

Section III

Contract of Affreightment between CSC and XXX

This Agreement is made and entered into on this 2017 by and between Ceylon Shipping Corporation Limited., duly registered under the Companies Act No. 7 of 2007 of Sri Lanka bearing registration number PB/227 and having its registered office at MICH Building No.27, Sir Razik Fareed Mawatha (formerly Bristol Street), Colombo 00100, Sri Lanka (hereinafter referred to as 'CSC') of the one part;

and

XXX, duly registered under the laws of (hereinafter referred to as 'XXX') and having registered office at the other part;

together the "Parties."

And whereas, CSC intends to enter into a back to back Agreement in pursuance to the decision of the Cabinet of Ministers of Sri Lanka, for the Ocean Transportation of coal ('said cargo') on FOBT terms to the anchorage of the port of Puttalam, Sri Lanka and Lightering of the said cargo to the Jetty of the Puttalam Power Plant (namely Lakvijaya) with Lanka Coal Company (Pvt) Private Limited, duly registered under the Companies Act No. 7 of 2007 of Sri Lanka, bearing Registration No. PV62636 and having its registered office at No. 51/3, Dutugemunu Street, Dehiwala, Sri Lanka (hereinafter referred to as 'LCC');

And whereas, CSC in pursuance to, and by virtue of the aforesaid Agreement between CSC and LCC, CSC and XXX enter into an Agreement with XXX with legal intentions for the Ocean Transportation of the said cargo for the sea leg from the loading port to the anchorage of the port of Puttalam, Sri Lanka;

And whereas, the Parties agree that any future material changes to the said Agreement between LCC and CSC would be reflected and part and parcel of this Agreement and would automatically entails amendments, additions and deletions incorporating any such material changes;

And whereas, the Parties agree that this Agreement replaces and supersedes any prior agreements, understandings, communications and representations whether verbal or written on the subject matter referred to in this agreement;

Witnesseth

In consideration of the mutual covenants and agreements made by and between them, the Parties hereby agree as follows:

1. Definitions

1.1. "Coal" shall mean the thermal coal/sub-bituminous steam coal.

- 1.2. "MT(s)", "tonne" shall mean Metric Ton(s) of 1,000 kilo grams.
- 1.3. "US\$" or "USD" shall refer to the lawful currency of the United States of America.
- 1.4. "Season" shall mean the period from mid-September to end-April in each Contract Year, subject to adjustment on mutual agreement.
- 1.5. A fraction of a cent in any calculation shall be rounded up to a cent if such fraction is one half of a cent or more, and shall be rounded down if otherwise.
- 1.6. A fraction of a ton in any calculation shall be rounded up to a ton if such fraction is one half of a ton or more, and shall be rounded down if otherwise.
- 1.7. "Working day" shall mean a day (other than Saturday, Sunday or public holidays) on which banks are open for business in Sri Lanka and the country of loading.
- 1.8. "International Independent Surveyor" shall mean independent inspection agency at load port or at discharge port, to be mutually agreed by Parties.
- 1.9. "NOR" shall mean Notice of Readiness.
- 1.10. "Mother vessel or Vessel" shall mean single deck, ocean going bulk carriers rated Lloyd's 100a or equivalent, fitted with cranes and grabs, suitable to enter and leave the loading/discharging ports, nominated by XXX.
- 1.11. "FOBT" shall mean free on board and trimmed.
- 1.12. "Jetty" shall mean the Jetty of the Lakvijaya Power Station at Puttalam, SriLanka.

2. Ports of Loading and Discharging and Shipping Terms

2.1. Port of Loading on mother vessels: One safe berth/anchorage in one or more countries listed below, always afloat and always accessible.

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2.2. Port of Discharge from mother vessels: One safe anchorage in port of Puttalam, Sri Lanka, around the anchorage location of approximately 08° 00' N, 079° 40' E always afloat and always accessible.

2.3. Sale Terms: FOB, Trimmed (FOBT)

2.4. Shipping terms: Free in, Stowed, Trimmed/Free out (FIOST)

2.5. Shipper shall arrange for Coal to be loaded into the vessel, stowed and trimmed to the Master's satisfaction in respect of sea-worthiness, being free of risk, expense and responsibility to the Vessel and XXX.

3. Period of the Contract, Quantity and Laycan Schedule

The period of this Agreement shall be for two (02) Seasons commencing from mid-Aug 2019 until mid-May 2021.

Quantity of coal to be transported under this Agreement shall be 1,100,000 MT +/- 20% per Season.

CSC shall, provide XXX a Provisional laycan Schedule for load ports specifying the quantities +/- 20% to be shipped in a Season. XXX shall confirm such Provisional laycan Schedule within 05 working days. The laycan schedules shall be adjusted on mutual agreement depending on the requirements of LCC and the end-user Ceylon Electricity Board.

4. Schedule of Arrivals at Load Port

By not later than 15 days prior to the first day of each month XXX and CSC will mutually agree on the final laycan for that month. XXX shall make best endeavors to maintain a gap of at least 03 days at the load port in order to ensure a gap in arrival of ships in the port of Puttalam with a view to avoiding bunching of vessels at the discharge port, always provided shippers cooperate in this respect in laycan nominations. For maintaining such a gap between arrivals of vessels at Puttalam, XXX shall increase or decrease the speed of the vessels as and when advised by CSC, within the safe limits of the ships.

All the vessels shall be discharged at the discharge port strictly on "first come first served" basis. Any exception to the change of discharging sequence shall be allowed only with the written consent of the Receivers of the cargo and subject to mutual agreement.

