

ADDITIONAL CLAUSES TO THE IRON ORE CHARTER PARTY/COA

(1st JULY 2010 TO 30th JUNE 2011)

Clause-28

- (a) Vessels' description;
SIDK, (Maximum 25 years old)
- (b) Vessel is classed Lloyd's 100 A1 or equivalent. The Owners guarantee that the vessel has ITF Certificate the details of which will be provided to the suppliers on nomination or when desired by the suppliers. Such classification will be maintained during the entire duration of the Charter Party. Should this classification not be maintained during the specified period, then Owners to be liable for any and all extra insurance penalties or assessments directly resulting from the fact that the vessels' guaranteed classification has not been maintained.
- (c) Vessel shall be a self-trimming Ore Carrier / Bulk Carrier with engine/bridge aft unobstructed holds and hatches of minimum 9 meters breadth, and maximum 25 years old, excluding flag(s) restricted by the Government of Pakistan.
- (d) Vessel shall be suitable in all respects to enter and leave from port and berth and load/discharge from the place of loading/discharging and vessel is guaranteed suitable for grab discharge.

Clause-29

- (a) Vessel's draft dimensions shall always be according to PORT MUHAMMAD BIN QASIM AUTHORITY (PQA) requirements that may be notified from time to time. In case of vessel arriving discharge port with excess draft all consequential losses shall be on owners account. In case of PQA refuses to berth the vessel arriving with excess draft, the owners will be responsible for the idleness of the designated berth and the berth hire charges as per prevailing PQA tariff for all time lost including turn time and holidays will be recovered from the owners due freight and/or PBG.
- (b) Vessel to supply lights whenever and wherever required by Charterers for loading and discharging.

Clause-30

a)

Load Ports	Quantity in MT (+/-10%) CHOPT *	Loading Rate (MT) / WWD	Demurrage Rate (US\$) / WWD	Freight Rate (US\$) / MT**
BANDAR ABBAS, IRAN	400,000	10,000	8,000	

* Quantity as per LOA / CP

** Freight rate as per LOA / CP

- b) Cargo to be lifted in bulk on 50,000 MT +/- 10% More or less Owners option (MOLOO) per shipment basis, maintaining prevailing draught declared by PQA from time to time.

Clause-31

- (a) Charterers to give Owners 25 days notice with laydays spreading over 10 days requesting Owners for nomination of vessel. However, the 25 days notice period will not be applicable for the laydays in respect of the lifting(s) during the first month of the Contract Period, and on Charterer's advice the Owners shall nominate vessel(s) for given laydays.
- (b) Owners to unconditionally nominate Bulk Carrier Gearless vessel, unless requested for geared vessel by the Charterers as stipulated in Clause 28 suitable for loading at the port of loading, for supplier's approval within seven (07) days of the served notice, specifying the type of vessel. Nominated vessel shall comply with all current national and international regulations and international Maritime Organization conventions including but not limited to International Ship and port facility Security (ISPS) International Safety Management (ISM), Safety Management Certificate (SMC), Document of Compliance etc. and shall be subject to the approval of Shippers and Charterers, which shall be informed in writing by the Charterers.
- (c) Any extra cargo insurance due to vessels over 15 years age, flag, class or Ownership to be on Owner's account and may be deducted from freight payment.
- (d) In the event of failure in nomination of vessel, within stipulated time, the same shall be considered as breach of contract. Charterers shall have the right in their own option to charter the vessel on the ship-owner's cost and risk for the critical cargoes on spot basis after three (03) working days (72 Hrs) of the expiry of such notice and to claim differential of freight, FOB price etc., whatsoever, from the ship-owner's due freight account or from the PBG and/or to take any other suitable legal action.

Clause-32

- (a) The Master/Owners/Operators to give 15 days approximate notice and thereafter 10/7/5/3/2/1 days' definite notice of arrival to Shippers and Agents and to SHIPPING SERVICES, PAKISTAN STEEL. Master to advise Agents and Shippers the exact quantity required with stowage plan. In case, the Master is not declaring the exact quantity as above, Charterers are only responsible to load the minimum quantity as per Charter Party.
- (b) In case vessel fails to reach load port within agreed laydays for whatever reason, the Charterers besides the option of canceling, may accept the vessel conditionally i.e. NOR at load / discharge port may be considered accepted from commencement of loading / discharging, subject to working hours as per relevant Clause of the Charter Party.
- (c) On sailing from load port, Master / Owner / Operators / Agents to send a sailing email / fax to Agents "PAKISTAN STEEL SHIPPING SERVICES" / " SHIPPING DEPARTMENT, PAKSTEEL, KARACHI", advising time of sailing, quantity loaded per hold and estimated time of arrival at discharging port.

