



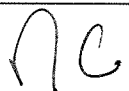
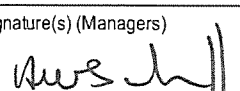
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT
 CODE NAME: "SHIPMAN 98"

Part I

Approved by the International Ship Managers' Association (ISMA)
 Approved by the Documentary Committee of The Japan Shipping Exchange Inc., Tokyo
 Printed by BIMCO's idea

1. Date of Agreement 19 December 2013		3. Managers (name, place of registered office and law of registry) (Cl. 1)	
2. Owners (name, place of registered office and law of registry) (Cl. 1)		3. Managers (name, place of registered office and law of registry) (Cl. 1)	
Name IVS Bulk 712 Pte. Ltd.		Name Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089763	
Place of registered office Singapore		Place of registered office Singapore	
Law of registry Singapore		Law of registry Singapore	
4. Day and year of commencement of Agreement (Cl. 2) Date of Agreement as per Box 1			
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) Yes (via sub-contract)		6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2) Yes	
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) No		8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4) No	
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) Yes		10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6) Yes	
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) Yes		12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) No	
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.3(ii)) No		14. Owners' Insurance (state alternative (i), (ii) or (iii) of Cl. 6.3) Yes – Alternative (ii) of Clause 6.3 applies	
15. Annual Management Fee (state annual amount) (Cl. 8.1) USD 125,000.00 commencing one month prior to delivery of the Vessel.		16. Severance Costs (state maximum amount) (Cl. 8.4(ii)) USD75,000	
17. Day and year of termination of Agreement (Cl. 17) One year from the delivery of the Vessel.		18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) London Clause 19.1	
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20) IVS Bulk 712 Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089703 Tel: +65 632 300 48 Fax: +65 632 300 46		20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20) Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089703 Tel: +65 632 300 48 Fax: +65 632 300 46	

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further..

Signature(s) (Owners) 	Signature(s) (Managers) 
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**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:
December 2013

Name of Vessel(s):
Onomichi Hull No. 712

Particulars of Vessel(s):
D.W. 60,000 M.T. Bulk Carrier

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**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement
December 2013

Details of Crew:

Numbers	Rank	Nationality
1	Master	Filipino
2	Chief Officer	Filipino
3	Second Officer	Filipino
4	Third Officer	Filipino
5	Bosun	Filipino
6	AB	Filipino
7	AB	Filipino
8	AB	Filipino
9	OS	Filipino
10	OS	Filipino
11	Chief Engineer	Filipino
12	Second Engineer	Filipino
13	Third Engineer	Filipino
14	Fourth Engineer	Filipino
15	Electrician	Filipino
16	Oiler	Filipino
17	Oiler	Filipino
18	Oiler	Filipino
19	Wiper	Filipino
20	Chief Cook	Filipino
21	Messman	Filipino

*Musek
NG*

**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

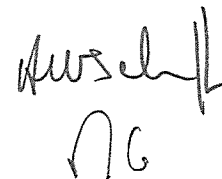
Date of Agreement:

December 2013

Managers' Budget for the first year with effect from the Commencement Date of this Agreement: scheduled date of delivery of the Vessel:

As appended

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Handwritten signature and initials, possibly 'Husch' and 'NG'.

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STEELCO

DIVISION: STEELCO
SUBSIDIARY: Summary
SHIP NAME:
BUDGETED PERIOD: First year of operating

Delivery 01/07/2015
Completion of 1st Year 30/06/2016
60 000 DWT

CURRENCY : USD

Repairs and Maintenance
Manning
Stores
Lube Oil
Insurance
Admin
Management Fee

ONOMICHI 712
130 122
1 034 256
127 058
190 000
170 000
156 580
125 000
-
1 933 016
20 000
-
1 953 016
15 000
-
4 500
1 094 832
-
-
3 067 348