5. Schedule of Arrivals at Port of Puttalam

Turn Time at discharge port to be 12 hours unless sooner commenced (USC) in which case actual time used to count (ATUTC) proportionate to the number of cranes worked. For illustration basis, if receiver can allocate only 1 crane / gang then time used will be 25 percent (basis 4 cranes) up to the 12 hours only and same does not apply anywhere else in the CoA.

6. Vessel Nominations & ETA Notices at Load Port to be Given by XXX to the CSC/Shipper

XXX shall nominate vessels with full details, demurrage and dispatch rate and copies of all valid trading certificates, estimated intake of cargo and the expected time of arrival (ETA) at the respective load port to CSC 15 days before the first day of each laycan mentioned in the final laycan for the month under Clause 4.

For shipments from Richards Bay Coal Terminal, South Africa (RBCT), Nominations and Substitution shall be as per the prevailing Guidelines of the RBCT.

In case CSC/shipper decides to reject the nomination, CSC shall inform XXX of the rejection of the nominated vessel within 01 working day after the receipt of the nomination. Within 01 working day after the receipt of the rejection intimation from CSC, XXX shall nominate another suitable vessel within 01 working day. CSC shall confirm acceptance of the vessel by CSC/shipper within one (01) working day after receipt of such notice from XXX.

Not later than Seven (07) days before the estimated time of arrival at the port of loading, Master of the nominated performing vessel shall give written notice by telefax or email to the ship's agent of the matters stated below to be informed to the CSC/shipper/shipper's agent/stevedores:

- (a) The name and the particulars of the vessel;
- (b) Estimated time of arrival ("ETA") of said vessel at the port of loading; and
- (c) The intake of coal that could be loaded, the Stowage Plan and the Loading Sequence, with +/- 10% tolerance at Master's option.
- (d) XXX shall ensure that the cranes and grabs of the vessels nominated are in good working condition by checking the performance of the cranes and grabs in the last 03 voyages to the best of their ability and normal wear and tear excepted.

Thereafter, the XXX shall ensure that the Master of each relevant vessel shall provide not less than seven (7) and three (3) days' notice, and not less than twenty four (24), eight (8), three (3) and one (1) hours' notice, of that vessel's estimated time of arrival at the Load Port.

7. NOR and the Laytime at the Port of Loading

For shipments from RBCT, South Africa Loading; Notice of Readiness and the Latime calculations shall be as per the prevailing Guidelines of the (Richard Bay Coal Terminal) RBCT, South Africa.

In case any other load port then the applicable rules and regulations of that load port shall apply.

Master of the vessel shall tender Notice of Readiness (NOR) to load at any time day or night Saturday, Sunday, holidays including, by telefax/email, after safely anchoring at the designated transshipment anchorage, and is in all respects ready to load the cargo, whether in free pratique or not, whether cleared at customs or not, whether in berth or not, whether in port or not to the agent/shipper.

If the master tenders NOR outside the port limits, the time of shifting from such out port anchorage to the waiting/loading anchorage in the port or direct to the berth shall not count as laytime or time on demurrage.

The time used in shifting from the place of waiting, whether out of port limits or within port limits to the loading anchorage/berth shall not count as laytime or time on demurrage.

Laytime shall commence twelve (12) consecutive hours after NOR is tendered by the Master. However, if loading commences before the expiry of such 12-hour period, laytime shall commence to run upon commencement of loading.

If, after inspection, the vessel is found not to be ready in all respects to load, time lost after the discovery thereof until the vessel is again ready to load shall not count as laytime.

For NOR purposes, if a vessel tenders NOR without having ISPS clearance, then the NOR is to be re-tendered once ISPS clearance is received.

XXX shall ensure that the vessels shall be scheduled and arriving in accordance with the Final laycan Schedule stated in Clause 3 above.

Laytime or time on demurrage shall cease to count after cargo loading is completed. Time taken for the initial and final draft surveys shall not count as laytime or time on demurrage.

In case the vessel loads alongside a berth at a coal loading terminal, the time taken from anchor aweigh, whichever is earlier, until the vessel is all fast alongside, and ready in all respects to load including hatches passed, customs clearance and free pratique, if applicable, shall not count as laytime or time on demurrage.

Time required for loading of Vessel's bunkers and lubricants shall not be included in the laytime or time on demurrage except to the extent that the loading of the Coal is carried out concurrently.

Duration of breakdown of ship's cranes during loading operation shall not be counted as laytime. The time of breakdown of ship's cranes shall be calculated on a pro rata basis in accordance with the number of Vessel's cranes in breakdown to the total number of Vessel's cranes.

In case loading of the ship takes place alongside a berth at a coal loading terminal, rules and regulations mandatorily applicable at the port/terminal shall prevail.

It is clearly understood that any breakdown of loading vessels' crane (s) will have no reference to laytime of any other vessel at the anchorage loading or waiting to load.

8. ETA Notices at Port of Puttalam to be given by XXX to CSC

Master shall provide CSC not less than seven (7) and three (3) days' notice, and not less than twenty four (24), eight (8), three (3) and one (1) hours' notice, of that vessel's estimated time of arrival at the discharge port by telefax or email. Accordingly, CSC shall make arrangements to discharge cargo at the port of Puttalam using the barges.

9. Notice of Readiness (NOR) and the Laytime at the Port of Puttalam

Master of the vessel shall tender Notice of Readiness (NOR) any time day and night Saturday, Sunday, holidays including, by telefax/email, after safely anchoring at the designated

transshipment anchorage, whether in free pratique or not, whether cleared at Customs or not, whether in berth or not, whether in port or not to CSC.