- (d) Master/Owners/Operators/Agents to inform “PAKISTAN STEEL SHIPPING SERVICES” / “SHIPPING DEPARTMENT, PAKSTEEL KARACHI at discharging port 48/24/12 hours notice of vessel’s estimated time of arrival at discharge port.
- (e) In the event of Master / Owners / Operators failing to give any of the above mentioned notices, Charterers will be allowed to add 24 hours extra to the laytime for respective port for loading and / or discharging.

Clause-33

- (a) Cargo to be loaded into the minimum possible number of holds unless specified.
- (b) No cargo is to be loaded in deep tanks, bunkers or any other compartments, not easily accessible to grabs. Any extra expenses incurred at loading port and time lost on account of extra trimming required by the Owners or any other cause directly attributed to the vessel and/or the Owners, whether the vessel be on demurrage or not, to be on ship’s account and laytime not to count. Any extra expenses and / or loss of time over and above the cost of normal grab discharge incurred at discharging port for cargo not easily accessible to grab to be on Owner’s account. All extra time lost under this Clause to be added to the laytime. Deep tanks, and any other provisions within vessel’s holds, are to be sheltered against damage by receivers grab, failing which Owners will be responsible for all consequences. Any disputes regarding stevedoring damages to be settled directly between Owners and Stevedores and any time used for repairing damage not to count as laytime.

Clause-34

- (a) Vessel to have hatches opened and the hatch beam removed before commencement of loading and/or discharging, failing which vessel not to be considered ready to load or discharge and time not to commence to count. The Master to close the hatches when the weather is wet or threatening (unless otherwise ordered by Charterers or their representatives) as well as after finishing loading or discharging each day, and also to open same prior to commencement of the next working period. All these operations to be done at Owners’ expense and in their time, unless local regulations prohibit crew to do so, when same to be on Charterers’ account.
- (b) On tendering notice, vessel to be presented with clean holds, clear of dunnage, shifting boards, cargo battens and removable wooden bulkheads to Shippers’ Inspectors’ satisfaction, otherwise vessel not to be considered as ready for loading and no time to count until any default in this respect has been rectified.

Clause-35

- (a) Cargo to be loaded at the average rate as mentioned in Clause 30 per weather wording days of twenty four (24) consecutive hours, Saturdays, Sunday and holidays excluding (SSHEX) from time counting till 0900 Hrs. on Monday or the day following the holidays unless used, in which event only time actually used in loading cargo to count half. Time for loading to commence to count 24 hours after acceptance of NOR unless sooner commenced when only actual time used to count half.

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- (b) NOR in conformity with the safety regulations of the International convention for safety of life at sea shall be given any time, day and night excluding Saturday, Sunday and holiday till provided the vessel is within port limit and in every respect ready to load the cargo and in free pratique, whether in berth or not. NOR shall not be accepted until the vessel has tendered General Arrangement plans and have been approved by the suppliers. However, if the vessel at that time is prevented from proceeding to the loading berth due to her inefficiency, tidal conditions and bad weather, strikes of tugs or pilots or mandatory regulations, NOR will not be accepted until such hindrance(s) has / have ceased in entirety.
- (c) If quarantine inspection is not available upon arrival of vessel at the Anchorage area but is available (i) after the vessel is in berth or (ii) after arrival of the vessel at the Anchorage area but before berthing, NOR may be tendered as above without free pratique, provided, however, time lost in obtaining free pratique after quarantine Officer boards vessel shall not count as laytime used, unless quarantine inspection is made during loading. If free pratique is not granted, any such NOR shall be accepted as and when the vessel is in free pratique with clean holds and is in all respects ready to load.
- (d) If loading has to be interrupted due to insufficient ballast pump capacity in relation to the loading capacity, any such time lost shall not count as laytime, even if the vessel is already on demurrage.

