

Code word for this Charter Party
“SHELLTIME 4”

Issued December 1984

Time Charter Party

LONDON.

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1 IT IS THIS DAY AGREED between
2 of (hereinafter referred to as “Owners”), being owners of the
3 good vessel called
4 (hereinafter referred to as “the vessel”) described as per Clause 1 hereof and
5 of (hereinafter referred to as “Charterers”):

6 Description and 1. At the date of delivery of the vessel under this charter
7 Condition of (a) she shall be classed;
8 Vessel (b) she shall be in every way fit to carry crude petroleum and/or its products;
9 (c) she shall be tight, staunch, strong, in good order and condition, and in every way fit for the
10 service, with her machinery, boilers, hull and other equipment (including but not limited to hull stress calculator
11 and radar) in a good and efficient state:
12 (d) her tanks, valves and pipelines shall be oil-tight;
13 (e) she shall be in every way fitted for burning.

14 at sea - fueloil with a maximum viscosity of Centistokes at 50 degrees Centigrade/any
15 commercial grade of fueloil (“ACGFO”) for main propulsion, marine diesel oil/ACGFO
16 for auxiliaries
17 in port - marine diesel oil/ACGFO for auxiliaries;

18 (f) she shall comply with the regulations in force so as to enable her to pass through the Suez and
19 Panama Canals by day and night without delay;
20 (g) she shall have on board all certificates documents and equipment required from time to time by
21 any applicable law to enable her to perform the charter service without delay;
22 (h) she shall comply with the description in Form B appended hereto, provided however that if there
23 is any conflict between the provision of Form B and any other provision, including this Clause 1, of this charter
24 such other provision shall govern.

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

44 Duty to 3. (i) Throughout the charter service Owners shall, whenever the passage of time, wear and tear or any
45 Maintain event (whether or not coming within Clause 27 hereof) requires steps to be taken to maintain or restore the

46 conditions stipulated in Clauses 1 and 2(a), exercise due diligence so to maintain or restore the vessel.
47 (ii) If at any time whilst the vessel is on hire under this charter the vessel fails to comply with the
48 requirements of Clauses 1.2(a) or 10 then hire shall be reduced to the extent necessary to indemnify Charterers
49 for such failure. If and to the extent that such failure affects the time taken by the vessel to perform any services
50 under this charter, hire shall be reduced by an amount equal to the value, calculated at the rate of hire, of the time
51 so lost.
52 Any reduction of hire under this sub-Clause (ii) shall be without prejudice to any other remedy
53 available to Charterers, but where such reduction of hire is in respect of time lost, such time shall be excluded
54 from any calculation under Clause 24.
55 (iii) If Owners are in breach of their obligation under Clause 3(i) Charterers may so notify Owners in
56 writing; and if, after the expiry of 30 days following the receipt by Owners of any such notice, Owners have failed
57 to demonstrate to Charterers' reasonable satisfaction the exercise of due diligence as required in Clause 3(i), the
58 vessel shall be off-hire, and no further hire payments shall be due, until Owners have so demonstrated that they
59 are exercising such due diligence.
60 Furthermore, at any time while the Vessel is off-hire under this Clause 3 Charterers have the
61 option to terminate this charter by giving notice in writing with effect from the date on which such notice of
62 termination is received by Owners or from any later date stated in such notice. This sub-Clause (iii) is without
63 prejudice to any rights of Charterers or obligations of Owners under this charter or otherwise (including without
64 limitation Charterers rights under Clause 21 hereof).