If the vessel is ordered to wait outside the limits of the port of Discharge (eg. at the anchorage at Port of Colombo), Master shall tender NOR after anchoring at such out port limits; and the laytime shall count after the Turn Time of 12 hours. If the master tenders NOR outside the port limits as aforesaid, the time taken from anchor aweigh at such out port anchorage until the time of anchoring at the designated discharging anchorage at Puttalam port shall not count as laytime or time on demurrage.

Laytime shall commence twelve (12) consecutive hours after NOR is accepted by CSC, subject to provisions in the Clause 5. However, if unloading commences before the expiry of such 12-hour period, laytime shall commence to run upon commencement of unloading.

If discharging of a vessel commences during the Turn Time with 01 or 02 or 03 gangs, time shall count only proportionately (25% or 50% or 75%) up to expiry of 12 hour Turn Time only.

For NOR purposes, if a vessel tenders NOR without having ISPS clearance or in case free pratique is not granted, then the NOR is to be re-tendered once ISPS clearance is received or free pratique is granted.

Time required for loading of Vessel's bunkers and lubricants at the discharging anchorage shall not count as laytime or time on demurrage except to the extent that the discharging of the Coal is carried out concurrently.

Duration of breakdown of ship's cranes during discharging operation shall not be counted as laytime. The time of breakdown of ship's cranes shall be calculated on a pro rata basis in accordance with the number of Vessel's cranes in breakdown to the total number of Vessel's cranes.

Laytime or time on demurrage shall cease to count after discharging of cargo at the anchorage is completed. Time taken for the initial and final draft surveys shall not count as laytime or time on demurrage.

It is clearly understood that any breakdown of discharging vessels' crane(s) will have no reference to laytime of any other vessel at the anchorage discharging or waiting to discharge.

Weather delays recorded in the SOF of the vessel under discharging shall be deducted from the laytimes of the vessels waiting for discharging, unless already on demurrage.

10. Base Freight Rates:

The base FIOST freight rates from the respective ports of loading to port of Puttalam anchorage shall be as follows;

Port of Loading	Freight Rate USD Per MT
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11. Address Commission to CSC Payable by XXX

Address Commissions payable to CSC by XXX shall be as follows;

11.1. On base Freight Charges:

USD per MT deductible by CSC on payment of freight at source on each shipment.

11.2. On Demurrage/Detention Charges, Positive Bunker Adjustments and Positive Freight Market Adjustments

Five per cent (5.0 %) on each payment deductible by CSC at source.

12. Freight Adjustment Formulae

The bunker cost component of the freight is assumed to be 22 % of the base freight rate. Accordingly, the initial Base Freight rate/s shall be varied depending on Platts bunker index as follows:

$$F_f = (F_i * 0.22 * (E)_n / (E)_o) + (F_i * 0.78)$$

Where;

F	Base Freight rate
E	Intermediate Fuel Oil (IFO) RMG 380 cSt price published in the monthly Platts BunkerWire Reports as the Index. For shipments from Indonesia, Far Eastern ports of Russia and Australia, Delivered Price of IFO RMG 380 cSt at Singapore shall apply. For shipments from Richards Bay Coal Terminal, South Africa, Delivered Price of IFO RMG 380 cSt at Colombo shall apply.
Suffix "i"	To denote Initial Base Freight Rate according to the Agreement
Suffix "f"	To denote applicable Freight Rate for the shipment
Suffix "o"	To denote mean of Platts Index Price (US\$) of IFO RMG 380 cSt at Singapore or Colombo as applicable for the preceding month to the month, which includes Bid Closing Date, as the Base Bunker Price (i.e. June 2019).

Suffix "n" up to 31 st Dec 2019	To denote mean of Platts Index Price (US\$) of IFO RMG 380 cst at Singapore or Colombo as applicable for the preceding month to the month, which includes Bill of Lading Date of the relevant shipment.
Suffix "n" from 01 st Jan 2020 onwards	To denote mean of Platts Index Price (US\$) of 0.5% Very Low Sulphur Fuel Oil (VLSFO) at Singapore or Colombo as applicable for the preceding month to the month, which includes Bill of Lading Date of the relevant shipment.

13. Payment Terms of Bunker Adjusted Freight Charges

The freight charges adjusted for bunker cost less Address Commission on base freight per Clause 11 shall be paid by CSC to XXX by Telegraphic Transfer before breaking bulk at the discharge port, whilst Bill of Lading shall be released to the shipper by XXX /agent, marked as "freight payable as per the charter party." In case the freight payment is not received by XXX before commencement of discharge, the vessel will wait on CSC account.

14. Taxes, Dues and Port Charges at Load Port

The taxes, dues, port charges, Customs overtime payments etc. levied on the vessel or the freight at the load port, if any, shall be for the XXX's account. The taxes/dues on the Cargo at the load port, if any, shall be for the shipper's account.

15. Port Charges, Dues and Statutory Levies in Port of Puttalam

The taxes levied on the vessel or the freight at the discharge port, if any, shall be for the XXX's account. The taxes/dues on the Cargo at the discharge port, if any, shall be for the CSC's account.

All Port charges and dues as per the prevailing Tariff rates of Sri Lanka Port Authority and the Customs Overtime Payments at the prevailing rates as per the Customs Ordinance of Sri Lanka applicable for the port of Puttalam, shall be on account of XXX.