Clause-36

In case of dead-freight, the time allowed for loading and discharging should be calculated on the basis of tonnage for which freight is paid and not on the actual quantity loaded.

Clause-37

- (a) The cargo to be discharged at the average rate as mentioned in Clause 30 per weather working days of twenty four (24) consecutive hours, Saturday, Sunday and holidays excluded (SSHEX) from time counting in accordance with the sub-clause (c) below.
- (b) NOR to be tendered in writing (in original) on any working day between 0900 Hrs to 1630 Hrs from Monday to Friday, provided vessel is in every respect ready to discharge with hatches opened and in free pratique. No time to count prior to written notice given, even if uses.
- (c) Time between 1630 Hrs. on Friday or on a day preceding a holiday to 0900 Hrs. Monday or the day following the holidays not to count, unless used, in which case half the time actually used to count. Time commences to count only 24 Hrs. after acceptance of NOR, even if used.

- (d) Upon the vessel's arrival at outer anchorage of the discharge port, at the time of tendering NOR if Pakistan Steel Berth (IOCB) is vacant NOR shall be tendered on arrival alongside the designated berth as per sub-clause (b) above. In case the berth is occupied, NOR shall be tendered during office hours as per sub-clause (b) above, from the waiting place at or off the port whether in free pratique or not. NOR will be considered accepted on arrival alongside the designated berth subject to working hours as stipulated above.
- (e) However, if the vessel is prevented from proceeding to the discharging berth to her inefficiency, tidal conditions and bad weather, strikes of tugs or pilots or mandatory regulations, NOR will not be accepted until such hindrance(s) has / have ceased in entirety.
- (f) If, on vessel's arrival at loading / discharging berth, free pratique is refused, all time from the moment free pratique is granted not to count (even if vessel is already on demurrage), and Owners to bear all consequences and extra expenses connected with such refusal.
- (g) In loading and discharging, if vessel is at a waiting berth, the excepted periods to apply in the same way as set out in the relevant Clauses. Time used for shifting from waiting berth to final berth not to count, even if vessel is already on demurrage.
- (h) Any time lost due to weather effects at load / discharge port, even if the vessel is at out anchorage and / or on demurrage, will not count as laytime.
- (i) Charterers to have the right to average or reverse the days allowed for loading and discharging.

Clause-38

If the vessel loses her turn due to any reason whatsoever, attributable to the vessel, her Master, her crew or the Owners, time lost shall not count as notice time or as laytime or as time on demurrage and the NOR will be considered accepted on arrival alongside the designated berth subject to working hours as stipulated in the relevant clauses.

Clause-39(a) The ship to load and discharge as rapidly as possible. Loading and discharging will be effected by shore gear respectively. Any time lost at each port due to inclement weather (even if the vessel is at outer anchorage), breakdown of loading/ unloading equipment etc., not to count as loading respectively discharging time, even if the vessel is already on demurrage. Time counting shall cease on completion of loading / discharging, however, in case of vessel's inability to vacate the berth after completion of loading/unloading, all consequences, whatsoever, will be entirely to ship-owners account.

- (b) In the event of loading / discharging being impossible due to inefficiency or any other cause attributable to the vessel, her Master, her crew or the Owners and such impossibility continuing for more than three consecutive hours, the Charterers shall have the right to order the vessel to vacate the berth and shifting from and back to berth shall be at Owner's expense and time.

If the vessel due to above mentioned reasons, has to vacate the loading/discharging berth, notice time or laytime or time on demurrage shall not count from that time until she be in all respect ready to load/discharge and notification has been given to the Charterers accordingly. If, due to above matters, the vessel loses her turn, time shall count again only when loading / discharging has been resumed.

- (c) Shifting expenses between 1st and 2nd loading berth to be on Owner's account and shifting time not to count as laytime, even if vessel is on demurrage. Shifting from waiting berth, if any to final loading or discharging berth to be considered as part of the voyage to be on Owner's time and expense. If the vessel is loaded at more than two berths and / or Anchorages, time used for shifting to count as laytime and expenses to be on Charterers account. Any shifting required by the Master of vessel for purpose other than those directly connected with loading to be on Owners account and time not to count. Eventual wharfing up alongside the berth to be on Owner's account and time used not to count.