SHIP OPERATING EXPENSES

Unplanned Expenses

TOTAL SHIP OPERATING EXPENSES

Commercial Expenses
Cadets
Owners Costs
Depreciation
Dry docking Amortisation

SHIP RUNNING COSTS

No of operating days

366

Costs per day

- Ship operating expenses pd

5 281

- Unplanned expenses pd

55

- **Total ship operating expenses pd**

5 336

Handwritten signature
NG

**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D"
THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS
AGREEMENT.**

Date of Agreement:

Details of Associated Vessels:
N/A

PART II
“SHIPMAN 98” Standard Ship Management Agreement

1. Definitions	1		
In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.	2 3 4		
“Owners” means the party identified in <u>Box 2</u> .	5		
“Managers” means the party identified in <u>Box 3</u> .	6		
“Vessel” means the vessel or vessels details of which are set out in <u>Annex “A”</u> attached hereto.	7 8		
“Crew” means the Master, officers and ratings of the numbers, rank and nationality specified in <u>Annex “B”</u> attached hereto.	9 10		
“Crew Support Costs” means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.	11 12 13 14 15 16 17 18		
“Severance Costs” means the costs which the employers are legally obliged to pay to or in respect of the Crew as a result of the early termination of any employment contract for service on the Vessel.	19 20 21 22		
“Crew Insurances” means insurances against crew risks which shall include but not be limited to death, sickness, permanent disability, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.	23 24 25 26		
“Management Services” means the services specified in sub-clauses 3.1 to 3.8 as indicated affirmatively in Boxes <u>5</u> to <u>12</u> .	27 28		
“ISM Code” means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.	29 30 31 32		
“STCW 95” means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.	33 34 35		
“Flag State” means the State whose flag the Vessel is flying.			
“Company” (with reference to the ISM Code and the ISPS Code) means the organisation identified in <u>Box 5</u> or any replacement organisation appointed by the Owners from time to time.			
“ISPS Code” means the International Code for the Security of Ships and Port Facilities and the relevant amendments to Chapter XI of SOLAS and any amendment thereto or substitution thereof.			
“SMS” means the Safety Management System (as defined by the ISM Code).			
2. Appointment of Managers	36		
With effect from the day and year stated in <u>Box 4</u> and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.	37 38 39 40		
3. Basis of Agreement	41		
Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice, including compliance with all relevant rules and regulations.	42 43 44 45 46 47 48 49		
3.1 Crew Management	50		
<i>(only applicable if agreed according to <u>Box 5</u>)</i>	51		
The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:	52 53 54 55		
(i) selecting and engaging the Vessel's Crew, including payroll arrangements, pension administration, tax, social security	56 57		
		contributions and other mandatory dues related to their employment payable in each crew member's country of domicile and insurances for	
		the Crew other than those mentioned in <u>Clause 6</u> ;	58
		(ii) ensuring that the applicable requirements of the law of the Flag State flag of the Vessel are satisfied in respect of manning levels,	59 60
		rank, qualification and certification of the Crew and employment regulations including Crew's tax, social insurance, discipline and other requirements;	61 62 63
		(iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate Flag State requirements. In the absence of applicable Flag State requirements the medical certificate shall be dated not more than three months prior to the respective Crew members leaving their country of domicile and maintained for the duration of their service on board the Vessel;	64 65 66 67 68 69 70 71 72
		(iv) ensuring that the Crew shall have a command of the English language of a sufficient standard to enable them to perform their duties safely;	73 74 75
		(v) arranging transportation of the Crew, including repatriation;	76
		(vi) training of the Crew and supervising their efficiency;	77
		(vii) conducting union negotiations;	78
		(viii) operating the Managers' drug and alcohol policy unless otherwise agreed;-	79 80
		(ix) ensuring that the crew, on joining the Vessel, are given proper familiarisation with their duties in relation to the Vessel's SMS and that instructions which are essential to the SMS are identified, documented and given to the Crew prior to sailing.	
3.2 Technical Management	81		
<i>(only applicable if agreed according to <u>Box 6</u>)</i>	82		
The Managers shall provide technical management which includes, but is not limited to, the following functions:	83 84		
(i) provision of competent personnel to supervise the maintenance and general efficiency of the Vessel;	85		
(ii) arrangement and supervision of dry dockings, repairs, alterations and the upkeep of the Vessel to the standards required by the Owners provided that the Managers shall be entitled to incur the necessary expenditure to ensure that the Vessel will comply with the law of the Flag State flag of the Vessel and of the places where she trades, and all requirements and recommendations of the classification society;	86 87 88 89 90 91 92 93 94		
(iii) arrangement of the supply of necessary stores, spares and lubricating oil;	95 96		
(iv) appointment of surveyors and technical consultants as the Managers may consider from time to time to be necessary;	97 98		
(v) development, implementation and maintenance of a Safety Management System (SMS) in accordance with the ISM Code (see sub-clauses <u>4.2</u> and <u>5.3</u>).	99 100 101		
		(vi) ensuring compliance with the ISM Code;	
		(vii) ensuring compliance with the ISPS Code;	
		(viii) monitoring construction and delivery of the Vessel including liaising with builder, seller and construction supervisor as necessary.	
3.3 Commercial Management	102		
<i>(only applicable if agreed according to <u>Box 7</u>)</i>	103		
The Managers shall provide the commercial operation of the Vessel, as required by the Owners, which includes, but is not limited to, the following functions:	104 105 106		
(i) providing chartering services in accordance with the Owners' instructions which include, but are not limited to, seeking and negotiating employment for the Vessel and the conclusion (including the execution thereof) of charter parties or other contracts relating to the employment of the Vessel. If such a contract exceeds the period stated in <u>Box 13</u> , consent thereto in writing shall first be obtained from the Owners.	107 108 109 110 111 112 113		