65 Period Trading 4. Owners agree to let and Charterers agree to hire the vessel for a period of
66 Limits commencing from the time and date of delivery of the vessel, for the purpose of carrying all lawful merchandise
67 (subject always to Clause 28) including in particular

68 in any part of the world, as Charterers shall direct, subject to the limits of the current British Institute Warranties
69 and any subsequent amendments thereof. Notwithstanding the foregoing, but subject to Clause 35. Charterers
70 may order the vessel to ice-bound waters or to any part of the world outside such limits provided that Owners
71 consent thereto (such consent not to be unreasonably withheld) and that Charterers pay for any insurance
72 premium required by the vessel's underwriters as a consequence of such order.
73 Charterers shall use due diligence to ensure that the vessel is only employed between and at safe places
74 (which expression when used in this charter shall include ports, berths, wharves, docks, anchorages, submarine
75 lines, alongside vessels or lighters, and other locations including locations at sea) where she can safely lie always
76 afloat. Notwithstanding anything contained in this or any other clause of this charter. Charterers do not warrant
77 the safety of any place to which they order the vessel and shall be under no liability in respect thereof except for
78 loss or damage caused by their failure to exercise due diligence as aforesaid. Subject as above, the vessel shall be
79 loaded and discharged at any places as Charterers may direct, provided that Charterers shall exercise due
80 diligence to ensure that any ship-to-ship transfer operations shall conform to standards not less than those set out
81 in the latest published edition of the ICS/OCIMF Ship-to-Ship Transfer Guide.
82 The vessel shall be delivered by Owners at a port in

83 at Owners' option and redelivered to Owners at a port in

84 at Charterers' option.

85 Laydays/ 5. The vessel shall not be delivered to Charterers before and Charterers shall
86 Cancelling have the option of cancelling this charter if the vessel is not ready and at their disposal on or before

87 Owner to 6. Owners undertake to provide and to pay for all provisions, wages, and shipping and discharging fees
88 Provide and all other expenses of the master, officers and crew; also, except as provided in Clauses 4 and 34 hereof, for all
89 insurance on the vessel, for all deck, cabin and engine-room stores, and for water; for all drydocking, overhaul,
90 maintenance and repairs to the vessel; and for all fumigation expenses and de-rat certificates. Owners'
91 obligations under this Clause 6 extend to all liabilities for customs or import duties arising at any time during the
92 performance of this charter in relation to the personal effects of the master, officers and crew, and in relation to
93 the stores, provisions and other matters aforesaid which Owners are to provide and pay for and Owners shall
94 refund to Charterers any sums Charterers or their agents may have paid or been compelled to pay in respect of
95 any such liability. Any amounts allowable in general average for wages and provisions and stores shall be credited
96 to Charterers insofar as such amounts are in respect of a period when the vessel is on-hire.

97 Charterers to 7. Charterers shall provide and pay for all fuel (except fuel used for domestic services), towage and
98 Provide pilotage and shall pay agency fees, port charges, commissions, expenses of loading and unloading cargoes, canal
99 dues and all charges other than those payable by Owners in accordance with Clause 6 hereof, provided that all
100 charges for the said items shall be for Owners' account when such items are consumed, employed or incurred for
101 Owners' purposes or while the vessel is off-hire (unless such items reasonably relate to any service given or

102 distance made good and taken into account under Clause 21 or 22); and provided further that any fuel used in
103 connection with a general average sacrifice or expenditure shall be paid for by Owners.

104 Rate of 8. Subject as herein provided, Charterers shall pay for the use and hire of the vessel at the rate of
105 Hire per day, and pro rata for any part of a day, from the time and date of her delivery (local
106 time) until the time and date of her redelivery (local time) to Owners.

107 Payment of 9. Subject to Clause 3(iii), payment of hire shall be made in immediately available funds to:
Hire

108 Account

109 in per calendar month in advance, less:

110 (i) any hire paid which Charterers reasonably estimate to relate to off-hire periods, and
111 (ii) any amounts disbursed on Owners' behalf, any advances and commission thereon, and
112 charges which are for Owners' account pursuant to any provision hereof, and
113 (iii) any amounts due or reasonably estimated to become due to Charterers under Clause 3(ii) or
114 24 hereof,
115 any such adjustments to be made at the due date for the next monthly payment after the facts have been
116 ascertained. Charterers shall not be responsible for any delay or error by Owners' bank in crediting Owners'
117 account provided that Charterers have made proper and timely payment.