Clause-40

Master is not to take on or pump ballast, oil or water at Loading and Discharging ports without obtaining permission of Charterers, or to switch oil or water from one tank to another, in order to enable the Charterers to do a proper draft survey. Vessel to furnish a certified calibration scale for all tanks including fore and aft, peak and double bottom tanks and deep tanks. Plimsoll marks amid ships and draft marks on port and starboard side, bow and stern to be clearly cut and marked on shell plating. Vessel to furnish capacity plan displacement scale and deadweight scale and same to be certified by the Master as to the correctness at the time of loading. Vessel to be left in sea worthy trim at Masters satisfaction when shifting between loading berths.

Clause-41

The Pilot, Master, Officers and Crew of the vessel and tow boat persons or facility assisting the vessel shall not be Agents or employees of the Charterers and the Charterers shall not be liable for any loss, damage or claims resulting from or arising out of negligence or error of any of them while the vessel is proceeding to, or lying at, any place of loading and / or discharging.

Clause -42

Statement of Facts at each port will be prepared and signed by Shippers/Charterers or their Agents and will be countersigned by the Master.

Clause-43

Agents at the loading and discharging port to be appointed by Charterers at owners cost, subject to reasonable agency fee and actual receipted expenses such as port dues, etc, additionally owners may appoint their own protecting agents if they desire so.

Clause-44

Agents at Loading port:

To be appointed

Clause-45

Owners are required to establish and maintain financial security or responsibility in respect of oil or other pollution damage as required by any Government including Federal State or Municipal or other Division or Authority thereof, to enable the vessel without penalty or charge to lawfully enter, remain at or leave any port, place or Municipality in performance of this Charter Party without any delay.

Undertaking will be at Owners' sole expense and the Owners shall indemnify the Charterers against all consequences whatsoever including loss of time for any failure or inability to do so.

Clause-46

- (a) At the discharging port HARBOUR DUES will be charged by PAKISTAN STEEL to the Owners / vessel at the rate of US\$ 2.30 PMT for cargo loaded as per Bill of Lading. Port dues, revised by PQA within the contractual period will be payable by Owners accordingly.
- (b) Payment thereof exempts vessel from payment of:
 - Pilotage in and out (once only)
 - Tugs in and out (once only)
 - Handling lines in and out (once only)
- (c) US\$ 2,000.00 being the other miscellaneous un-receipted expenses will be charged per vessel at the discharging port but excluding other charges whatever nature, e.g. NOC from Income Tax to be obtained by the Master / Owners / Operators / Protecting agents of the vessel.
- (d) Customs light dues of the vessel will be charged to the Owners / vessel separately at actual.
- (e) If, for reasons beyond Charterers control additional services are required, same will be charged by PQA separately, as the case may be.
- (f) Harbour dues, agency fees and any other ships expenses shall be remitted by Owners to Charterer's Agents before arrival of the vessel at the loading port.
- (g) Agency fee at discharging port will be charged at the rate of US\$ 3,500 per vessel.
- (h) In case Agents fail to provide funds from Ship-owners before vessel's arrival at the loading port, Charterers will not accept NOR unless funds are provided.

Clause-47

- (a) Overtime to be on account of the party ordering same, however, ship's officers and crew overtime always to be on Owner's account. Overtime ordered by Port Authorities to be shared equally between Owners and the Charterers.
- (b) Charterers are entitled to work during the excepted period and at night, if required. vessel to supply, free of charge, the use of sufficient electric light for night work including Saturdays, Sundays and holidays at load port / discharge port.

- (c) At loading and / or discharging port (s), taxes and / or dues on freight and / or vessel to be on Owner's account and on cargo to be for Shipper's / receiver's account.