PART II
"SHIPMAN 98" Standard Ship Management Agreement

(ii) arranging of the proper payment to Owners or their nominees of all hire and/or freight revenues or other moneys of whatsoever nature to which Owners may be entitled arising out of the employment of or otherwise in connection with the Vessel.	114 115 116 117 118	by the ISM Code when applicable. The Managers shall report to the Flag State administration details of the Managers, as the Company, as required to comply with the ISM and ISPS Code.	174
(iii) providing voyage estimates and accounts and calculating of hire, freights, demurrage and/or despatch moneys due from or due to the charterers of the Vessel;	119 120 121	5. Owners' Obligations	175
(iv) issuing of voyage instructions;	122	5.1 The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement.	176 177
(v) appointing agents;	123	5.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, the Owners shall:	178
(vi) appointing stevedores;	124	(i) procure that all officers and ratings supplied by them or on their behalf comply with the requirements of STCW 95;	180 181
(vii) arranging surveys associated with the commercial operation of the Vessel.	125 126	(ii) instruct such officers and ratings to obey all reasonable orders of the Managers in connection with the operation of the Managers' safety management system.	182 183 184
3.4 Insurance Arrangements'	127	5.3 Where the Managers are not providing Technical Management in accordance with sub-clause 3.2, the Owners shall procure that the requirements of the law of the Flag State flag of the Vessel are satisfied	185 186 187
<i>(only applicable if agreed according to Box 8)</i>	128	and that they, or such other entity as may be appointed by them and identified to the Managers, shall be deemed to be the "Company" as defined by the ISM Code assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.	188 189 190 191 192
The Managers shall arrange insurances in accordance with Clause 6, on such terms and conditions as the Owners shall have instructed or agreed, in particular regarding conditions, insured values, deductibles and franchises.	129 130 131 132		
3.5 Accounting Services	133	6. Insurance Policies	193
<i>(only applicable if agreed according to Box 9)</i>	134	The Owners shall procure, whether by instructing the Managers under sub-clause 3.4 or otherwise, that throughout the period of this Agreement:	194 195 196
The Managers shall:	135	6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:	197 198 199
(i) establish an accounting system which meets the requirements of the Owners and provide regular accounting services, supply regular reports and records, relating to the technical operation of the Vessel;	136 137 138	(i) usual hull and machinery marine risks (including crew negligence) and excess liabilities;	200 201
(ii) maintain the records of all costs and expenditure incurred as well as data necessary or proper for the settlement of accounts between the parties.	139 140 141	(ii) protection and indemnity risks (including, but not limited to, pollution risks, diversion expenses and Crew Insurances); and	202 203
3.6 Sale or Purchase of the Vessel	142	(iii) war risks (including protection and indemnity and crew risks) in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");	204 205 206 207 208
<i>(only applicable if agreed according to Box 10)</i>	143	6.2 all premiums and calls on the Owners' Insurances are paid promptly by their due date,	209 210
The Managers shall, in accordance with the Owners' instructions, supervise the sale or purchase of the Vessel, including the performance of any sale or purchase agreement, but not negotiation of the same.	144 145 146 147	6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Owners obtaining cover in respect of each of the insurances specified in sub-clause 6.1:	211 212 213 214 215
3.7 Provisions (only applicable if agreed according to Box 11)	148	(i) on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances; or	216 217 218
The Managers shall arrange for the supply of provisions.	149	(ii) if reasonably obtainable, on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances; or	219 220 221 222
3.8 Bunkering (only applicable if agreed according to Box 12)	150	(iii) on such other terms as may be agreed in writing.	223
The Managers shall arrange for the provision of bunker fuel of the quality specified by the Owners as required for the Vessel's trade.	151 152	<i>indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left blank then (i) applies.</i>	224 225
4. Managers' Obligations	153	6.4 written evidence is provided, to the reasonable satisfaction of the Managers, of their compliance with their obligations under Clause 6 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.	226 227 228 229 230
4.1 The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.	154 155 156 157 158 159 160 161 162 163 164 165 166 167		
4.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, they shall procure that the requirements of the law of the Flag State flag of the Vessel are satisfied and they shall in particular be deemed to be the "Company" as defined by the ISM Code, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed	168 169 170 171 172 173		
		7. Income Collected and Expenses Paid on Behalf of Owners	231
		7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owner to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account.	232 233 234 235