Owners shall appoint CSC as the charterer's nominated agent at the discharge port and owners to pay an agency fee of USD 5,000 per vessel / per port call.

Owner's shall have the option to appoint Owner's protective agents at their discretion.

16. Weight Determination at the Port of Loading

The weight of each shipment of Coal shall be determined at the Port of Loading. The draft survey for weight determination shall be carried out by an Independent Marine Surveyor appointed by LCC and shall be binding on all Parties. The Independent Marine Surveyor shall also inspect all holds of the vessels at the port of loading to ensure that they have been thoroughly cleaned and are suitable for carrying that shipment of Coal, and shall issue a hold cleaning inspection certificate to that effect. In case the survey found that the holds are unclean and not suitable for loading coal, laytime shall not count until the holds are cleaned and the Independent Marine Surveyor inspect the holds again and issues the hold cleanliness certificate.

The cost of weight determination and the first hold inspection survey at the load port shall be for the shipper's account.

17. Draft Survey at the Port of Puttalam

In the port of Puttalam, at the transshipment anchorage, two draft surveys for weight determination of cargo for Customs clearance purposes shall be arranged by LCC at LCC's cost on arrival of the vessel and after completion of discharging of vessel, respectively.

It is agreed between CSC and XXX that there could be a variation of quantity of cargo between B/L quantity (derived from the draft survey to be conducted at load port) and the discharged quantity at the Jetty, up to 0.5%.

18. Load/Discharge Rates

Load rates at the respective load ports per weather working day of twenty four (24) consecutive hours, Saturdays, Sundays, and holidays included, except on major holidays shall be as follows:

	Port of loading	Load rate MT (pwwd shinc)
1	Richards Bay Coal Terminal, South Africa	As per the prevailing Guidelines of the RBCT
2		
3		
4		
5		

19. Shipments from Russian ports of Vanino and Vostochny

19.1. There are restrictions on the loaded draft of the vessels at the Berth No. PPK1 of the port of Vostochny, Russia. Therefore, following terms and conditions shall apply for shipments from port of Vostochny.

a). If the vessel nominated by the Buyer and accepted by the Seller cannot be fully loaded at the Berth No. PPK1 due to draft restrictions, the Seller shall arrange to top-up the vessel at the Berth No. PPK3 of the port of Vostochny at Seller's cost and time.

b). In such an event, the vessel will either wait at PPK1 berth or at the inner anchorage at Vostochny port. Shifting costs from PPK1 to PPK3 and the berth hire / anchorage charges (as applicable) from the time of completion of loading at PPK1 until the time of recommencement of loading at PPK3 shall be for Seller's account in addition to the cost of shifting.

c). Laytime or time on demurrage shall count continuously until completion of loading at the

berth No. PPK3 including any shifting times.

d). In the event Seller does not ship the full quantity / intake of the performing ship declared by the master of the performing ship as per his Pre-Stowage Plan, Seller shall pay dead freight to the Buyer for the shortfall of the loaded quantity from the quantity declared in the final Pre-stowage Plan of the Master.

19.2. Berthing Restrictions

Vanino	Vostochny, Terminal no. PPK1	Vostochny, Terminal no. PPK 3
LOA 300m, up to 17m sw draft, 48m beam and 170,000 MT dwt limit	<p>Berth #13 berth actual length — 210 m LOA — no limit (in case of berthing to two berths 13+14) beam — 32.5 m draft —12.20 m air draft limit — 14 m</p> <p>Berth #14 berth actual length — 210 m LOA— no limit (in case of berthing to two berths 13+14) beam —32.5 m draft —12.20 m air draft limit— 17 m</p>	No restrictions for Panamax size vessels

18.3. Discharge rate at Puttalam port anchorage:

10,000 MT Tons per weather working day of twenty four (24) consecutive hours, Saturdays, Sundays, and holidays included, except on major Sri Lankan holidays.

Accordingly, CSC shall arrange to unload barges at the Jetty per weather working day of 24 consecutive hours, Saturdays, Sundays, and holidays included, except on major Sri Lankan holidays.

Major Holidays in Sri Lanka

01 (One) day for National Day	04 th February
01 (One) day for Holy Prophet's Birth Day	to be declared each year
01 (One) day for Sinhala / Tamil New Year	to be declared each year in April
01 (One) day for May Day	01 st May
01 (One) day for Vesak Full moon Day	to be declared each year in May
01 (One) day for Christmas	25 th December

If the loading or discharging is carried out during aforesaid holidays, only the actual working time shall count as laytime.

For all other ports, major holidays shall be as per the BIMCO Holidays Handbook.

19. Loading and Discharging Operations

XXX shall be solely responsible for the ocean transportation of the Coal and shall arrange for single deck geared bulk carriers suitable to enter and leave the nominated anchorages of the ports of loading and discharging, with following or better specifications.

- a) Single deck dry-bulkers suitable for the carriage of thermal coal
- b) Age: less than 10 years
- c) Vessel Size: 58,000 to 63,000 MT DWT
- d) Cranes: 04 Electro-hydraulic cranes with minimum SWL of 30 MT
- e) Grab capacity: minimum 10 CBM
- f) Parcel Size: 60,000 MT +/- 10 % MOLOO

XXX shall ensure that each Vessel designated for the carriage of the Coal will;

19.1 Provide free use of /cranes and related electricity power required by the shipper during loading, trimming and stowage of the Coal on board such Vessel and in discharging at discharge port; and

19.2 Have lighting facilities and crew available during the loading and discharging operations. However, loading, stowing and trimming shall be done by the stevedores appointed by the shipper at the load port at their cost and time.