Clause-48

- (a) 90% of freight (less 3.75% Address Commission on the total freight plus harbour dues, agency fee as per Clause – 43 & 46) is payable discountless and non-returnable, ship and / or cargo lost or not lost through irrevocable Letter of Credit (LC), without recourse, established / opened in favour of M/s. _____ and advised by any prime commercial bank (acceptable to Owners) negotiable with PAKISTANI BANK against presentation of :-
- Signed, Non-Negotiable copy of Bill of Lading.
 - Beneficiary's Freight Invoice (6 fold) showing Letter of Credit number. This number will be advised by the Charterers to the beneficiary within 8 working days from the date of receipt of 90% freight invoice from the beneficiary.
 - Bill of Exchange (documents to be exchanged between the two banks).
- (b) Bill of Lading to be marked "freight payable as per Charter Party". First installment i.e 90% freight to be calculated on bill of lading weight, less 3.75% Address Commission on the total freight and port disbursement (i.e. harbour dues & agency fee and un-receipted miscellaneous expenses etc.) Balance freight to be paid after adjustment of total freight on out turn weight as ascertained by draft survey at discharge port.
- (c) War risk / EWR premium if any , to be on Owners account.
- (d) Balance freight together with eventual demurrage, less eventual despatch also to be paid out of same letter of credit but only after final statement of freight has been presented to Shipping Department, Pakistan Steel, together with all payment documents (in original), statement of facts duly signed by agents and Master at the respective port as well as time sheets for each port, and only after final agreement between the parties has been reached on the balance due to Owners.
- (e) Balance freight is negotiable / payable only after submission of following documents in original:-
- Time Sheets and Statement of Facts for each port.
 - Bill of Exchange.
 - Signed non-negotiable copy of Bill of Lading.
 - Beneficiary's final Invoice showing Letter of Credit number.
 - Copy of fax / email from Pakistan Steel showing balance due to Owners.
- (f) All bank charges in connection with opening of LC incurred in Pakistan shall be on Charterer's account. All bank charges incurred outside Pakistan shall be on Owner's / Beneficiary account.

Clause-49

In case Bill of Lading is not available at discharging port on vessel's arrival, Owners agree to discharge the cargo against submission of FORM-6, duly signed by the Charterers, to Master of the vessel through the Charterers Agents. Copy of FORM-6 is attached to this Charter Party.

Clause-50

In the event of a boycott arising due to vessel's flag, time lost through such cause shall not count as laytime or time on demurrage. This Clause shall also be applicable in the event of labour boycott or any other discrimination against the ship because of her registry and/or crew and/or terms on which the crew are employed, provided vessel is actually prevented from loading or discharging.

Clause-51

Any communications received from source (s) other than Owners / Operators (with whom COA has been signed)or agents to ship-owners to whom Letter of Award (LOA) is issued , will not be acceptable to the Charterers

Clause-52

Any dispute arising under this Charter Party shall be referred to arbitration in Karachi, In Karachi in accordance with Arbitration Act 1940 or any other enactment in force. One Arbitrator to be nominated by each party, who shall be commercial men in the shipping business. In case of dispute between the Arbitrators, the Arbitrators shall then choose an umpire and shall refer the matter to such umpire for the decision. The decision of such Arbitration shall be final and binding upon both the parties and may be a Rule of the courts. Any claim to be put forward in writing within two months of completion of discharge otherwise the claim shall be considered barred. If either party should fail to appoint Arbitrator within 15 days after being requested to do so by the other party, the Arbitration award may be given by the Arbitrator appointed by the other party.

Clause-53

- a) The quantity mentioned in clause 30 is based on estimates only. Owners agreed that any quantity remaining unlifted due to any reason whatsoever, shall be deemed to have been lapsed and the contract shall be treated as fulfilled in all respects. The owner shall not be entitled to claim any amount in respect of such unlifted quantity.
- b) Further it is agreed that notwithstanding this COA, the charterers may contract with other parties for transportation of cargo from any part of the world, including the port(s) of loading mentioned in this COA.
- c) The owners undertake that they will complete the COA at any cost, even if the terms of the same become onerous due to change in international freight market.
- d) Damages of the breach of terms of this COA are proven damages not exceeding the amount of freight. However in case of failure of the owners to complete the contract / non performance of this contract, charterers shall be entitled to claim liquidated damages, which may be deducted from the Bank Guarantee as well as from any outstanding freight amount lying with the charterers.

Clause-54

This Contract cannot be assigned, sublet or sub contracted in any way, either partly or wholly without prior permission of Pakistan Steel, which would not be unreasonably withheld.

Clause-55

Owners to submit Performance Bond in the shape of Bank Guarantee on the approved format of the charterers equivalent to five percent (5%) of the total freight amount mentioned in this COA, from any of authorized / commercial bank and approved by the charterers with 15 days of the award of the contract. The said Bank Guarantee shall remain valid till expiry of contract period i.e. the last day of the contract period as per LOA /CP.

