246 salvage shall be remitted to the Average Adjuster and shall be held by the
1247 Adjuster at the Adjuster's risk in a special account in a duly authorized and
1248 licensed bank at the place where the General Average statement is
1249 prepared.

1250 **(4) Both to Blame**

1251 If the Vessel comes into collision with another ship as a result of the
1252 negligence of the other ship and any act, neglect or default of the Master,
1253 mariner, pilot, or the servants of the Carrier in the navigation or in the
1254 management of the Vessel, the owners of the cargo carried hereunder shall
1255 indemnify the Carrier against all loss or liability to the other or non-carrying
1256 ship or its owners insofar as such loss or liability represents loss of, or
1257 damage to, or any claim whatsoever of the owners of said cargo, paid or
1258 payable by the other or recovered by the other or non-carrying ship or its
1259 owners as part of their claim against the carrying ship or Carrier. The
1260 foregoing provisions shall also apply where the owners, operators, or those
1261 in charge of any ships or objects other than, or in addition to, the colliding
1262 ships or objects are at fault in respect of a collision or contact. The
1263 provisions in this Clause 20b(4) shall only apply if Owner has exercised due
1264 diligence to make the Vessel seaworthy and properly manned, equipped,
1265 and supplied, with the burden of proof in this regard resting solely on Owner.

1266 **(5) Limitation of Liability**

1267 Any provision of the Charter to the contrary notwithstanding, the Carrier shall
1268 have the benefits of all limitations of, and exemptions from, liability accorded
1269 to the owner or chartered owner of vessels by any statute or rule of law for
1270 the time being in effect.

1271 **(6) Deviation Clause**

1272 Subject to Clause 11, the Vessel shall have liberty to sail with or without
1273 pilots, to tow or be towed, to go to the assistance of vessels in distress, to
1274 deviate for the purpose of saving life or property or of landing any ill or
1275 injured person on board, and to call for fuel at any port or ports in or out of
1276 the regular course of the voyage.

1277 **c Bill of Lading Indemnity**

1278 If Charterer requests Owner to deliver cargo at a discharge port or place either:

- 1279 1) Without prior presentation to the Vessel at the discharge port or place of one
1280 of the original Bills of Lading issued for the cargo, duly endorsed, and/or
1281 2) At a discharge port or place other than that specifically named in said Bills of
1282 Lading,

1283 Owner shall deliver the cargo in accordance with Charterer's request if Charterer
1284 first executes and delivers a written indemnity in connection with such delivery in
1285 favor of Owner, Vessel, any chartered owner(s) of Vessel, Master, Vessel
1286 operators, agents and underwriters and delivers such indemnity to Owner or
1287 Owner's designee. The subject indemnity shall meet the requirements of Clause
1288 20d and shall be limited in value to two hundred percent (200%) of the CIF value
1289 of the cargo.

1290 **d Form of Indemnity**

1291 The indemnity referred to in Clause 20c shall be a short form indemnity
1292 document incorporating the terms and conditions set forth in Clause 20e. This
1293 document (which must be properly filled-in) shall be given to Owner by electronic
1294 mail, telex, letter, or facsimile as requested by Owner and be in the exact form
1295 quoted below, which document, when transmitted, shall be deemed to have been
1296 signed by person acting on behalf of Charterer:

1297 QUOTE

1298 Time Charter of M.T. [Insert the vessel name] dated [Insert the date of the
1299 charter party] between [Insert the name of Owner], as Owner ("Owner") and
1300 [Insert the name of Charterer], as Charterer ("Charterer").

1301 Reference is made to the cargo ("Cargo") now laden aboard the above Vessel
1302 ("Vessel"). Pursuant to Clause 20c of the above-captioned charter party
1303 ("Charter"), the undersigned requests that Owner(s) of the Vessel deliver the
1304 Cargo at _____ unto _____ without prior discharge site
1305 presentation to the Vessel of all original Bills of Lading issued for the Cargo
1306 appropriately endorsed for such delivery and/or at a discharge port or site other
1307 than one specifically named in said Bills of Lading.

1308 In consideration of such delivery, the undersigned hereby gives an indemnity
1309 containing the terms set forth in Clause 20e of the Charter ("Indemnity Terms
1310 and Conditions"). The Indemnity Terms and Conditions are deemed
1311 incorporated in and made a part of this document. The term "Indemnifier" in the
1312 Indemnity Terms and Conditions shall be deemed to refer to the undersigned.
1313 The term "Cargo" and the phrase "Requested Delivery" in the Indemnity Terms
1314 and Conditions shall be deemed, respectively, to mean the Cargo and the
1315 delivery request set forth in the preceding paragraph of this document. The term
1316 "Ship" as used in the Indemnity Terms and Conditions shall be deemed to refer
1317 to the Vessel. The following information must be provided:

1318 Name of Charterer: _____

1319 Name of Person Acting on Behalf of Charterer: _____

1320 Authority/Title of Above Person: _____

1321 Date Indemnity Given: _____

1322 UNQUOTE

1323 **e Indemnity Terms and Conditions**

1324 **(1) Nature of Indemnity**

1325 Indemnifier shall indemnify and hold harmless the Owner of the Ship, any
1326 chartered Owner of the Ship, the Ship operator, the Ship Master, the Ship
1327 underwriters and the Ship agents (hereinafter jointly and individually called
1328 "Indemnitees") in respect of any liability, loss, damage, costs (including, but
1329 not limited to attorney/client costs) and other expense of whatever nature
1330 which Indemnitees may sustain or incur by reason of the Requested
1331 Delivery.

1332 **(2) Funds for Defense**

1333 In the event of any legal action or proceedings being commenced against the
1334 Indemnitees in connection with the Requested Delivery, Indemnifier shall
1335 provide Indemnitees from time to time, on Indemnitees' demand, with
1336 sufficient funds to defend the same.

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(3) Arrest or Detention

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If the Ship or any other vessel or other property belonging to the Indemnitees should be arrested or detained or if the arrest or detention thereof should be threatened for any claim in connection with the Requested Delivery, the Indemnifier shall provide, upon demand of the Indemnitees, such bail or other security as may be required to prevent such arrest(s) or detention(s) or to secure the release of the Ship or such vessel or other property from arrest or detention, and shall indemnify the Indemnitees in respect of any loss, damage, costs (including but not limited to attorney/client costs), and other expense resulting from such arrest or detention or threatened arrest or detention, whether or not the same may be justified, and to pay to the Indemnitees, on the Indemnitees' demand, the amount of such loss, damages, costs and/or expense.

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(4) Termination of Indemnity

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This Indemnity shall automatically become null and void, and Charterer's liability hereunder shall cease, upon presentation of all original Bills of Lading duly endorsed to reflect delivery of Cargo in accordance with the Requested Delivery, or upon the expiration of thirty-six (36) months after completion of discharge, whichever occurs first; provided that no legal proceedings arising from delivery of the Cargo in accordance with the Requested Delivery have been instituted against the Indemnitees and/or Vessel within such thirty-six (36) month period. Owner shall advise Charterer with reasonable dispatch in writing if any proceedings are instituted.

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(5) Governing Law

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The within Indemnity shall be governed and construed in accordance with the internal substantive laws of the State of New York, U.S.A. The Indemnitees may, but shall not be obligated to, bring any legal action or proceeding with respect to such Indemnity in the Courts of the State of New York, U.S.A. or in the U.S. Federal Court situated therein and the Indemnifier unconditionally and generally accepts in regard to such legal action or proceeding, for itself and its property, the jurisdiction and venue of the aforesaid courts.

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f Arbitration of Bill of Lading Claims

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Any claim for loss, damage and/or non delivery of cargo carried pursuant to the Charter, made by any associated or affiliated company of Charterer and asserted to arise under Bill(s) of Lading issued for such cargo, shall be subject to Clause 29 of the Charter, said associated or affiliated company having authorized Charterer to so agree on its behalf. If Clause 20f applies, the terms "Charterer" and "Charter" in Clause 29 shall be taken to mean, respectively, the aforementioned associated or affiliated company and Bill(s) of Lading.