19.3 Any machinery (pay loaders) if required for trimming shall be supplied and paid for by the shipper.

19.4. Basic facilities on board for the agent and stevedores at the load port and discharge port and for the CSC agent/representative at Port of Puttalam.

20. Demurrage and Dispatch

XXX shall declare the demurrage rate for each vessel at the time of nomination of ship as stated in Clause 6.

20.1. Demurrage rate:

20.1. The Demurrage Rate to be declared by the Seller for each vessel / shipment at the time of nomination of the vessel shall be on a par with the market levels.

20.2. In case of a dispute, Demurrage Rate shall be justifiable by the Seller to the Buyer based on the Average Trip Charter Rate per day for Supramax / Panamax vessels, as reported in the Shipping Intelligence Weekly Reports published by the Clarkson Research Services Limited, as the Index for charter market and Platts Monthly Bunkerwire as the Index for bunker prices. Both indices shall be for the preceding month to the month, which includes the first date of each laycan.

20.3. Vessel demurrage, at the rate mentioned in Clause 20.1 above, attributable to delays in loading or unloading shall be as per the laytime calculations prepared as per the Statement of Facts and should be agreed / accepted by the all parties before payment.

20.4. In the event that the loading or unloading of a shipment of coal is completed before the expiry of the laytime allowed, XXX shall pay to CSC dispatch money at 50% of the demurrage rate for all laytime saved as per the laytime calculations.

20.5. If loading or unloading of vessels at the anchorage or unloading of barges at the Jetty of the Lakvijaya Power Station is interrupted due to bad weather (including typhoon, strong wind, raining, high wave etc.) any time lost shall not counted as laytime.

20.6. However, in case unloading of vessels at the anchorage is interrupted due to operational reasons related to barges, machinery breakdown of the Jetty of the Lakvijaya Power Station etc., any time lost will count as laytime and the same will be to CSC's account.

20.7. Statement of Facts shall be prepared by the vessel agent and shall be signed by the Master of the vessel, supervisor of stevedores, shipper's agent / representative on board, as applicable.

20.8. All claims on demurrage/detention less Address Commission payable to CSC as stated in Clause 11, shall be settled and paid within Thirty (30) days after the completion of loading or discharging as applicable.

21. Overtime

The expenses required for overtime work shall be borne by the Party who has requested the same. If overtime work is ordered by the port authorities, the expenses therefore shall be borne by shipper; provided, however, the expenses for overtime of the officers and crew of the vessel shall always be borne by XXX.

22. Costs of Delivery

Shipper shall bear all of the costs and expenses of and relating to the loading of the Coal on the vessel, wharfage, export and other taxes, imposts and other charges imposed by any government or its agencies, as well as other similar costs which are normally considered to be for Shipper's account. XXX shall bear the shipping agency, berthage, pilotage, tugboat and line handling fees, port charges and other similar costs which normally are considered to be for the vessel's account.

23. Stevedore Damages

CSC shall not be responsible for any stevedore damage under this Agreement. Such damages, if any (beyond ordinary wear and tear), shall be settled between XXX and stevedores directly. However, should the XXX fail to receive prompt settlement of stevedore claims from the stevedores, the XXX can request the CSC's assistance for the earlier settlement of all stevedore claims that may exist between the XXX and the stevedores for all proven damages.

The Master shall inform stevedores, agents and XXX as soon as the damage is sustained during loading/discharging, failing which stevedores shall not be responsible. The Masters shall endeavor to obtain stevedores' written acknowledgement of liability. Owners or Master shall give written notice to stevedores of damage claimed before the vessel sail from the loading port or discharging port.

Any time lost due to waiting for surveyors of the owners/XXX shall not be on CSC account.

24. Bill of Lading (B/L)

XXX shall issue the Bill of Lading in the BIMCO format CONGENBILL Edition 1994 to the shipper or their agent. Master of the vessel shall allow discharging of coal at the port of Putalam without production of original Bill of Lading against a Letter of Indemnity signed by CSC as per standard Protection & Indemnity Club format without any bank endorsement.

25. Daily loading and discharging reports at the load port and the discharge port respectively shall be emailed by XXX to CSC.

26. XXX shall bear all insurance costs of the vessels including any extra insurance premium on cargo and freight owing to vessel's age (maximum 10 years), Class, country where built, flag, ownership, or any other reason. The performing vessels shall have a comprehensive Protection and Indemnity (P&I) insurance covering marine pollution, third-party liabilities, wreck removal and port property damages etc. Any vessel nomination without such comprehensive and valid P&I insurance cover and all valid trading certificates shall not be acceptable to CSC.

27. The vessels to be deployed by XXX shall be tight, staunch, strong and in every way fitted for the voyage, and shall be geared (with hydraulic grab bucket or superior type) single-deck and of suitable size. Oil/bulk/ore combined carrier is not acceptable. In case the vessel has any problem incurred due to vessel's equipment failures, it shall be the responsibility of XXX for the time/expenses required to settle such problem.

28. If any additional war risk insurance surcharge on vessels becomes applicable at either one or both ends, same shall be on XXX's account.

29. If a vessel is being loaded/unloaded during a time of precipitation, Master shall ensure to close hatch covers of all cargo holds.

30. As soon as possible after the completion of loading of the vessels, XXX shall inform CSC by telefax/email the tonnage of coal loaded, time of completion of loading, departure time from the port of loading and estimated time of arrival ("ETA") at the point of transshipment in discharge port.