118 In default of such proper and timely payment,
119 (a) Owners shall notify Charterers of such default and Charterers shall within seven days of receipt of
120 such notice pay to Owners the amount due including interest, failing which Owners may withdraw the vessel from
121 the service of Charterers without prejudice to any other rights Owners may have under this charter or otherwise:
122 and
123 (b) Interest on any amount due but not paid on the due date shall accrue from the day after that date
124 up to and including the day when payment is made, at a rate per annum which shall be 1% above the U.S. Prime
125 Interest Rate as published by the Chase Manhattan Bank in New York at 12.00 New York time on the due date.
126 or, if no such interest rate is published on that day, the interest rate published on the next preceding day on which
127 such a rate was so published, computed on the basis of a 360 day year if twelve 30-day months, compounded
128 semi-annually.

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

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

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

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

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

160 Bunkers at
161 Delivery and
162 Redelivery
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15. Charterers shall accept and pay for all bunkers on board at the time of delivery, and Owners shall on redelivery (whether it occurs at the end of the charter period or on the earlier termination of this charter) accept and pay for all bunkers remaining on board, at the then-current market prices at the port of delivery or redelivery, as the case may be, or if such prices are not available payment shall be at the then-current market prices at the nearest port at which such prices are available; provided that if delivery or redelivery does not take place in a port payment shall be at the price paid at the vessel's last port of bunkering before delivery or redelivery, as the case may be. Owners shall give Charterers the use and benefit of any fuel contracts they may have in force from time to time, if so required by Charterers, provided suppliers agree.

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

(i) the foregoing indemnity shall not exceed the amount to which Owners would have been entitled to limit their liability if they had themselves employed such pilots, tugboats or stevedores, and

(ii) Charterers shall be liable for any damage to the vessel caused by or arising out of the use of stevedores, fair wear and tear excepted, to the extent that Owners are unable by the exercise of due diligence to obtain redress therefor from stevedores.

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

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

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

(i) disbursements on Owners' behalf or charges for Owners' account pursuant to any provision hereof, and

(ii) bunkers on board at redelivery pursuant to Clause 15.

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

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

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

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

(i) due to deficiency of personnel or stores; repairs; gas-freeing for repairs; time in and waiting to enter dry dock for repairs; breakdown (whether partial or total) of machinery, boilers or other parts of the vessel or her equipment (including without limitation tank coatings); overhaul, maintenance or survey; collision, stranding, accident or damage to the vessel; or any other similar cause preventing the efficient working of the vessel; and such loss continues for more than three consecutive hours (if resulting from interruption in the vessel's

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service) or cumulates to more than three hours(if resulting from partial loss of service); or

(ii) due to industrial action, refusal to sail, breach of orders or neglect of duty on the part of the master, officers or crew; or

(iii) for the purpose of obtaining medical advice or treatment for or landing any sick or injured person (other than a Charterers' representative carried under Clause 17 hereof) or for the purpose of landing the body of any person (other than a Charterers representative), and such loss continues for more than three consecutive hours; or

(iv) due to any delay in quarantine arising from the master, officers or crew having had communication with the shore at any infected area without the written consent or instructions of Charterers or their agents, or to any detention by customs or other authorities caused by smuggling or other infraction of local law on the part of the master, officers, or crew; or

(v) due to detention of the vessel by authorities at home or abroad attributable to legal action against or breach of regulations by the vessel, the vessel's owners, or Owners (unless brought about by the act or neglect of Charterers); then

without prejudice to Charterers' rights under Clause 3 or to any other rights of Charterers hereunder or otherwise the vessel shall be off-hire from the commencement of such loss of time until she is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which such loss of time commenced; provided, however, that any service given or distance made good by the vessel whilst off-hire shall be taken into account in assessing the amount to be deducted from hire.

(b) If the vessel fails to proceed at any guaranteed speed pursuant to Clause 24, and such failure arises wholly or partly from any of the causes set out in Clause 21(a) above, then the period for which the vessel shall be off-hire under this Clause 21 shall be the difference between

(i) the time the vessel would have required to perform the relevant service at such guaranteed speed, and

(ii) the time actually taken to perform such service (including any loss of time arising from interruption in the performance of such service).

For the avoidance of doubt, all time included under (ii) above shall be excluded from any computation under Clause 24.