1377

21 War Risks

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a Contraband

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No contraband of war shall be shipped, but petroleum and/or its products shall not be deemed contraband of war for the purposes of Clause 21.

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b War Zones

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The Vessel shall not, however, be required, without the consent of Owner, which shall not be unreasonably withheld, to enter any port, place, or zone that is involved in a state of war, warlike operations or hostilities, civil strife, terrorism

1385 and other politically motivated activities, or piracy, whether there be a declaration
 1386 of war or not, where it might reasonably be expected to be subject to capture,
 1387 seizure or arrest, or to a hostile act by a belligerent power (the term "power"
 1388 meaning any de jure or de facto authority or any other purported governmental
 1389 organization maintaining naval, military or air forces or any terrorist group or
 1390 organization).

1391 **c War Risks Insurance**

1392 For purposes of Clause 21, it shall be unreasonable for Owner to withhold
 1393 consent to any voyage, route, or port or place of loading or discharge if insurance
 1394 against all risks defined in Clause 21b is then available commercially or under a
 1395 government program in respect to such voyage, route, or port or place of loading
 1396 or discharge. If such consent is given by Owner, Charterer shall pay any
 1397 provable additional cost of insuring the Vessel against hull war risks over and
 1398 above such costs in effect on the date of the Charter, as shown in Schedule B, in
 1399 an amount equal to the insured value under its ordinary hull policy but not
 1400 exceeding *[Insert the insured value under the Vessel's hull policy]* U.S. dollars.
 1401 In addition, Owner may purchase war risk insurance on ancillary risks such as
 1402 loss of hire, freight disbursements, total loss, etc., if it carries such insurance for
 1403 ordinary marine hazards. Subject to the just-mentioned total insurance limitation
 1404 of *[Insert the insured value under the Vessel's hull policy]* U.S. dollars, the
 1405 provable additional costs of such ancillary insurance over and above the costs in
 1406 effect on the date of the Charter shall be for Charterer's account. If such
 1407 insurance is not obtainable commercially or through a government program, the
 1408 Vessel shall not be required to enter or remain at any such port, place, or zone.
 1409 Owner shall obtain from insurers a waiver of any subrogated rights against
 1410 Charterer and its associated and affiliated companies and their agents, directors,
 1411 officers and employees in respect of any claims under the war risks insurance
 1412 arising out of Owner's compliance with Charterer's orders.

1413 **d Additional Costs**

1414 In the event of the existence of the conditions described in Clause 21b
 1415 subsequent to the date of the Charter, or while Vessel is on hire under the
 1416 Charter, Charterer shall, in respect of voyages to any such port, place or zone,
 1417 assume any provable additional cost of wages and crew war bonus and
 1418 insurance properly incurred in connection with Master, officers and crew as a
 1419 consequence of such war, warlike operations or hostilities over and above such
 1420 costs in effect on the date of the Charter.

1421 **e Hostile Areas**

1422 Owner shall have the option of adjusting the timing, speed, and routing of the
 1423 inward and outward passage through areas of hostility depending on the
 1424 prevailing pattern of hostilities. Owner shall keep Charterer advised of its plans
 1425 to transit areas of hostilities including any changes while in transit. The voyage
 1426 instruction procedures for the Vessel to transit a hostile area(s) shall be as
 1427 follows:
 1428 Charterer issues voyage instructions directly to the Vessel, with a copy to Owner.
 1429 Charterer's voyage instructions should include:
 1430 1) specific ports to load/discharge and sequence of port calls
 1431 2) required load/discharge dates
 1432 3) cargo grades and quantities

- 1433 4) bunkering details
- 1434 5) cargo measurement and documentation requirements, etc.
- 1435 Charterer's voyage instructions to include advice to the Master that the specific
- 1436 sailing instructions for the passage in and out and through the area of hostilities
- 1437 will be issued by Owner.
- 1438 Owner, upon receipt of Charterer's voyage instructions, shall determine the level
- 1439 and nature of risk in the hostile area(s) and issue specific cautionary sailing
- 1440 instructions directly to the Vessel with copy to Charterer's office on an urgent
- 1441 basis.
- 1442 Owner's specific cautionary sailing instructions shall include passage timing,
- 1443 recommended routing, speed in and out and through the area(s) of hostilities,
- 1444 and other specific cautionary instructions.

1445 **22 Exceptions**

1446 **a Loss, Damage, Delay**

1447 The Vessel, Master and Owner shall not, unless otherwise expressly provided in

1448 the Charter, be responsible for any loss or damage to cargo arising or resulting

1449 from: any act, neglect, default or barratry of the Master, pilots, mariners or other

1450 servants of the Owner in the navigation or management of the Vessel; fire,

1451 unless caused by the personal design or neglect of Owner; collision, stranding,

1452 or peril, danger or accident of the sea or other navigable waters; or from

1453 explosion, bursting of boilers, breakage of shafts, or any latent defect in hull,

1454 equipment or machinery.

1455 Neither the Vessel, the Master or Owner, nor Charterer, shall, unless otherwise

1456 expressly provided in the Charter, be responsible for any loss or damage or

1457 delay or failure in performing hereunder arising or resulting from: act of God; act

1458 of war; perils of the sea; act of public enemies, pirates or assailing thieves; arrest

1459 or restraint of princes, rulers or people, or seizure under legal process provided

1460 bond is promptly furnished to release the Vessel or cargo; strike or lockout or

1461 stoppage or restraint of labor from whatever cause, either partial or general; or

1462 riot or civil commotion.

1463 **b Number of Grades**

1464 The Owner warrants the Vessel is constructed and equipped to carry **[insert**

1465 **number of grades of cargo]** within the Vessel's natural segregations. If for any

1466 reason the Vessel, upon arrival at a loading port or place, is unable to load the

1467 required number of grades, Charterer will do its utmost to provide a suitable

1468 cargo consistent with the Vessel's capabilities, with any delay being for Owner's

1469 account. However, if such cargo cannot be provided within a reasonable time

1470 the Vessel is to proceed to the nearest repair port in ballast and there make all

1471 necessary repairs, any time and expense being for Owner's account.

1472 **c Limitation of Exceptions**

1473 The exceptions stated in Clause 22a shall not affect Owner's undertakings with

1474 respect to the condition, particulars and capabilities of the Vessel, the provisions

1475 for payment and cessation of hire, the obligations of the Owner under Clause 20

1476 in respect of the loading, handling, stowage, carriage, custody, care, and

1477 discharge of cargo in the Charter, and/or Charterer's option(s) to terminate the

1478 Charter in accordance with the Charter terms.

1479 **23 Salvage**

1480 All salvage moneys earned by the Vessel shall belong to Owner.

1481 **24 ITOPF**

1482 Owner warrants that it is a member of the International Tanker Owners' Pollution
1483 Federation ("**ITOPF**") and that Owner will retain such membership during the Charter
1484 Term.

1485 **25 Clean Seas**

1486 Owner agrees to participate in Charterer's program covering oil pollution avoidance
1487 ("**Program**"). Such Program requires compliance with latest International Maritime
1488 Organization ("**IMO**") and Port State regulations. The Program prohibits discharge
1489 overboard of all oil and all oily water, oily ballast or oil in any form unless in
1490 compliance with IMO and Port State local regulations or under extreme
1491 circumstances whereby the safety of the Vessel, cargo, or life at sea would be
1492 imperiled. Owner shall ensure that the Vessel's personnel comply with the following:

1493 **a Retention of Residues**

1494 Subsequent to the date of delivery, and in the course of the ballast passage
1495 before presenting for delivery hereunder, any oily residues remaining in the
1496 Vessel from its previous cargoes shall be retained on board and shall be handled
1497 according to Charterer's instructions.

