

# BITUMINOUS COAL SALE AND PURCHASE SPOT CONTRACT

(KOWEPO-COAL-2014-APSP-08-01)

BETWEEN

KOREA WESTERN POWER CO., LTD.

AND

WOOJIN DEVELOPMENT



ARTICLE 10

**Delivery(FOB)**

If shipment under the Contract is to be made on a FOBT basis, the following provisions shall govern the shipping arrangement.

\* This ARTICLE should be change in accordance with the proposed shipping conditions of the Loading Port in ITB Clause 2.

**10.01** The Seller shall arrange Coal to be loaded, stowed and trimmed to the master's satisfaction under supervision of the master free of risk, expense and responsibility to the vessel and Buyer. The master shall be responsible for safe sea-worthiness of stowage ultimately.

**10.02** The arrival date at Loading Port for the shipment shall be as follows;

<u>Loading Laycan at Port</u>	<u>Tonnage</u>
December 2014	2 x 70,000mt ± 10%

If the Seller needs to change the above laycan, the Seller shall obtain prior agreement from the Buyer.

**10.03** Fourteen (14) days prior to the estimated time of arrival of a vessel, the Buyer shall nominate the performing vessel with laydays narrowed to ten (10) days spread, which shall fall within original layday spread and loading tonnage plus or minus ten percent (10%) at Buyer's option.

The Seller shall, within **one (1)** working day upon receipt of the notice, confirm to Buyer the acknowledgement of receipt of the above Buyer's notice.

The Buyer, the owner, the master or the agent of the vessel shall advise the Seller or its agent at the loading port the estimated time of arrival of a vessel at the loading port seven (7) days, 48 hours and 24 hours in advance.

**10.04** The loading of the vessel shall be so arranged that the vessel's turn shall normally be determined in accordance with the order of arrival at the loading port, unless otherwise determined in accordance with port or terminal requirements in force at the time of arrival of the vessel.

**10.05** Notice of readiness to load may be tendered by the vessel or vessel's agent after the vessel's arrival at the loading port, and when in free pratique, whether in berth or not, during (09:00hours - 17:00hours during office hour from Monday to Friday, 09:00hours - 13:00hours at Saturday during office hours).



**10.06** Laytime at loading port shall commence twelve (12) consecutive hours after Notice of Readiness is tendered, if the vessel, whether in berth or not, provided the vessel is in free pratique, is ready in all respects to receive Coal or when loading commences, whichever first occurs.

In case turn time expires on Saturday afternoons, Sundays or Holidays, laytime shall commence from 08:00 hours on the next working day.

If the vessel is prevented from entering the commercial limits of the loading port because a loading berth or layberth or anchorage is not available under the order of the Seller or the port authorities, and the master warrants that the vessel is physically ready in all respects to commence loading, the Notice of Readiness may be tendered by radio and the time lost waiting at a usual waiting place outside the commercial limits of the port or off the port shall be counted as laytime used, regardless of weather, berth, wharf or harbor condition. The time required for shifting from the waiting point to loading berth shall not be counted as laytime used. Time lost by any cause shall count as laytime unless such time lost is due to the causes stipulated in Article 15 and the Seller notifies the Buyer and declares force majeure thereof in accordance with Article 15. However, the time from when force majeure event(s) occur(s) to when a force majeure is declared shall count as laytime.

Laytime shall end upon completion of a) the loading, b) all trimming work, c) the draft survey, d) all documentation required for sailing including export document(s), whichever occurs last. In case of the interim draft survey, it shall fully count as lay-time regardless of whether vessel in once on demurrage at loading port or not.

**10.07** The Seller shall guarantee the following average loading rate aboard the vessel per weather working day of twenty four (24) consecutive hours, excluding Saturday afternoons (13:00-24:00), Sundays (00:00-24:00) and Holidays (00:00-24:00) unless used: if used, actual time worked will count as laytime.

Loading rates shall be calculated pro rata for a period of less than twenty four (24) hours.

<u>Vessel Size</u> (Deadweight long tons)	<u>Average Loading Rate</u> (MT/W.W.D.)
~ up to 60,000	
over 60,000 up to 100,000	15,000mt shinc
over 100,000 up to 150,000	
over 150,000	

**10.08** In the event of actual laytime overused for loading, the Seller shall pay demurrage to the Buyer for all time lost. If vessel is once on demurrage at loading port, the vessel shall be deemed to be always on demurrage without exceptions, unless leaving port for bunkering or fumigation or delays due to the vessel master's or the Buyer's requirements.



In the event of actual laytime saved for loading, Buyer shall pay despatch money to Seller as half the demurrage rate for all laytime saved at the loading port.

The buyer and the seller agree that the buyer may, in writing, nominate buyer's shipping company, to handle all laytime matters, including payments of any demurrage or dispatch.

In such circumstances, the buyer confirms that settlement of such laytime matters by seller, including any final payments to and from the buyer's shipping company by seller will amount to settlement by the buyer under the terms of this sale and purchase contract.

The buyer must provide all the necessary information about the buyer's shipping company required by the seller for settling laytime. However, should the shipping company fail to settle any laytime matters with the seller, the buyer and the seller shall settle that laytime matter directly.

The daily (or pro rata for part thereof) demurrage rates applicable are as follows:

<u>Vessel Size</u> (Deadweight long tons)	<u>Daily Demurrage</u> Rate in US\$
~ up to 60,000	As per relevant charter party
over 60,000 up to 100,000	As per relevant charter party
over 100,000 up to 150,000	As per relevant charter party
over 150,000	As per relevant charter party

Settlement of demurrage and despatch money shall be made within thirty (30) days after receipt of invoice for such demurrage and despatch money.

Notwithstanding any other clauses to the contrary expressed or implied hereto, if Seller fails to start loading the coal within the mutually agreed laycan due to Seller's default in arranging the coal, Demurrage and Despatch money shall be as per Charter Party.

- 10.09** Overtime at loading port and related extra expenses shall be to the account of the Seller unless ordered by Buyer. Vessel's officers and crew overtime shall always be borne by the vessel.
- 10.10** The vessel shall furnish lighting necessary for night work on board of the vessel. Hatchcovers and hatchbeams, if any, shall be removed and replaced at loading port by the vessel owner at owner's cost.
- 10.11** If warping or shifting alongside the wharf is necessary after the vessel has berthed thereat, the time required therefore shall be counted as laytime used and all expenses incurred therefore shall be borne by the Seller, unless it is made by vessel's request.



**10.12** Seller shall bear the costs of loading the Coal on the vessel hereunder, wharfage, export tax and similar tax, impost or charge imposed by the government or other agency, and other similar costs which normally are considered to be to Seller's account.

All costs of ocean transportation applicable to any cargo after delivery of such cargo aboard vessels at the loading port shall be to the account of and paid by Buyer.

It shall be the Buyer's responsibility to assure that the vessels shall pay and bear all port charge, tonnage dues, light dues and other similar charges which are customarily payable on or with respect to the vessels at the loading port.

If there is doubt as to the bearing of any costs or expenses related to the delivery, the costs or expenses directly related to the vessel shall be borne by the Buyer, and the others by the Seller.

**10.13** Bill of lading for Coal received on board vessel shall be issued on the basis of official weights at the loading port determined by an international independent inspection agency using standard water displacement methods under Section 5.01.