(c) Further and without prejudice of the foregoing, in the event of the vessel deviating (which expression includes without limitation putting back, or putting into any port other than that to which she is bound under the instructions of Charterers) for any cause or purpose mentioned in Clause 21(a), the vessel shall be off-hire from the commencement of such deviation until the time when she is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which the deviation commenced, provided, however, that any service given or distance made good by the vessel whilst so off-hire shall be taken into account in assessing the amount to be deducted from hire. If the vessel, for any cause or purpose mentioned in Clause 21(a), puts into any port other than the port to which she is bound on the instructions of Charterers, the port charges, pilotage and other expenses at such port shall be borne by Owners. Should the vessel be driven into any port or anchorage by stress of weather hire shall continue to be due and payable during any time lost thereby.

(d) If the vessel's flag state becomes engaged in hostilities, and Charterers in consequence of such hostilities find it commercially impracticable to employ the vessel and have given Owners written notice thereof then from the date of receipt by Owners of such notice until the termination of such commercial impracticability the vessel shall be off-hire and Owners shall have the right to employ the vessel on their own account.

(e) Time during which the vessel is off-hire under this charter shall count as part of the charter period.

22. (a) Owners have the right and obligation to drydock the vessel at regular intervals of

On each occasion Owners shall propose to Charterers a date on which they wish to

drydock the vessel, not less than before such date, and Charterers shall offer a port for

such periodical drydocking and shall take all reasonable steps to make the vessel available as near to such date as practicable.

Owners shall put the vessel in drydock at their expense as soon as practicable after Charterers place the vessel at Owners' disposal clear of cargo other than tank washings and residues. Owners shall be responsible for and pay for the disposal into reception facilities of such tank washings and residues and shall have the right to retain any monies received therefor, without prejudice to any claim for loss of cargo under any bill of lading or this charter.

(b) If a periodical drydocking is carried out in the port offered by Charterers (which must have suitable accommodation for the purpose and reception facilities for tank washings and residues), the vessel shall be off-hire from the time she arrives at such port until drydocking is completed and she is in every way ready to resume Charterers' service and is at the position at which she went off-hire or a position no less favourable to Charterers, whichever she first attains. However,

(i) provided that Owners exercise due diligence in gas-freeing, any time lost in gas-freeing to

273 the standard required for entry into drydock for cleaning and painting the hull shall not count as off-hire, whether
 274 lost on passage to the drydocking port or after arrival there (notwithstanding Clause 21), and
 275 (ii) any additional time lost in further gas-freeing to meet the standard required for hot work of
 276 entry to cargo tanks shall count as off-hire, whether lost on passage to the drydocking port or after arrival there,
 277 Any time which, but for sub-Clause (i) above, would be off-hire, shall not be included in any
 278 calculation under Clause 24.
 279 The expenses of gas-freeing, including without limitation the cost of bunkers, shall be for
 280 Owners account.
 281 (c) if Owners require the vessel, instead of proceeding to the offered port, to carry out periodical
 282 drydocking at a special port selected by them, the vessel shall be off-hire from the time when she is released to
 283 proceed to the special port until she next presents for loading in accordance with Charterers' instructions,
 284 provided, however, that Charterers shall credit Owners with the time which would have been taken on passage at
 285 the service speed had the vessel not proceeded to drydock. All fuel consumed shall be paid for by Owners but
 286 Charterers shall credit Owners with the value of the fuel which would have been used on such notional passage
 287 calculated at the guaranteed daily consumption for the service speed, and shall further credit Owners with any
 288 benefit they may gain in purchasing bunkers at the special port.
 289 (d) Charterers shall, insofar as cleaning for periodical drydocking may have reduced the amount of
 290 tank-cleaning necessary to meet Charterers' requirements, credit Owners with the value of any bunkers which
 291 Charterers calculate to have been saved thereby, whether the vessel drydocks at an offered or a special port.

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

302 Detailed Description and Performance 24. (a) Owners guarantee that the speed and consumption of the vessel shall be follows:-
 303 Average speed Maximum average bunker consumption
 304 in knots main propulsion - auxiliaries
 305 fuel oil/diesel oil fuel oil/diesel oil
 306 Laden tonnes tonnes
 307 Ballast

308 The foregoing bunker consumption are for all purposes except cargo heating and tank cleaning
 309 and shall be pro-rated between the speeds shown.