1498 **b Tank Washings**

1499 During tank washing, the tank washings shall be collected into one cargo
1500 compartment and, after maximum separation of free water, such free water shall
1501 be discharged overboard to the extent permitted by applicable regulations.
1502 Thereafter, Charterer shall be notified promptly by electronic mail, facsimile, or
1503 telex of the estimated quantity of the segregated tank washings and the type and
1504 source of such washings. If Charterer requires that demulsifiers shall be used for
1505 the separation of oil and water, such demulsifiers shall be obtained by Owner
1506 and paid for by Charterer. When specifically requested by Charterer (e.g., for
1507 third-party re-lets), Owner shall ensure that the Master, on the Vessel's arrival at
1508 the loading port(s) or place(s) during the Charter does the following:

- 1509 1) Arranges for the measurement of the segregated tank washings in
1510 conjunction with the cargo supplier(s).
- 1511 2) Records the quantity of tank washings so measured in the Vessel's ullage
1512 record.
- 1513 3) Issues a Slop Certificate.
- 1514 4) Arranges that the Slop Certificate and/or Vessel's ullage record be duly
1515 signed by the cargo supplier(s) and promptly sent to Charterer.

1516 **c Disposition of Residues**

1517 The segregated tank washings and any other oily cargo residues on board
1518 ("**Residues**") shall, at Charterer's option, be pumped ashore into slop facilities at
1519 the loading port(s) or place(s), commingled with the cargo to be loaded, or
1520 segregated from the cargo to be loaded. If Charterer requires the Master to
1521 discharge the Residues at facilities at loading port(s) or place(s), the cost of such
1522 facilities and the ultimate disposal of the Residues shall be for Charterer's sole
1523 account. If Charterer requires Residues to be kept separate from the cargo to be

1524 loaded, such Residues shall, at Charterer's option, be discharged at the
 1525 discharging port(s) or place(s) in accordance with Charterer's instructions.

1526 **d Additional Pollution Prevention Measures**

- 1527 1) Owner will also arrange for the Vessel to adhere to Charterer's Program
 1528 covering oil pollution avoidance during off-hire periods within the Charter
 1529 Term, including the preparation of cargo tanks for dry-docking and repairs.
- 1530 2) The Vessel will take all necessary precautions while loading and discharging
 1531 cargo or bunkers, as well as ballast, to ensure that no oil will escape
 1532 overboard.
- 1533 3) Nothing in Charterer's instructions shall be construed as permission to
 1534 pollute the sea by the discharge of oil or oily water, etc.
- 1535 4) The Vessel shall have a safe and efficient means of transferring engine room
 1536 and pump room bilge liquids to designated holding tanks onboard, for
 1537 disposal in accordance with international, flag state, and port state
 1538 regulations.
- 1539 5) Pump room stripping line overboard discharges shall be suitably blanked off
 1540 before arriving in port. Such blanks are to be installed and retained in the
 1541 lines throughout the entire period that the Vessel is in coastal waters.

1542 **26 Cargo Measurement**

1543 **a Measurement and Sampling Requirements**

1544 All measurement and sampling procedures shall be performed in accordance
 1545 with the latest published Manual of Petroleum Measurement Standards issued by
 1546 the American Petroleum Institute or similar standards issued by the American
 1547 Society of Testing and Materials.

1548 **b Loading Requirements**

1549 Prior to loading, the Master shall measure the on board quantities of oil, water
 1550 and sediment residues that are segregated in all holding tanks and slop tanks
 1551 and those that remain in cargo tanks and, if requested, shall advise supplier(s)
 1552 and Charterer of such quantities. After loading, the Master shall determine the
 1553 cargo quantities loaded, expressing these cargo quantities in barrels at standard
 1554 temperature (60° F) and performing such calculations in accordance with Clause
 1555 26a. A written tank-by-tank ullage report containing all measurements of oil,
 1556 water and sediment residues on board prior to loading and quantities of cargo
 1557 loaded shall be prepared and promptly submitted by the Master to Charterer.

1558 **c Letter of Protest**

1559 If the Master's calculations of cargo loaded (oil, water and sediment residues on
 1560 board excluded), after applying the Vessel's Experience Factor ("VEF"), show
 1561 any deficiency from the Bill of Lading figures, the Master shall, if investigation
 1562 and recalculation verify such deficiency, issue a Letter of Protest to supplier(s)
 1563 (which should, if practicable, be acknowledged) and shall immediately advise
 1564 Charterer of such deficiency by electronic mail, telex or radio and thereafter shall
 1565 send a copy of the Letter of Protest to Charterer. The Vessel shall have on
 1566 board sufficient historical information for the calculation of a VEF using the latest
 1567 edition of the API MPMS. The Master shall calculate and apply the VEF, as so
 1568 determined, during all loadings.

1569 **d Discharging Requirements**

1570 Prior to discharging, the Master shall measure the quantity of each grade of
 1571 cargo on board, expressing these quantities in barrels at standard temperature
 1572 (60°F), using the same calculation procedures specified in Clause 26a. Before
 1573 and after discharging, the Master shall cooperate with shore staff to ascertain
 1574 discharged quantities. The Vessel shall be obliged to discharge all liquid oil and,
 1575 if ordered by Charterer, any residues of oil, water and sediment. The Vessel's
 1576 just-mentioned obligation shall not in any way be qualified or limited by any
 1577 purported "custom of the trade" that is based on a deemed in-transit loss and
 1578 that, otherwise, could excuse the Vessel from failure to discharge all liquid cargo
 1579 and residues.

1580 **e Inspection**

1581 Charterer may employ an inspector, at its expense, to verify the quantities and
 1582 qualities of cargo and residues on board the Vessel at both loading and
 1583 discharging port(s) and/or place(s). If the Vessel is equipped with an Inert Gas
 1584 System, depressurization of tanks to permit ullage measurements shall be
 1585 allowed in accordance with the provisions of the most recent Inert Gas Systems
 1586 of Oil Tankers publication issued by the IMO.

1587 **27 Insurance Costs and Liability Levels**1588 **a Insurance Required**

1589 Owner warrants that, throughout Vessel's service under the Charter, Owner shall
 1590 have full and valid Protection and Indemnity Insurance ("**P&I Insurance**") for the
 1591 Vessel, as described in Clause 27b, with the P&I Insurance placed with a
 1592 Protection and Indemnity Club ("**P&I Club**") that is a Member of the International
 1593 Group of P&I Clubs ("**International Group**"). This P&I Insurance shall be at no
 1594 cost to Charterer except as otherwise provided in Clause 27c and Clause 27e.

1595 **b Liability Coverage**

1596 The P&I Insurance must include coverage against liability for cargo loss/damage
 1597 and against liability for pollution ("**Pollution Liability**") in the maximum coverage
 1598 amount(s) per incident for each of the foregoing categories of liability as made
 1599 available by any P&I Club in the International Group at the commencement of
 1600 each policy year or other applicable period of coverage during the Charter Term
 1601 (but only US\$ 1,000 million (one billion dollars) per incident cover for Pollution
 1602 Liability is required if such cover is available from a P&I Club). All administrative
 1603 expenses incurred by Owner in placing and/or changing P&I Insurance
 1604 coverages in order to comply with Clause 27 shall be for Owner's sole account.

1605 **c Surcharge Costs**

1606 Charterer shall, except as otherwise provided in Clause 27, reimburse Owner for
 1607 any documented net surcharges properly due and paid by Owner under the P&I
 1608 Insurance for U.S. voyages directed under the Charter by Charterer; provided,
 1609 however, that any reimbursement obligation of Charterer shall be conditioned
 1610 upon Owner fully meeting the requirements of Clause 4j. Any request by Owner
 1611 for reimbursement under Clause 27c shall be submitted to Charterer, along with
 1612 appropriate supporting documentation, on a quarterly basis. The phrase "net
 1613 surcharges" as used in Clause 27c shall mean the surcharges, as described
 1614 above, paid by Owner after taking into consideration any and all discounts and/or
 1615 rebates received or receivable by Owner, or to Owner's credit under the P&I
 1616 Insurance ("**Net Surcharges**").