31. XXX shall ensure complying with Sri Lanka Ports Authority's regulations, to have the vessel vacated from the discharging anchorage at the port of Puttalam promptly after completion of the discharging without delay.

32. XXX shall ensure that the performing vessel shall comply with all applicable laws and regulations whether promulgated by governmental authorities or by authorized private organization(s) at the loading and discharging ports. If XXX fails to do that, XXX shall be liable for all losses, expenses and responsibilities thus incurred and shall indemnify and defend CSC, its agents, officers and employees against, and shall hold them free and harmless from, any and all losses, expenses, liabilities and claims of any kind and character arising from the failure on the part of the vessel, her Master and crew to comply with any such laws and regulations. Acceptance of nomination of a vessel by CSC shall in no way relieve the XXX of responsibility for failing to comply with the requirements stipulated in this Clause.

XXX shall ensure that the Master / vessel shall comply with all the Regulations of the International Maritime Organization (IMO) as well as local Regulations of the Port State Control (Director General of Merchant Shipping), Sri Lanka Ports Authority (SLPA), Marine Environment Protection Authority of Sri Lanka (MEPA), Sri Lanka Navy (SLN), Sri Lanka Customs (SLC) etc.

XXX shall ensure that the vessels to be deployed under this COA, irrespective of whether vessels are owned or chartered by XXX, shall fully comply with the 'International Convention for the Prevention of Pollution from Ships' (MARPOL) of the International Maritime Organization (IMO), up to the Annex VI or the latest in force during the tenure of this COA. CSC shall not be responsible for any non-compliance by the ships to be deployed by XXX under this COA, in whatsoever manner at load port or discharge port or during the sea passages.

If any vessel nominated by XXX and performing a voyage under the COA is detained and/or fined by the relevant enforcing authorities / Port State Control at any port due to non-compliance of the vessel and/or XXX as the Head Owner or the Disponent Owner, with the MARPOL Annex VI, the laytime shall cease to count until the vessel is freed / released by the such authority. In such an event, all costs, if any, to be incurred by CSC shall be reimbursed by XXX to CSC. Further, XXX shall make arrangements to substitute the vessel if not already loaded with Coal under the COA.

Acceptance of the nomination of any ship by CSC in accordance with the Clause 6 above, shall not absolve / relieve the responsibilities and liabilities of XXX for any non-compliance with MARPOL Annex VI and all other IMO and Port State Control Regulations.

33. **Conditions Precedent**

The obligations of XXX to commence the performance under the this Contract of Affreightment or the CSC to obtain the services from XXX pursuant to this Contract of Affreightment shall become effective on the date when the XXX has established the Performance Security within 03 working days of receipt of the Letter of Acceptance.

34. Performance Security

XXX shall issue a Performance Security for an amount of USD as specified in the Bid Data Sheet. The Performance Security shall be in the form of a Bank Guarantee as per the format attached as Annexure in the Instructions to the Bidders in the Bidding Documents, issued by a bank operating in Sri Lanka, approved by the Central Bank of Sri Lanka, .

35. Force Majeure

An Event of Force Majeure shall mean any circumstances not within the reasonable control, directly or indirectly, of the party affected, but only if and to the extent that (i) such circumstances despite the exercise of reasonable diligence, cannot be or be caused to be prevented, avoided or removed by such party, (ii) such event materially adversely affects the ability of the affected party to perform its obligations under the Agreement, and the affected party has taken all reasonable precautions, due care and reasonable alternative measures in order to avoid the effect of such event on the affected party's ability to perform its obligations under the Agreement and to mitigate the consequences thereof, (iii) such event is not the direct or indirect result of the failure of such party to perform any of its obligations under the Agreement and (iv) such party has given the other party prompt notice describing such events, the effect thereof and the actions being taken in order to comply with this Clause provided that Events of Force Majeure shall not include strikes, lockouts or other industrial action by non-manual personnel of the party seeking to invoke that Event of Force Majeure or of such party's agents or contractors.

36. Notices

Any written notice requiring to be served hereunder shall be sufficiently served by sending such notice by e-mail or fax or courier or registered mail addressed to and forwarded to the party at its last known address.

With Respect to the XXX the contact information is:

With Respect to the CSC the contact information is:

Ceylon Shipping Corporation Ltd.

No. 27, MICH Building
Sir Razik Fareed Mawatha (formerly Bristol Street)
Colombo 00100
Sri Lanka

Phone:+94 11

Fax: + 94 11

Email.....

37. Cargo Claims

It is agreed between CSC and XXX that variation of quantity of cargo between B/L quantities (derived from the draft survey to be conducted at load port) and the delivery quantity at the Jetty of LVPP up to 0.5% shall be accepted as normal handling losses. All other claim (if any) shall be handled in accordance with the relevant Club rules.

38. Training Opportunities for Sri Lankan Cadets

XXX shall provide ... number of sea training opportunities for Sri Lankan merchant shipping Cadets, onboard the vessels owned or managed or bareboat chartered by XXX during the period of the Contract. The offered number of training billets shall be provided at any given time right throughout the contract period and until the successful completion of the respective Seaman Employment Agreements, which may be still in force even at the time of expiry of COA.

Training program will be submitted for CSC accordingly. A separate Crew Agency Agreement will be signed between CSC and XXX. Seaman Employment Agreements shall be signed between XXX and the Cadets nominated by CSC.