310 The service speed of the vessel is knots laden and knots in ballast and in the absence
 311 of Charterers' orders to the contrary the vessel shall proceed at the service speed. However if more than one
 312 laden and one ballast speed are shown in the table above Charterers shall have the right to order the vessel to
 313 steam at any speed within the range set out in the table (the "ordered speed").

314 If the vessel is ordered to proceed at any speed other than the highest speed shown in the table,
 315 and the average speed actually attained by the vessel during the currency of such order exceeds such ordered
 316 speed plus 0.5 knots (the "maximum recognised speed"), then for the purpose of calculating any increase or
 317 decrease of hire under this Clause 24 the maximum recognised speed shall be used in place of the average speed
 318 actually attained.

319 For the purposes of this charter the "guaranteed speed" at any time shall be the then-current
 320 ordered speed or the service speed, as the case may be

321 The average speeds and bunker consumptions shall for the purposes of this Clause 24 be
 322 calculated by reference to the observed distance from pilot station to pilot station on all sea passages during each
 323 period stipulated in Clause 24 (c), but excluding any time during which the vessel is (or but for Clause 22(b) (i)
 324 would be) off-hire and also excluding "Adverse Weather Periods", being (i) any periods during which reduction
 325 of speed is necessary for safety in congested waters or in poor visibility (ii) any days, noon to noon, when winds
 326 exceed force 8 on the Beaufort Scale for more than 12 hours.

327 (b) If during any year from the date on which the vessel enters service (anniversary to anniversary)
328 the vessel falls below or exceeds the performance guaranteed in Clause 24(a) then if such shortfall or excess
329 results
330 (i) from a reduction or an increase in the average speed of the vessel, compared to the speed
331 guaranteed in Clause 24(a), then an amount equal to the value at the hire rate of the time so lost or gained, as the
332 case may be, shall be deducted from or added to the hire paid:
333 (ii) from an increase or a decrease in the total bunkers consumed, compared to the total bunkers
334 which would have been consumed had the vessel performed as guaranteed in Clause 24(a), an amount equivalent
335 to the value of the additional bunkers consumed or the bunkers saved, as the case may be, based on the average
336 price paid by Charterers for the vessel's bunkers in such period, shall be deducted from or added to the hire paid.
337 The addition to or deduction from hire so calculated for laden and ballast mileage respectively
338 shall be adjusted to take into account the mileage steamed in each such condition during Adverse Weather
339 Periods, by dividing such addition or deduction by the number of miles over which the performance has been
340 calculated and multiplying by the same number of miles plus the miles steamed during the Adverse Weather
341 Periods, in order to establish the total addition to or deduction from hire to be made for such period.
342 Reduction of hire under the foregoing sub-Clause (b) shall be without prejudice to any other
343 remedy available to Charterers.
344 (c) Calculations under this Clause 24 shall be made for the yearly periods terminating on each
345 successive anniversary of the date on which the vessel enters service, and for the period between the last such
346 anniversary and the date of termination of this charter if less than a year. Claims in respect of reduction of hire
347 arising under this Clause during the final year or part year of the charter period shall in the first instance be settled
348 in accordance with Charterers' estimate made two months before the end of the charter period. Any necessary
349 adjustment after this charter terminates shall be made by payment by Owners to Charterers or by Charterers to
350 Owners as the case may require.
351 Payments in respect of increase of hire arising under this Clause shall be made promptly after
352 receipt by Charterers of all the information necessary to calculate such increase.

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

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

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

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

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

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

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

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

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

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

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

442 to any place which the master or Owners in his or their discretion select and there discharge the cargo or such part
443 of it as may be affected. Such discharge shall be deemed to be due fulfillment of Owners obligations under this
444 charter so far as cargo so discharged is concerned.
445 Charterers shall procure that all bills of lading issued under this charter shall contain the Chamber of
446 Shipping War Risks Clause 1952.