1617 **d Increased Costs**

1618 US\$ 1,000 million (one billion dollars) per incident coverage for Pollution Liability
 1619 under P&I Insurance ("**Insurance Coverage**") is currently available in
 1620 accordance with Clause 27b. Notwithstanding anything to the contrary in the
 1621 Charter, Charterer's maximum liability for Net Surcharges shall be limited in
 1622 amount to the highest Net Surcharges cost ("**Maximum Surcharge Cost**")
 1623 under the Insurance Coverage paid by Owner in the Charter term during the last
 1624 availability of such Insurance Coverage to Owner in accordance with Clause 27b.
 1625 If the amount of the Net Surcharges increases above the Maximum Surcharge
 1626 Cost, the amount of such increase ("**Increased Surcharge Cost**") shall be for
 1627 Owner's sole account, subject, however, to Clause 27e. If Owner is required,
 1628 under Clause 27b, to obtain coverage for Pollution Liability under P&I Insurance
 1629 in excess of US\$ 1,000 million (one billion dollars) per incident and the net cost
 1630 to Owner of such coverage — aside from any surcharge cost — is greater than
 1631 the net cost to Owner that was applicable under the Insurance Coverage in the
 1632 Charter Term during the last availability of such Insurance Coverage to Owner in
 1633 accordance with Clause 27b, this additional net cost ("**Additional Non-**
 1634 **surcharge Cost**") shall be borne solely by Owner, subject, however, to Clause
 1635 27e.

1636 **e Negotiation of Increased Costs**

1637 If Owner incurs Increased Surcharge Cost and/or Additional Non surcharge Cost
 1638 ("**Cost(s)**") and finds payment thereof burdensome, then Owner may call in
 1639 writing for negotiations with Charterer with respect to Owner's payment of such
 1640 Cost(s). In the event Owner so calls for negotiations and there is no agreement
 1641 reached with respect to such Cost(s) in writing between Owner and Charterer
 1642 within sixty (60) days after Owner calls for such negotiations, Owner may, upon
 1643 written notice to Charterer, terminate the Charter effective when the Vessel is
 1644 cargo free, without liability on either party except for sums, if any, owed by either
 1645 party under the Charter as of the date of Vessel redelivery; provided, however,
 1646 that if negotiations are so called for by Owner and agreement is not reached as
 1647 aforesaid, Charterer shall have the option, at its sole discretion, to either pay the
 1648 subject Cost(s) or provide a reasonable alternative thereto, in which case Owner
 1649 shall have no right to terminate the Charter under Clause 27e. Any payment by
 1650 Charterer, or provision of an alternative to payment with respect to specific
 1651 Cost(s), shall not be deemed an agreement by Charterer to pay any other, or
 1652 future, Increased Surcharge Cost and/or Additional Non surcharge Cost.

1653 **f Notice to Charterer**

1654 Owner shall give Charterer timely written notice of all pertinent details in
 1655 connection with any renewal or new placement of P&I Insurance required by
 1656 Clause 27, failing which any reimbursement obligation of Charterer under Clause
 1657 27 shall cease.

1658 **g Lapse of Coverage(s)**

1659 If required by Charterer, Owner shall, as soon as is reasonably possible, furnish
 1660 to Charterer such evidence of the insurance(s) required under Clause 27 as
 1661 Charterer may reasonably request. If there is a failure or lapse of such
 1662 insurance(s) for any reason ("**Non Coverage**") at any time during the Charter
 1663 term, Charterer shall have the option on written notice to Owner to terminate the
 1664 Charter when the Vessel is cargo-free, or to procure replacement insurance(s)
 1665 with the same or different underwriters and/or P&I Club chosen by Charterer,
 1666 with all cost to be borne by Owner, which cost may, at Charterer's option, be
 1667 invoiced to Owner for payment or be deducted from hire or other sums due

1668 Owner under the Charter. The Vessel shall be off-hire from the time of the Non
1669 Coverage until full reinstatement of the insurance(s) or termination of the Charter
1670 by Charterer. A termination or failure to terminate the Charter in accordance with
1671 Clause 27g shall be without prejudice to any claims for damages that Charterer
1672 may have by reason of Owner's fault for Non Coverage.

1673 **h TOPIA / STOPIA 2006**

1674 Owner warrants that it is a Participating Owner and that the Vessel is entered in
1675 the Tanker Oil Pollution Indemnification Agreement 2006 (TOPIA 2006) and shall
1676 so remain during the Charter Term, provided always that: i) the Vessel meets the
1677 definition of a "ship" under the 1992 International Convention on Civil Liability for
1678 Oil Pollution Damage (1992 CLC) or any amendment thereto and ii) TOPIA 2006
1679 is not terminated in accordance with cl. IX of that agreement. Additionally, if the
1680 Vessel has a gross tonnage of 29,548 or less, Owner warrants that it is a
1681 Participating Owner and that the Vessel is entered in the Small Tanker Oil
1682 Pollution Indemnification Agreement 2006 (STOPIA 2006) and shall so remain
1683 during the Charter Term, provided always that: i) the Vessel meets the definition
1684 of a "ship" under the 1992 International Convention on Civil Liability for Oil
1685 Pollution Damage (1992 CLC) or any amendment thereto and ii) STOPIA 2006 is
1686 not terminated in accordance with cl. IX of that agreement. As used in this
1687 Clause 27h, the term "Participating Owner" has the definition ascribed to it in
1688 TOPIA 2006 and/or STOPIA 2006, as the case may require.

1689 **28 Parent Guaranty and Change of Ownership**

1690 **a Parent Guaranty**

1691 If required by Charterer, Owner shall cause its parent company (or companies) to
1692 execute and deliver to Charterer a written Guaranty in the form shown at
1693 Schedule C. Such executed written Guaranty shall be delivered to Charterer
1694 concurrent with Owner's signing of the Charter.

1695 **b Restrictions on Transfer**

1696 Owner's rights and obligations under the Charter are not transferable by sale or
1697 assignment without Charterer's written pre-consent. During the Charter Term,
1698 Owner shall not offer the Vessel for sale to a non-affiliated buyer without
1699 Charterer's pre-consent. In the event of the Vessel being sold, the Charter being
1700 assigned, or the Vessel being offered for sale to a non-affiliated company without
1701 such consent, then in addition to its other rights, including, without limitation the
1702 right to claim damages, Charterer may, at its absolute discretion, terminate the
1703 Charter.

1704 **29 Arbitration**

1705 Any and all differences and disputes of whatsoever nature arising out of the Charter
1706 shall be put to arbitration in the city of New York, pursuant to the laws relating to
1707 arbitration there in force, before a board of three persons, consisting of one arbitrator
1708 to be appointed by Owner, one by Charterer, and one by the two so chosen. The
1709 decision of any two of the three on any point or points shall be final. Until such time
1710 as the arbitrators finally close the hearing, either party shall have the right by written
1711 notice served on the arbitrators and on the other party to specify further disputes of
1712 differences under the Charter for hearing and determination. The arbitrators may
1713 grant any relief which they, or a majority of them, deem just and equitable and within
1714 the scope of the agreement of the parties, including, but not limited to, specific
1715 performance. Awards, made pursuant to Clause 29 may include costs, including a

1716 reasonable allowance for attorney's fees, and judgment may be entered upon any
1717 award made hereunder in any court having jurisdiction in the premises.