Clause-56

a) **Force Majeure:-**

- i) If loading / discharging becomes impossible due to reasons beyond the control of Charterers / Shippers, in addition to any unforeseen circumstances occurring at either port Clause 20 shall become applicable.
- ii) The charterers have the right to cancel approved nomination, if the shipper refused / cancels laycans. Such right is to be exercised before the nominated vessel actually leaves / departs to the port of loading.

(b) **Protective Clauses:**

The following Clauses, as attached, are deemed to be incorporated in and to form of this Charter Party:

- WAR RISK CLAUSE NOS. 1+2
- NEW JASON CLAUSE
- BOTH TO BLAME COLLISION CLAUSE
- P & I BUNKERING CLAUSE

Clause-57

This COA shall be governed by Pakistan Law.

FOR AND ON BEHALF OF
PAKISTAN STEEL MILLS CORP.

FOR AND ON BEHALF OF

WAR RISKS CLAUSES 1 AND 2

1. No Bills of Lading to be signed for any blockaded port and if the port of discharge be declared blockaded after Bills of Lading have been signed, or if the port to which the ship has been ordered to discharge either on signing Bills of Lading or thereafter be one to which the ship is or shall be prohibited from going by the Government of the Nation under whose flag the ship sails or by any other Government, the owner shall discharge the cargo at any other port covered by this Charter Party as ordered by Charterers (provided such other port is not a blockaded or prohibited port as above mentioned) and shall be entitled to freight as if the ship had discharged at the port or ports of discharge to which she was originally ordered.

2. The ship shall have liberty to comply with any orders or directions as to departure, arrival, routes, ports of call, stoppages, destination, delivery or otherwise howsoever given by the Government of the Nation under whose flag the vessel sails or any department thereof, or any person acting or purporting to act with the authority of such Government or any department thereof, or by any committee or person having, under the terms of the War Risks Insurance on the ship, the right to give such orders or directions and if by reason of and in compliance with any such orders or directions anything is done or is not done, the same shall not be deemed a deviation, and delivery in accordance with such orders or directions shall be in fulfillment of the Contract voyage and the freight shall be payable accordingly.

NEW JASON CLAUSE

In the event of accident, danger, damage or disaster before or after 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 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 salvage ship or ship is owned or operated by the carrier, salvage shall be paid for as fully as if such salvaging 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.

BOTH TO BLAME COLLISION CLAUSE

If the liability for any collision in which the vessel is involved while performing this Charter Party falls to be determined in accordance with the laws of the United States of America, the following clause shall apply:

BOTH TO BLAME COLLISION CLAUSE

"If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the master, mariner, pilot or the servant 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 claim whatsoever of the owner 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 ship or carrier. The foregoing provisions shall also apply where the Owners, Operators or those in charge of any ship or ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect to a collision or contract."

and the Charterers shall procure that all Bills of Lading issued under this Charter Party shall contain the same clause.

P. & I. BUNKER CLAUSE

The vessel shall have the 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 Party 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.

[STANDARD FORM OF UNDERTAKING TO BE GIVEN TO OWNERS IN RETURN
FOR
DELIVERING CARGO WITHOUT PRODUCTION OF THE BILLS OF LADING]

To:

The Owners of the S.S./M.V.....

Dear Sirs,

S.S./M.V.....

Goods:- No.....Description.....Marks.....

The above goods were shipped on the above vessel by Messrs..... [and consigned to us] but the relevant Bills of Lading have not yet arrived. We hereby request you to deliver such goods to [us] without production of Bills of Lading.