447 Both to Blame 36. If the liability for any collision in which the vessel is involved while performing this charter falls to be
448 Collision Clause determined in accordance with the laws of the United States of America, the following provision shall apply:
449 "if the ship comes into collision with another ship as a result of the negligence of the other ship and any
450 act, neglect or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the
451 management of the ship, the owners of the cargo carried hereunder will indemnify the carrier against all loss, or
452 liability to the other or non-carrying ship or her owners in so far as such loss or liability represents loss of, or
453 damage to, or any claim whatsoever of the owners of the said cargo, paid or payable by the other or non-carrying
454 ship or her owners to the owners of the said cargo, set off, recouped or recovered by the other or non-carrying
455 ship or her owners as part of their claim against the carrying ship or carrier."
456 "The foregoing provisions shall also apply where the owners, operators or those in charge of any ship
457 or ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect of a collision or
458 contact."
459 Charterers shall procure that all bills of lading issued under this charter shall contain a provision in the
460 foregoing terms to be applicable where the liability for any collision in which the vessel is involved falls to be
461 determined in accordance with the laws of the United States Of America.

462 New Jason 37. General average contributions shall be payable according to the York/Antwerp Rules, 1974, and shall
463 Clause be adjusted in London in accordance with English law and practice but should adjustment be made in accordance
464 with the law and practice of the United States of America, the following provision shall apply:
465 "In the event of accident danger, damage or disaster before or after the commencement of the
466 voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the
467 consequence of which, the carrier is not responsible by statute, contract or otherwise, the cargo, shippers,
468 consignees or owners of the cargo shall contribute with the carrier in general average to the payment of any
469 sacrifices, losses or expenses of a general average nature that may be made or incurred and shall pay salvage and
470 special charges incurred in respect of the cargo."
471 "if a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if the said
472 salving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover
473 the estimated contribution of the cargo and any salvage and special charges thereon shall, if required, be made by
474 the cargo, shippers, consignees or owners of the cargo to the carrier before delivery."
475 Charterers shall procure that all bills of lading issued under this charter shall contain a provision in the
476 foregoing terms, to be applicable where adjustment of general average is made in accordance with the laws and
477 practice of the United States of America.

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

494 TOVALOP 39. Owners warrant that the vessel is:
495 (i) a tanker in TOVALOP and
496 (ii) properly entered in P&I Club

497 and will so remain during the currency of this charter.

498 When an escape or discharge of Oil occurs from the vessel and causes or threatens to cause Pollution
499 Damage, or when there is the threat of an escape or discharge of Oil (i.e. a grave and imminent danger of the

500 escape or discharge of Oil which, if it occurred, would create a serious danger of Pollution Damage, whether or
501 not an escape or discharge in fact subsequently occurs), then Charterers may, at their option, upon notice to
502 Owners or master, undertake such measures as are reasonably necessary to prevent or minimise such Pollution
503 Damage or to remove the Threat, unless Owners promptly undertake the same. Charterers shall keep Owners
504 advised of the nature and result of any such measures taken by them and, if time permits, the nature of the
505 measures intended to be taken by them. Any of the afore mentioned measures taken by Charterers shall be
506 deemed taken on Owners' authority as Owners' agent, and shall be at Owners' expense except in the extent that:
507 (1) any such escape or discharge or Threat was caused or contributed to by Charterers, or
508 (2) by reason of the exceptions set out in Article III, paragraph 2, of the 1969 international
509 Convention on Civil Liability for Oil Pollution Damage, Owners are or, had the said Convention applied to such
510 escape or discharge or to the Threat, would have been exempt from liability for the same, or
511 (3) the cost of such measures together with all other liabilities, costs and expenses of Owners arising
512 out of or in connection with such escape or discharge or Threat exceeds one hundred and sixty United States
513 Dollars (US \$160) per ton of the vessel's Tonnage or sixteen million eight hundred thousand United States
514 Dollars (US \$16,800,000), whichever is the lesser, save and insofar as Owners shall be entitled to recover such
515 excess under either the 1971 International Convention on the Establishment of an International Fund for
516 Compensation for Oil Pollution Damage or under CRISTAL;
517 PROVIDED ALWAYS that if Owners in their absolute discretion consider said measures
518 should be discontinued. Owners shall so notify Charterers and thereafter Charterers shall have no right to
519 continue said measures under the provisions of the Clause 39 and all further liability to Charterers under this
520 Clause 39 shall thereupon cease.
521 The above provisions are not in derogation of such other rights as Charterers or Owners may have
522 under this charter or may otherwise have or acquire by law or any International Convention or TOVALOP.
523 The term "TOVALOP" means the Tanker Owners' Voluntary Agreement Concerning Liability
524 for Oil Pollution dated 7th January 1969, as amended from time to time, and the term "CRISTAL" means the
525 Contract Regarding an Interim Supplement to Tanker Liability for Oil Pollution dated 14th January 1971, as
526 amended from time to time. The terms "Oil", "Pollution Damage", and "Tonnage" shall for the purposes of this
527 Clause 39 have the meanings ascribed to them in TOVALOP.