1718 **30 Assignment and Sublet**

1719 Notwithstanding any other provisions of the Charter, Charterer may assign all of its
1720 rights and obligations under the Charter to any of Charterer's associated or affiliated
1721 companies. Charterer shall also have the right to sublet the vessel but, in the event
1722 of a sublet, Charterer shall always remain responsible for the fulfillment of the
1723 Charter in all its terms and conditions.

1724 **31 Business Policy**

1725 Owner agrees to comply with all laws and lawful regulations applicable to any
1726 activities carried out in the name, or otherwise on behalf, of Charterer under the
1727 provisions of the Charter. Owner agrees that all financial statements, billings and
1728 reports rendered by Owner to Charterer, as provided for in the Charter, shall, in
1729 reasonable detail, accurately and fairly reflect the facts about all activities and
1730 transactions handled for the account of Charterer.

1731 **32 Interpretation and Law**

1732 The interpretation of the Charter and the rights and obligations of the parties hereto
1733 shall be governed by the Federal Maritime Law of the United States and, where
1734 applicable, by the Law of the State of New York. The headings of Clauses and
1735 paragraphs are for convenience of reference only and shall not affect the
1736 interpretation of the Charter. No modification, waiver or discharge of any term of the
1737 Charter shall be valid unless in writing and signed by the party to be charged
1738 therewith. No provision of the Charter shall be interpreted or construed against a
1739 party because that party or its legal representative drafted the provision.
1740 Notwithstanding anything in the Charter to the contrary, the Charter shall not be
1741 interpreted or applied so as to require Owner or Charterer to do, or to refrain from
1742 doing, anything which would constitute a violation of, or result in a loss of economic
1743 benefit under, United States anti-boycott or export control laws and regulations.
1744 When used in the Charter in relation to Charterer, the terms "associated or affiliated
1745 company" or "associated or affiliated companies" shall include Exxon Mobil
1746 Corporation, or any division of Exxon Mobil Corporation, or any company (other than
1747 Charterer) that is directly or indirectly owned, in whole or in part, by Exxon Mobil
1748 Corporation. The term "Clause," when used in the Charter, shall mean a clause of
1749 the Charter. The options granted to Charterer to cancel or otherwise terminate the
1750 Charter are both individual and cumulative. Charterer's exercise, or failure to
1751 exercise, any option to cancel or terminate the Charter shall not affect any other
1752 option granted to Charterer to terminate or cancel the Charter; any such cancellation
1753 or termination being without prejudice to any other rights and remedies Charterer
1754 may have under the circumstances including, without limitation, the right to damages
1755 for any breach of the Charter.

1756 **IN WITNESS WHEREOF, THE PARTIES HAVE CAUSED THIS CHARTER PARTY**
1757 **TO BE EXECUTED IN DUPLICATE THE DAY AND YEAR HEREIN FIRST ABOVE**
1758 **WRITTEN.**

1759 **WITNESS** **FOR OWNER**
1760 _____ BY: _____
1761 NAME: _____
1762 TITLE: _____
1763 DATE SIGNED: _____

1764 **WITNESS** **FOR CHARTERER**
1765 _____ BY: _____
1766 NAME: _____
1767 TITLE: _____
1768 DATE SIGNED: _____

Schedule A — Warranted Description of Vessel

Section 1 — General Information	
1.1	Name of the Vessel:
1.2	LR/IMO number:
1.3	Flag:
1.4	Call sign
1.5	INMARSAT number:
1.6	Facsimile number:
1.7	Mobile phone number:
1.8	E-mail address:
1.9	P & I Club:
1.10	Type of ship:
1.11	Type of hull:
1.12	Meets IMO double-hull requirements:
1.13	Vessel is inherently stable in all conditions of loading/ballast:
1.14	Bow thruster fitted:
Section 2 — Ownership and Operation	
2.1	Registered Owner
2.1.1	Name:
2.1.2	Address:
2.1.3	Telephone number:
2.1.4	Facsimile number:
2.1.5	E-mail address:
2.1.6	Contract person:
2.1.7	Contact person's after-hours telephone:
2.2	Technical Manager (Vessel "Operator" holding the ISM Code Document of Compliance)
2.2.1	Name:
2.2.2	Address:
2.2.3	Telephone number:
2.2.4	Facsimile number:
2.2.5	E-mail address:
2.2.6	Contract ("Designated") person:
2.2.7	Contact person's after-hours telephone:
2.2.8	Emergency call-out number:
2.2.9	Eligible for time charter period of:
2.3	Commercial Manager
2.3.1	Name:
2.3.2	Address:
2.3.3	Telephone number:
2.3.4	Facsimile number:
2.3.5	E-mail address:
2.3.6	Contract person:
2.3.7	Contact person's after-hours telephone:
Section 3 — Construction	
3.1	Builder:
3.2	Date of building contract:

3.3	Hull number:				
3.4	Date keel laid:				
3.5	Date launched:				
3.6	Date delivered:				
3.7	Classification society:				
3.8	Class notations:				
3.9	Is vessel structure limited to no more than 30% high strength steel?				
3.9.1	If NO, has an advanced structural analysis been performed?				
3.9.2	By whom?				
3.10	If DH, are ballast/double hull spaces fitted with horizontal flats at 4-6 m. increments, or stringers or oversize longitudinals with guard rails, for safe, easy inspections?				
Section 4 — Dimensions					
4.1	Length overall (LOA):				
4.2	Extreme breadth:				
4.3	Moulded depth:				
4.4	Keel to masthead:				
4.5	Distance from bow to front of bridge:				
4.6	Distance from bridge front to mid-point of cargo manifold:				
4.7	Distance from bow to mid-point of cargo manifold:				
4.8	Distance from stern to mid-point of cargo manifold:				
4.9	Parallel Mid-body ("PMB")				
4.9.1	Length of PMB at light ship draft:				
4.9.2	Length of PBM forward of mid-point of cargo manifold at light ship draft:				
4.9.3	Length of PBM aft of mid-point of cargo manifold at light ship draft:				
4.9.4	Length of PMB at normal ballast draft:				
4.9.5	Length of PBM forward of mid-point of cargo manifold at normal ballast draft:				
4.9.6	Length of PBM aft of mid-point of cargo manifold at normal ballast draft:				
4.9.7	Length of PMB at summer draft:				
4.9.8	Length of PBM forward of mid-point of cargo manifold at summer draft:				
4.9.9	Length of PBM aft of mid-point of cargo manifold at summer draft:				
4.10	Register Tonnages				
4.10.1	Gross Tonnage:				
4.10.2	Net Tonnage:				
4.10.3	Suez Canal Tonnage:				
4.10.4	Panama Canal Tonnage:				
4.11	Load Line Information	Freeboard	Draft	Deadweight	Displacement
4.11.1	At summer marks				
4.11.2	At winter marks				

4.11.3	At tropical marks				
4.11.4	In lightship condition				
4.11.5	At normal ballast condition				
4.12	FWA at summer draft:				
4.13	TPC immersion at summer draft:				
4.14	Draft forward in normal ballast condition:				
4.15	Draft aft in normal ballast condition:				
4.16	Minimum height of mast above waterline in departure ballast condition ("air draft"):				
4.17	Maximum freeboard amidships in normal departure ballast condition:				
4.18	Lightship weight:				
Section 5 — Engine Room					
5.1	Main engine maker:				
5.2	Model of main engine:				
5.3	Rated power of main engine:				
5.4	Lowest sustainable speed for lightering:				
5.5	Barred speed ranges (if any):				
5.6	Cruising range at maximum horsepower:				
5.7	Number of ship's service generators:				
5.8	Capacity of ship's service generators:				
5.9	Number of fresh water evaporators:				
5.10	Capacity of each fresh water evaporator:				
5.11	Type of bilge water separator:				
5.12	Capacity of bilge water separator:				
5.13	Other means of bilge water disposal:				
5.14	Number of independent steering motors/pumps:				
5.15	In event of main power failure one steering motor/pump will operate:				
5.16	Does steering system comply with SOLAS II Regulation 29 paragraph 16 or 20 if Vessel built prior to Sept. 1994?				
5.17	Is engine room fitted with high-level bilge alarm?				
5.18	Number of fuel oil tanks:				
5.19	Total capacity of fuel oil tanks:				
5.20	Number of diesel oil tanks:				
5.21	Total capacity of diesel oil tanks:				
5.22	Are bunker tanks fitted with a remote gauging system?				
5.23	Are bunker tanks fitted with high-level alarms on the gauging system?				
5.24	Are bunker tanks fitted with backup independent high-level alarms?				
Section 6 — Cargo and Ballast Tanks					
6.1	Number of center cargo tanks:				
6.2	Number of wing cargo tanks:				
6.3	Total cargo tank capacity (at 100%)				
6.4	Number of slop tanks:				