38. Confidentiality

The terms of the Agreement, any information provided by one party to another in the course of negotiation of the Agreement or any further negotiations among the Parties, and any further terms agreed among the Parties (collectively the Confidential Information) shall remain confidential to the Parties and shall not be disclosed, or used otherwise than for the performance of the Parties respective obligations under the Agreement, without the specific written agreement of both Parties provided that a party may disclose the Confidential Information to the extent required by law.

39. Assignments and Modifications

Neither party shall assign the whole or any part of the contract or any benefit or interest in or under the contract.

Any alternation or amendment or modification shall be on mutual consent of both parties and it shall be reduced to writing.

40. Termination

This Agreement shall be in force with effect from 2019 up to ... 2021 or until completion of discharging of the last vessel under the Agreement.

(a) Either party may terminate this contract immediately by written notice to the other party if:

(I) one party breaches this contract in a material respect; or

(ii) a receiver, manager, administrator, trustee or similar official is appointed over all or substantially all of the other party's assets or undertakings, an application (not being withdrawn or dismissed within 21 days) or order is made for the winding up or dissolution of the other party, or a resolution is passed by the other party or any steps are taken by the other party to pass a resolution for the winding up or dissolution of the other party, except for the purpose of amalgamation or reconstruction which has the party's prior written consent (such consent not to be unreasonably withheld).

(b) Parties further agree that this agreement shall terminate in the event of any directive of the Government of Sri Lanka or an Order or any Decision of a Court of Law or any Arbitration Panel, resulting in CSC becoming incapable of continuing with this Agreement due to the implementation of such Directive or Order or Decision.

(c) Upon termination under this Clause, each party shall cease to have any rights or obligations under this contract, save for any rights and obligations which have accrued prior to such termination, and termination of this contract shall not relieve any party from liability to the other party for any breach of this contract occurring before termination. The rights and remedies available under Clause are without prejudice to any other rights and remedies at law, in equity or otherwise.

41. Entire Agreement

This contract contains the entire agreement between the Parties with respect to the subject matter hereof and all proposals, negotiations, and representations with reference thereto are merged herein.

42. Dispute Resolutions and Arbitration

If a dispute of any kind whatsoever arises between CSC and XXX, then every effort will be made by the parties to settle such dispute amicably before the commencement of Arbitration.

If amicable settlement cannot be reached, then all such disputes arising out of the contract agreement shall be dealt in accordance with the provisions of Arbitration to be conducted in Singapore Maritime Arbitration Center (SCMA), in accordance with the existing Rules.

43. Governing Law

The Agreement shall be governed by and construed in accordance with the laws of Sri Lanka.

44. Statutory Inclusion Clauses

BIMCO "Voywar 2013", Clause, Both to Blame Collision Clause, General Average, New Jason Clause, General Paramount Clause and P & I Club's oil bunkering deviation clause with latest amendment thereof to be deemed incorporated in full in this Charter Party.

IN WITNESS WHEREOF the Ceylon Shipping Corporation Ltd. and the XXX have set their respective hands hereto and to one another of the same tenor and date hereof at Colombo and respectively, on this

For and on behalf of the
Ceylon Shipping Corporation Ltd.,
Authorized Signatory

For and on behalf of the
XXXX
Authorized Signatory

Witness:

Witness:

VOYWAR 2013

War Risks Clause for Voyage Chartering

(a) For the purpose of this Clause, the words.

(i) "Owners" shall include the shipowners, bareboat charterers, disponent owners, managers or other operators who are charged with the management of the Vessel, and the Master; and

(ii) "War Risks" shall include any actual, threatened or reported:

War, act of war, civil war or hostilities; revolution; rebellion; civil commotion; warlike operations; laying of mines; acts of piracy and/or violent robbery and/or capture/seizure (hereinafter "Piracy"); acts of terrorists; acts of hostility or malicious damage; blockades (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever), by any person, body, terrorist or political group, or the government of any state or territory whether recognised or not, which, in the reasonable judgement of the Master and/or the Owners, may be dangerous or may become dangerous to the Vessel, cargo, crew or other persons on board the Vessel.

(b) If at any time before the Vessel commences loading, it appears that, in the reasonable judgement of the Master and/or the Owners, performance of the Contract of Carriage, or any part of it, may expose the Vessel, cargo, crew or other persons on board the Vessel to War Risks, the Owners may give notice to the Charterers cancelling this Contract of Carriage, or may refuse to perform such part of it as may expose the Vessel, cargo, crew or other persons on board the Vessel to War Risks; provided always that if this Contract of Carriage provides

that loading or discharging is to take place within a range of ports, and at the port or ports nominated by the Charterers the Vessel, cargo, crew, or other persons on board the Vessel may be exposed to War Risks, the Owners shall first require the Charterers to nominate any other safe port which lies within the range for loading or discharging, and may only cancel this Contract of Carriage if the Charterers shall not have nominated such safe port or ports within 48 hours of receipt of notice of such requirement.

(c) The Owners shall not be required to continue to load cargo for any voyage, or to sign bills of lading, waybills or other documents evidencing contracts of carriage for any port or place, or to proceed or continue on any voyage, or on any part thereof, or to proceed through any canal or waterway, or to proceed to or remain at any port or place whatsoever, where it appears, either after the loading of the cargo commences, or at any stage of the voyage thereafter before the discharge of the cargo is completed, that, in the reasonable judgement of the Master and/or the Owners, the Vessel, cargo, crew or other persons on board the Vessel may be exposed to War Risks. If it should so appear, the Owners may by notice request the Charterers to nominate a safe port for the discharge of the cargo or any part thereof, and if within 48 hours of the receipt of such notice, the Charterers shall not have nominated such a port, the Owners may discharge the cargo at any safe port of their choice (including the port of loading) in complete fulfilment of the Contract of Carriage. The Owners shall be entitled to recover from the Charterers the extra expenses of such discharge and, if the discharge takes place at any port other than the loading port, to receive the full freight as though the cargo had been carried to the discharging port and if the extra distance exceeds 100 miles, to additional freight which shall be the same percentage of the freight contracted for as the percentage which the extra distance represents to the distance of the normal and customary route, the Owners having a lien on the cargo for such expenses and freight.