528 Export
529 Restrictions
530
531 40. The master shall not be required or bound to sign bills of lading for the carriage of cargo to any place to
532 which export of such cargo is prohibited under the laws, rules or regulations of the country in which the cargo was
533 produced and/or shipped.
534 Charterers shall procure that all bills of lading issued under this charter shall contain the following
535 clause:
536 "If any laws rules or regulations applied by the government of the country in which the cargo was
537 produced and/or shipped, or any relevant agency thereof, impose a prohibition on export of the cargo
538 to the place of discharge designated in or ordered under this bill of lading, carriers shall be entitled to
539 require cargo owners forthwith to nominate an alternative discharge place for the discharge of the
540 cargo, or such part of it as may be affected, which alternative place shall not be subject to the
541 prohibition, and carriers shall be entitled to accept orders from cargo owners to proceed to and
542 discharge at such alternative place. If cargo owners fail to nominate an alternative place within 72
543 hours after they or their agents have received from carriers notice of such prohibition, carriers shall be
544 at liberty to discharge the cargo or such part of it as may be affected by the prohibition at any safe place
545 on which they or the master may in their or his absolute discretion decide and which is not subject to the
546 prohibition, and such discharge shall constitute due performance of the contract contained in this bill
of lading so far as the cargo so discharged is concerned".
The foregoing provision shall apply mutatis mutandis to this charter, the reference to a bill of lading
being deemed to be references to this charter.

547 Law and
548 Litigation
549
550 41. (a) This charter shall be construed and the relations between the parties determined in accordance
551 with the laws of England.
552 (b) Any dispute arising under this charter shall be decided by the English Courts to whose
553 jurisdiction the parties hereby agree.
554 (c) Notwithstanding the foregoing, but without prejudice to any party's right to arrest or maintain
555 the arrest of any maritime property, either party may, by giving written notice of election to the other party, elect
556 to have any such dispute referred to the arbitration of a single arbitrator in London in accordance with the
557 provisions of the Arbitration Act 1950, or any statutory modification or re-enactment thereof for the time being
558 in force.
559 i) A party shall lose its right to make such an election only if:
560 (a) it receives from the other party a written notice of dispute which -
561 (1) states expressly that a dispute has arisen out of this charter;
562 (2) specifies the nature of the dispute: and
563 (3) refers expressly to this clause 41(c)

561 and
562 (b) it fails to give notice of election to have the dispute referred to arbitration not later than
563 30 days from the date of receipt of such notice of dispute.
564 (ii) The parties hereby agree that either party may -
565 (a) appeal to the High Court on any question of law arising out of an award:
566 (b) apply to the High Court for an order that the arbitrator state the reasons for his award:
567 (c) give notice to the arbitrator that a reasoned award is required: and
568 (d) apply to the High Court to determine any question of law arising in the course of the
569 reference.
570 (d) It shall be a condition precedent to the right of any party to a stay of any legal proceeding in which
571 which maritime property has been, or may be, arrested in connection with a dispute under this charter, that that
572 party furnishes the other party security to which that other party would have been entitled in such legal
573 proceedings in the absence of a stay.

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

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