6.5	Slop tank capacity (at 100%)	
6.6	Are cargo tanks coated?	
6.7	Maker and type of cargo tank coating:	
6.8	Are slop tanks coated?	
6.9	Maker and type of slop tank coating:	
6.10	Are cargo tanks coiled?	
6.11	Material of cargo tank coils:	
6.12	Are slop tanks coiled?	
6.13	Material of slop tank coils:	
6.14	Are cargo heat exchangers fitted?	
6.15	Material of heat exchangers:	
6.16	Can Vessel can raise cargo temperature by 4°C per day to at least 57°C and maintain cargo temperature at 57°C throughout the laden passage and discharge?	
6.17	Can cargo at a temperature of 74°C be loaded?	
6.18	Maximum permissible temperature of cargo loaded:	
6.19	Are cargo and slop tanks are fitted with a remote gauging system?	
6.20	Type of gauging system fitted in cargo and slop tanks:	
6.21	Are cargo and slop tanks are fitted with high-level alarms on the gauging system?	
6.22	Are cargo and slop tanks also fitted with back-up independent high-level alarms?	
6.23	Number and capacity of natural cargo tank groups:	
6.24	Are ballast tanks coated?	
6.25	Type of ballast tank coating:	
6.26	Are aluminum anodes used in cargo or ballast tanks?	
6.27	If yes, are they shielded?	
6.28	Maximum distance above tank bottom:	
6.29	Do anodes contain >0.02% Mg or 0.10% Si?	
6.30	Are the cargo tanks, including heating coils, free of copper, zinc, cadmium and their alloys?	
6.31	Is a cargo tank coating condition record maintained onboard?	
6.32	Is a ballast tank coating condition record maintained onboard?	
6.33	How many incompatible grades can be carried with double valve segregation?	
Section 7 — Pipelines, Pumps and Vent System		
7.1	Is segregated ballast handled by separate pump and line?	
7.2	Are overboard stripping and/or cargo lines fitted with spectacle blanks?	

7.3	If not fitted with blanks, are they provided with double valves with an integrity testing arrangement?	
7.4	Type of tank vent system:	
7.5	Capacity of tank vent system:	
7.6	Do tank vent locations and velocities comply with Chapter 16 of the International Safety Guide for Oil Tankers and Terminals (ISGOTT)?	
7.7	Do tanks have individual high capacity pressure/vacuum breaking devices (with no valve or blind to tank) for cargo loading/discharge?	
7.8	Is there a positive means of preventing tank over/under pressure (e.g., an interlock between isolating valve and tank hatch)?	
7.9	Maximum loading rate accepted:	
7.10	Number and type of cargo pumps:	
7.11	Capacity of each cargo pump:	
7.12	Pressure at manifold at rated pump capacity:	
7.13	If equipped with deepwell pumps, can vessel load without going through the pumps (i.e., independent drop lines)?	
7.14	Are cargo pumps fitted with over-speed trips?	
7.15	Are cargo pumps fitted with high temperature alarms?	
7.16	Are cargo pumps fitted with high temperature trips?	
7.17	Type of cargo stripping equipment:	
7.18	Capacity of cargo stripping equipment:	
7.19	Are main cargo lines equipped with stripping suctions?	
7.20	Are cargo valves at the pump room bulkhead of the gate type?	
7.21	Material of the cargo valves at the pump room bulkhead:	
7.22	Are separate stripping lines fitted?	
7.23	Can ballast and cargo be handled simultaneously with double valve segregation at all times within the pump room and in the cargo tank area?	
7.24	Can the vessel de-ballast in 12 hours?	
7.25	Can the vessel de-ballast in 12 hours if ballast must be pumped ashore?	
7.26	Number and type of ballast pumps:	
7.27	Capacity of each ballast pump:	
7.28	Is vessel equipped with Loadmaster or other equipment to ascertain hull stress during cargo handling?	

7.29	If double hull, does computer also calculate intact stability?	
7.30	Is a warning alarm fitted to the loading computer?	
7.31	Is vessel equipped with a fixed system to continuously monitor for flammable atmospheres?	
7.31.1	In the cargo pump room, if fitted?	
7.31.2	Sensor/sampling points at bottom of pump room?	
7.31.3	At top of pump room?	
7.31.4	In cofferdams?	
7.31.5	Other spaces? (list)	
7.32	Is there an emergency cargo pump shut-down in cargo control room?	
7.32.1	In upper pump room?	
7.32.2	At manifold?	
7.33	Do cargo seachests have double valves?	
7.33.1	Type of Valve(s):	
7.33.2	Material of valves:	
7.34	Do cargo seachest valves have tightness testing arrangement?	
7.35	Is pump room fitted with a high-level bilge alarm?	
7.36	Date of last pressure test of cargo piping and valves:	
Section 8 — Cargo Manifolds		
8.1	Number and size of flanges:	
8.2	Material and standard:	
8.3	Flange distance from rail:	
8.4	Distance between flanges:	
8.5	Flange height above deck:	
8.6	Flange height above drip tray:	
8.7	Type of manifold valves:	
8.8	Material of manifold valves:	
8.9	Number of reducers available:	
8.10	Sizes of reducers available:	
8.11	Standard of flanges:	
8.12	Are manifold pressure gauges fitted outboard of the manifold valves?	
8.13	Are cargo manifolds, bunker connections, and lifting equipment in complete conformity with OCIMF standards including a vapor recovery (fore and aft of manifold) system?	
8.13.1	List exceptions, if any:	
8.14	Capacity of hose handling boom (SWL):	
8.14.1	Location: P / S	
8.14.2	Boom length:	
8.14.3	Reach outboard from deck edge:	

8.15	Are cross connections at manifold between tank groups protected by blinds?	
8.15.1	Double valves?	
8.15.2	A combination of valve and blind?	
Section 9 — Inert Gas and Tank Washing Systems		
9.1	Manufacturer of I.G. system:	
9.2	Deck seal type (wet, semi-dry, dry):	
9.3	Is manual for operation of IGS on board?	
9.4	Number of portable O ₂ meters available on board:	
9.5	Does fixed O ₂ meter have a recorder?	
9.6	Number MSA Tankscopes (or equivalent) available on board:	
9.7	Is vessel equipped for full tank washing?	
9.8	Type and total number of fixed machines:	
9.9	Can fixed tank washing machines be programmed?	
9.10	Full cycle time for fixed tank washing machines:	
9.11	How many tank washing machines can be operated simultaneously?	
9.12	Is manual for tank washing operations on board?	
9.13	Do vessel personnel have tank washing experience?	
9.14	If double-hull, can ballast spaces be inerted in an emergency?	
9.15	Is a fixed ballast tank inerting system installed?	
9.16	Can ballast spaces be purged with air?	
9.17	Is a fixed ballast tank purging system installed?	
9.18	Is there a topping-off inert gas generator?	
Section 10 — Mooring Equipment		
10.1	Number of self-stowing mooring winches on forecastle:	
10.2	Number of self-stowing mooring winches forward of manifold on main deck:	
10.3	Number of self-stowing mooring winches forward of manifold on main deck port side:	
10.4	Number of self-stowing mooring winches aft of manifold on main deck:	
10.5	Number of self-stowing mooring winches aft of manifold on main deck port side:	
10.6	Number of self-stowing mooring winches on poop deck:	
10.7	Are the winches split drum type?	
10.8	Winch brake holding capacity:	
10.9	Mooring winches heaving capacity:	