In consideration of your complying with our above request we hereby agree as follows:

1. To indemnify you and hold you harmless in respect any liability loss or damage of whatsoever nature which you may sustain by reason of delivering the goods to [us] in accordance with our request.
2. To pay you on demand the amount of any loss or damage which the Master and/or Agents of the vessel or any other of your servants or agents whatsoever may incur as a result of delivering the goods as aforesaid.
3. In the event of any proceedings being commenced against you or any of your servants or agents in connection with the delivery of the goods as aforesaid, to provide you or them from time to time on demand with sufficient funds to defend the same.
4. If the vessel or any other vessel or property belonging to you should be arrested or detained or if the arrest or detention thereof should be threatened to provide on demand such bail or other security as may be required to prevent such arrest or detention or to secure the release of such vessel or property and to indemnify you in respect of any loss, damage or expenses caused by such arrest or detention whether or not the same may be justified.
5. If called upon to do so at any time while the goods are in our custody, possession or control to redeliver the same to you.
6. To produce and deliver to you the Bills of Lading for the above goods duly endorsed as soon as these documents shall have arrived.
7. The liability of each and every person under this indemnity shall be joint and several and shall not be conditional upon your proceeding first against any person, whether or not such person is party to or liable under this indemnity.
8. This indemnity shall be construed in accordance with English law and each and every person liable under this indemnity shall at your request submit to the jurisdiction of the High Court of Justice-of-PAKISTAN.

Yours faithfully
For and on behalf

BANK GUARANTEE

PROFORMA

Dated:
L/G No.
Pak Rs.
Expiry:

Pakistan Steel Mills Corporation
Bin Qasim
Karachi

Whereas Pakistan Steel Mills Corporation (Pvt) Limited, a company duly incorporated under the companies ordinance 1984 of Pakistan (The "Charterers", which expression shall include its successors and assigns) of the other part has entered into Contract dated _____ with M/s _____ (Hereinafter called the Shipowners for shipment of _____ MT Iron Ore including ten(10) percent Charterers option from loading ports _____ to discharging Port Bin Qasim, Pakistan Steel berth.

And whereas in accordance with the provision of this contract the ship-owner are required to furnish a bank guarantee from the Pakistan Steel's approved scheduled bank for the performance and observance of all terms, provisions and stipulations of the Contract by Ship-owners and the Ship-owners have requested the bank to issue the said guarantee for amount of US\$ _____ equivalent to FIVE (05) percent of freight of total quantity of Iron Ore shown in the Contract covering 10% plus option.

In consideration of the premises, we _____ hereby guarantee irrevocable and unconditionally and undertake to pay US\$ _____ to Pakistan Steel Mills Corporation Ltd., Karachi without reference to the Ship-owners or their agents on first demand of Pakistan Steel Mills Corporation Ltd., in writing stating that the Ship-owners have committed a default under the Contract, without further clarification of such default and notwithstanding any contestation by the Ship-owners and we _____, hereby further declare that subject to the validity of this guarantee no alteration in the terms of the contract or in the scope, extent or nature of the terms and conditions of the Contract and no allowance of time by Pakistan Steel Mills Corporation Ltd., Karachi under the contract nor any forbearance or forgiveness in or in respect of any matter or thing governing the contract on the party of Pakistan Steel Mills Corporation Ltd., Karachi, shall in any way release this Bank from any liability under this guarantee.

Our liability under this guarantee is restricted to US\$ _____ and the same is valid up to 60 days after the expiry of the validity of the contract, claim if any under this guarantee must be received by the bank on or before 31st October, 2010 in writing, failing which the bank shall stand released and discharged from all its liabilities.

CERTIFICATE OF INTEGRITY PACT

M/S _____ (Ship Owners / Desponent Owners) hereby declares its intention not to obtain or induce the procurement of any contract, right, interest, privilege or other obligation or benefit from Government of Pakistan or any administrative subdivision or agency thereof or any other entity owned or controlled by it (GoP) through any corrupt business practice.

Without limiting the generality of the foregoing, M/S. _____ represents and warrants that it has fully declared the brokerage, commission, fees etc. paid or payable to anyone and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate, agent, associate, broker, consultant, director, promoter, shareholder, sponsor or subsidiary, any commission, gratification, bribe, finder's fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or including the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP, except that which has been expressly declared pursuant hereto.

M/S _____ certifies that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with GoP and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

M/S _____ accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other right and remedies available to GoP under any law, contract or other instrument, be voidable at the option of GoP.

Notwithstanding any rights and remedies exercised by GoP in this regard, M/S _____ agrees to indemnify GoP for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GoP in an amount equivalent to ten times the sum of any commission, gratification, bribe, finder's fee or kickback given by [the Ship Owners / Desponent Owners] as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever form from GoP.

SIGNED FOR & ON BEHALF OF

M/S _____ :