(d) If at any stage of the voyage after the loading of the cargo commences, it appears that, in the reasonable judgement of the Master and/or the Owners, the Vessel, cargo, crew or other persons on board the Vessel may be exposed to War Risks on any part of the route (including any canal or waterway) which is normally and customarily used in a voyage of the nature contracted for, and there is another longer route to the discharging port, the Owners shall give notice to the Charterers that this route will be taken. In this event the Owners shall be entitled, if the total extra distance exceeds 100 miles, to additional freight which shall be the same percentage of the freight contracted for as the percentage which the extra distance represents to the distance of the normal and customary route.

(e) (i) The Owners may effect War Risks insurance in respect of the Vessel and any additional insurances that Owners reasonably require in connection with War Risks and the premiums therefor shall be for their account.

(ii) If, pursuant to the Charterers' orders, or in order to fulfil the Owners' obligation under this Charter Party, the Vessel proceeds to or through any area or areas exposed to War Risks, the Charterers shall reimburse to the Owners any additional premiums required by the Owners' insurers. If the Vessel discharges all of her cargo within an area subject to additional premiums as herein set forth, the Charterers shall further reimburse the Owners for the actual

additional premiums paid from completion of discharge until the Vessel leaves such area or areas. The Owners shall leave the area or areas as soon as possible after completion of discharge.

(iii) All payments arising under this Sub-clause (e) shall be settled within fifteen (15) days of receipt of Owners' supported invoices.

(f) The Vessel shall have liberty:

(i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which are given by the government of the nation under whose flag the Vessel sails, or other government to whose laws the Owners are subject, or any other government of any state or territory whether recognised or not, body or group whatsoever acting with the power to compel compliance with their orders or directions;

(ii) to comply with the requirements of the Owners' insurers under the terms of the Vessel's insurance(s);

(iii) to comply with the terms of any resolution of the Security Council of the United Nations, the effective orders of any other Supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement;

(iv) to discharge at any alternative port any cargo or part thereof which may expose the Vessel to being held liable as a contraband carrier;

(v) to call at any alternative port to change the crew or any part thereof or other persons on board the Vessel when there is reason to believe that they may be subject to internment, imprisonment, detention or similar measures;

(vi) where cargo has not been loaded or has been discharged by the Owners under any provisions of this Clause, to load other cargo for the Owners' own benefit and carry it to any other port or ports whatsoever, whether backwards or forwards or in a contrary direction to the ordinary or customary route.

(g) The Charterers shall indemnify the Owners for claims arising out of the Vessel proceeding in accordance with any of the provisions of Sub-clauses (b) to (f) which are made under any bills of lading, waybills or other documents evidencing contracts of carriage.

When acting in accordance with any of the provisions of Sub-clauses (b) to (f) of this Clause anything is done or not done, such shall not be deemed to be a deviation, but shall be considered as due fulfilment of the Contract of Carriage.

NEW BOTH-TO-BLAME COLLISION CLAUSE

If the liability for any collision in which the vessel is involved while performing this Bill of Lading fails to be determined in accordance with the Laws of the United States of America, the following clause shall apply:-

"If the vessel comes into collision with another ship as the result of the negligence of the other ship and any act, neglect or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship the Owners of the goods carried hereunder will indemnify the carrier against all loss or liability to the other or non-carrying ship or her Owners in so far as such loss or liability represents loss of, or damage to, or any claims whatsoever of the Owners of the said goods, paid or payable by the other or non-carrying ship or her Owners to the Owners of the said goods and set off, recouped or recovered by the other or non-carrying ship or her Owners as part of their claim against the carrying vessel or carrier."

The foregoing provisions shall also apply where the Owners, operators or those

in charge of any ship or ships or objects other than, or in addition to the colliding ships or objects are at fault in respect to a collision or contact. And the Charterers shall procure that all Bills of Lading issued under this charter-party shall contain the same clause.

NEW JASON CLAUSE

In the event of accident, danger, damage or disaster before or after the commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the Carrier is not responsible, by statute, contract or otherwise, the goods, Shippers, Consignees or owners of the goods shall contribute with the Carrier in general average to the payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the goods.

If a salving ship is owned or operated by the Carrier, salvage shall be paid for as fully as if the said salving ship or ships belonged to strangers. Such deposit as the Carrier or his agents may

deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon shall, if required, be made by the goods, Shippers, Consignees or owners of the goods to the Carrier before delivery.

PROTECTION AND INDEMNITY BUNKERING CLAUSE

The vessel in addition to all other liberties shall have liberty as part of the contract voyage and at any stage thereof to proceed to any port or ports whatsoever whether such ports are on or off the direct and/or customary route or routes to the ports of loading or discharge named in this Charter and there take oil bunkers in any quantity in the discretion of owners even to the full capacity of fuel tanks, deep tanks, and any other compartment in which oil can be carried whether such amount is or is not required for the chartered voyage.