10.10	If brake holding capacity exceeds 60% of mooring line breaking strength, can it be adjusted to 60%?	
10.11	Winch brake application method (spring with hydraulic release / hand wheel / other?)	
10.12	Is a winch brake testing kit available?	
10.13	Are torque wrenches available to set winch brakes?	
10.14	Number of mooring wires fitted on winch drums:	
10.15	Mooring wire length:	
10.16	Mooring wire diameter:	
10.17	Mooring wire breaking strength:	
10.18	Number of synthetic lines fitted on winch drums:	
10.19	Number of synthetic lines available on station:	
10.20	Synthetic line length:	
10.21	Synthetic line circumference:	
10.22	Synthetic line breaking strength:	
10.23	Does vessel fully comply with OCIMF "Recommendations for Equipment Employed in the Mooring of Ships at Single Point Moorings"?	
10.23.1	List exceptions, if any:	
10.24	Type of SPM mooring fitting installed:	
10.24.1	Number of SPM fittings:	
10.24.2	Holding capacity of SPM fittings:	
10.25	Bow chock dimensions:	
10.26	Are mooring chocks of the closed type?	
10.26.1	Universal (roller) type?	
10.26.2	Panama type?	
10.27	How many bits forward of the manifold on the port side?	
10.28	If used, do synthetic mooring tails meet OCIMF Guidelines?	
10.28.1	Length of synthetic tails?	
10.28.2	Number of anti-chafing wire tails 11m in length with 1.8m eyes at the working end:	
10.28.3	Vessel has sufficient Mandal or Tonsberg shackles to connect synthetic tails to the mooring wires and wire anti-chafing tails to the synthetic tails:	
10.29	Distance from mid-point of cargo manifold to first spring line forward:	
10.30	Distance from mid-point of cargo manifold to first spring line aft:	
10.31	Does vessel have equipment to rig fire wires?	
10.32	Does vessel have emergency towing per SOLAS Reg. 15-1?	

10.32.1	If NO, when will it be installed?	
10.33	Is a towing bracket provided aft on upper deck?	
10.34	Are fender davits available on the portside fore and aft?	
10.34.1	Safe working load of davits:	
10.35	Anchor holding capacity:	
10.36	Anchor chain size:	
10.37	Anchor chain length:	
10.38	Number of messenger lines:	
10.38.1	Length of messenger lines:	
10.38.2	Diameter of messenger lines:	
10.38.3	Material of messenger lines:	
Section 11 — Navigation Equipment		
11.1	Number of Radars:	
11.2	Number of gyro compasses:	
11.3	Is gyro error record book kept?	
11.4	Is a course recorder fitted?	
11.5	Is an ARPA installed?	
11.6	Are manual radar plotting facilities available?	
11.7	Is vessel equipped with a magnetic compass?	
11.8	Is the deviation card current and posted?	
11.9	Is a magnetic compass off-course alarm fitted?	
11.10	Is vessel equipped with GPS?	
11.11	Is GPS with speed indication and Cross Track Error (XTE) fitted?	
11.12	Is a Navtex receiver fitted?	
11.13	Is a satellite communication system installed?	
11.14	Number of UHF walkie-talkies:	
11.15	Is speed log installed?	
11.16	Two-axis Doppler speed log installed?	
11.17	Is a rate-of-turn indicator fitted?	
11.17.1	Are there bridge wing repeaters for the rate-of-turn indicator?	
11.18	Is a depth finder fitted?	
11.18.1	Does the depth finder have a recorder?	
11.19	Are RPM and Rudder Angle indicators fitted?	
11.19.1	Are RPM and Rudder Angle indicators fitted at the bridge wings?	
11.20	Is a "Bell" logger installed?	
11.21	Are there steering and engine controls on bridge wings?	
11.22	Is the vessel fitted with the following miscellaneous equipment:	
11.22.1	Computer with modem?	

11.22.2	Wind speed and direction indicator?	
11.22.3	Fax?	
11.22.4	Weather fax?	
11.22.5	Three cellular telephones?	
11.23	Is there an established system to ensure the vessel is provided with all necessary nautical publications and charts of suitable scales for the trades intended?	
11.23.1	Are records maintained to verify regular updating and correction of all nautical publications and navigation charts?	
11.23.2	Does the vessel receive regular Notices to Mariners appropriate to the trading areas?	
11.23.3	Is the Vessel fitted with a Bridge Event Recorder?	
Section 12 — Oil Pollution Prevention		
12.1	Height of main deck fish plate (gutter bar) amidships:	
12.1.1	Aft:	
12.1.2	Transverse:	
12.2	Is there a deck dump-valve into the slop tanks?	
12.2.1	If yes, is a loop seal provided to contain pressure?	
12.3	Scupper plugs, type/material:	
12.3.1	If wood, are they cemented?	
12.4	Does vessel operate under an environmental policy covering wastes, garbage, sewage, noxious liquids/vapors and environmentally damaging substances?	
12.5	Is there adequate storage for readily available pollution control equipment:	
12.6	Do deck machinery, bunker manifolds and tank vents have fixed spill containment?	
12.7	Method of removing oil from enclosed area/containment:	
Section 13 — Manuals/Logs/Training/Procedures		
13.1	Are the following manuals/logs available on board:	
13.1.1	Bridge Procedure Manual?	
13.1.2	Deck Log?	
13.1.3	Oil Record Books (Deck and Engine)?	
13.1.4	Fire Fighting Manual?	
13.1.5	Record of Cargo Piping Tests?	
13.1.6	Material Safety Data Sheets?	
13.1.7	International Safety Guide for Oil Tankers and Terminals (ISGOTT), latest edition?	
13.1.8	ICS/OCIMF: Ship to Ship Transfer Guide (Petroleum), latest edition?	

13.1.9	Manual with maximum loading rates, tank venting capacity, maximum tank pressure and vacuum for each tank?	
13.1.10	IMO: Safety of Life at Sea (SOLAS) latest consolidated edition	
13.1.11	IMO: Inert Gas Systems, latest edition?	
13.1.12	ICS: Guide to Helicopter/Ship Operations, latest edition	
13.1.13	ICS: Bridge Procedures Guide, latest edition	
13.1.14	IMO: Recommendations on Basic Principles and Operating Guidance Relating to Navigational Watchkeeping	
13.1.15	IMO: International Convention on Standards of Training, Certification, and Watchkeeping (STCW 1995), latest edition?	
13.1.16	IMO: International Regulations for Preventing Collisions at Sea, 1972, latest edition?	
13.1.17	IMO: Ships Routing, latest edition	
13.1.18	U.K. Dept. of Trade Merchant Shipping Notice No. M.854?	
13.1.19	IMO: MARPOL 73/78 Consolidated Edition (1991) including 1992 Amendments to Annex I and 1994-95 Amendments?	
13.1.20	Ship-specific Oil Transfer procedures (per U.S. Coast Guard requirements)?	
13.1.21	ICS/OCIMF: Prevention of Oil Spillages through Cargo Pump Room Sea Valves, latest edition?	
13.1.22	IMO: Crude Oil Washing Systems, latest edition	
13.1.23	ICS/OCIMF: Clean Seas Guide for Oil Tankers - Retention of Oil Residues On Board, latest edition?	
13.1.24	OCIMF: Mooring Equipment Guidelines, latest edition?	
13.1.25	OCIMF: Recommendations for Equipment Employed in the Mooring of Ships at Single Point Moorings, latest edition	
13.1.26	OCIMF: Effective Mooring, latest edition?	
13.1.27	OCIMF: Guidelines for the Control of Drugs and Alcohol On Board Ships, latest edition?	
13.2	Do all Deck Officers attend radar refresher training?	
13.2.1	How often?	
13.3	List any special training possessed by officers (e.g., ship handling simulator courses, on board training, etc.)	

13.4	Other procedures established and available on board:	
13.4.1	Emergency response?	
13.4.2	Collision?	
13.4.3	Grounding?	
13.4.4	Oil spill?	
13.4.5	Fire?	
13.4.6	Tank Entry Permit Procedure?	
13.4.7	Is it required that the cargo tank and slop tank atmospheres be tested prior to loading or opening cargo tanks?	
13.4.7.1	Are results of these tests entered in a log?	
13.4.8	Mooring?	
13.4.9	Cargo handling?	
13.4.10	Maintenance and testing of equipment and systems?	
Section 14 — Regulatory Requirements		
14.1	Does vessel fully comply with all applicable international conventions, laws, regulations and/or other requirements of the country of the vessel's registry and of the countries and/or ports and/or places to which the vessel may be ordered while in Charterer's service?	
14.2	Date of full compliance with the ISM Code for Operator:	
14.3	Date of full compliance with the ISM Code for Vessel:	
Section 15 — Manning/Licensing		
15.1	Nationality and licenses of officers:	
15.2	Total Number of Deck Officers (Including Master):	
15.3	Total Number of Engineer Officers (Including Chief Engineer):	
15.4	Are Master and any Officer-in-Charge of cargo/bunker operations proficient in conversational English?	
15.5	Does the vessel operate under a Drug and Alcohol Policy that complies with ExxonMobil requirements?	
15.6	Do leave/rotation procedures include provisions for monitoring regular and relief crew competence and experience as well as controlling maximum hours worked and fatigue reduction steps?	
15.7	Do all officers possess valid certificates/licenses appropriate to their rank and/or position on the vessel and the intended trade, including Dangerous Cargo Endorsements per STCW?	

Section 16 — Cargo Measurement and Sampling		
16.1	Are vapor locks fitted?	
16.2	Are vapor locks calibrated for ullage measurement?	
16.3	Are vapor locks calibrated for innage measurement?	
16.4	Are vapor locks calibrated for wedge tables?	
16.5	Have the vapor lock calibrations been certified by a Classification Society or other recognized organization?	
16.5.1	If Yes, name of certifying body:	
16.6	Are sonic ullage tapes available?	
16.6.1	How many sonic ullage tapes are on board?	
16.6.2	Can sonic tapes measure ullage?	
16.6.3	Can sonic tapes measure temperature?	
16.6.3	Can sonic tapes measure oil/water interface layer?	
16.7	Are sampling devices available for use through vapor locks?	
16.8	Number of vapor lock sampling containers:	
16.8.1	Size of sample containers:	
16.9	Number of certified reference standard thermometers:	
16.10	Number of Explosimeters:	
16.11	Number of toxic gas detectors:	
16.11.1	Are they certified to detect H ₂ S accurately in both air and inert gas environment?	
16.12	Do sounding pipes extend full depth of tanks?	
16.13	Are precautions against electrostatic ignitions (per ISGOTT) followed?	
Section 17 — Navigation		
17.1	Owner warrants that it will maintain a navigation and bridge procedures policy/manual conforming to ICS/IMO STCW standards:	
Section 18 — Classification Society Surveys		
18.1	Date of last dry-dock/repairs and shipyard name	
18.2	Was last special survey conducted under an Enhanced Survey Program?	
18.3	Date of last special survey:	
18.4	Are the following on board:	
18.4.1	Survey Planning Document?	
18.4.2	Hull Structural Survey Report?	
18.4.3	Executive Hull Summary?	
18.5	Date of next special survey:	

Schedule C — Form of Parent Guaranty

1769

Guaranty

1770 In consideration of the sum of One U.S. Dollar and No Cents (US\$ 1.00) and other
1771 good and valuable consideration, the receipt of which is hereby acknowledged, and
1772 in further consideration of [insert Charterer name] entering into a time charter of the
1773 M.T. [insert vessel identification] ("Charter") with the undersigned's affiliated
1774 company [insert Owner name], we the undersigned, [insert Parent Company name]
1775 unconditionally and without requirement of any recourse against [insert Owner name]
1776 do hereby guarantee to [insert Charterer name] its successors and assigns full and
1777 complete performance by [insert Owner name] of all the terms and conditions of the
1778 Charter and full and complete payment of all indebtedness of [insert Owner name] to
1779 [insert Charterer name] under the Charter and, further, do hereby waive notice of
1780 default of [insert Owner name] under the Charter and notice of acceptance of the
1781 within Guaranty and unconditionally consent, without requirement of any notice to
1782 [insert Parent Company name], to any modification of the Charter agreed to [insert
1783 Charterer name] and [insert Owner name] and to any extension of time that may be
1784 given by [insert Charterer name] to [insert Owner name] in respect of payment and/or
1785 any other performance under the Charter.

1786 The term "Charter" herein shall mean the Charter as it exists as of the date of its
1787 execution and as it may thereafter be changed by written addendum or addenda
1788 mutually executed by [insert Charterer name] and [insert Owner name].

1789 The within Guaranty is not limited to any particular period of time but shall continue
1790 until all the terms and conditions of the Charter have been performed by [insert
1791 Owner name] or otherwise discharged in full.

1792 [insert Charterer name] may, but shall not be obligated to, bring any legal action or
1793 proceeding with respect to the within Guaranty in the Courts of the State of New
1794 York, USA, or in the Federal Courts situated therein and the undersigned hereby
1795 unconditionally and generally accepts in regard to such legal proceedings, for itself
1796 and in respect of its property, the jurisdiction and venue of the aforesaid Courts. The
1797 undersigned further consents and agrees that service of any process, necessary or
1798 helpful in connection with any legal action or proceeding as just described, may be
1799 made upon the undersigned by registered mail, postage prepaid, to the address
1800 shown below, which service of process shall be as fully effective in all respects as
1801 service upon the undersigned lawfully made within the State of New York. The
1802 foregoing shall be without prejudice to any service of process that might otherwise be
1803 allowed by relevant law.

1804 Company: [insert Parent Company name]

1805 Address: [insert Parent Company address]

1806 IN WITNESS WHEREOF, [insert Parent Company name] of [insert Parent Company
1807 domicile] has caused this Guaranty to be executed by its duly authorized
1808 representative this _____ day of _____, 20__ and attested in the City of
1809 _____ State of _____.

1810 By: _____

1811 Name: _____

1812 Title: _____

1813 Attest: _____

Schedule D — TMSA Element Levels

Element	Stage
1A: Management, leadership and accountability	
1B: Management, leadership and accountability	
2A: Recruitment and management of shore-based personnel	
3A: Recruitment and management of ships' personnel	
3B: Recruitment and management of ships' personnel	
4A: Reliability and maintenance standards	
4B: Reliability and maintenance standards (critical equipment)	
4C: Reliability and maintenance standards (close-out performance)	
5A: Navigational safety	
6A: Cargo and ballast operations	
6B: Mooring operations	
7A: Management of change	
7B: Management of change	
8A: Incident investigation and analysis	
8B: Incident investigation and analysis – training	
9A: Safety management – shore-based monitoring	
9B: Safety management – shipboard monitoring	
10A: Environmental management	
10B: Environmental management	
11A: Emergency preparedness and contingency planning	
11B: Emergency preparedness and contingency planning	
12A: Measurement, analysis and improvement	
12B: Measurement, analysis and improvement	