PART II
"SHIPMAN 98" Standard Ship Management Agreement

7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in Clause 8) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owners to the Managers on demand.	236 237 238 239 240 241	each month request the Owners in writing for the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.	302 303 304 305 306 307 308 309
8. Management Fee	242	9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	310 311 312 313
8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement an annual management fee as stated in Box 15 which shall be payable by equal monthly instalments in advance, the first instalment being payable on the commencement of this Agreement (see Clause 2 and Box 4) and subsequent instalments being payable every month.	243 244 245 246 247 248 249	9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	314 315 316 317
8.2 The management fee shall be subject to an annual review on the anniversary date of the Agreement and the proposed fee shall be presented in the annual budget referred to in sub-clause 9.1.	250 251 252 253	10. Managers' Right to Sub-Contract	318
8.3 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of Clause 7 the Owners shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in pursuance of the Management Services.	254 255 256 257 258 259 260	The Managers shall not have the right to sub-contract any of their obligations hereunder, including those mentioned in sub-clause 3.1, without the prior written consent of the Owners which shall not be unreasonably withheld. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement. The Owner hereby consents to the Manager subcontracting all or some aspects of crew management.	319 320 321 322 323 324
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 17 and 18 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee" payable to the Managers according to the provisions of sub-clause 8.1, shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause 3.1:	261 262 263 264 265 266 267 268 269 270	11. Responsibilities	325
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	271 272	11.1 Force Majeure - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	326 327 328 329
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in Box 16. The Managers shall use their reasonable endeavours to minimise such Severance Costs.	273 274 275	11.2 Liability to Owners - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	276 277 278 279 280 281	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1, in which case their liability shall be limited in accordance with the terms of this Clause 11.	348 349 350 351 352 353 354
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	282 283 284	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	355 356 357 358 359 360 361 362 363 364 365 366 367
9. Budgets and Management of Funds	285	11.4 "Himalaya" - It is hereby expressly agreed that no	368
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in Annex "C" hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see Clause 2 and Box 4).	286 287 288 289 290 291 292		
9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	293 294 295 296 297		
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. Based thereon, the Managers shall	298 299 300 301		

PART II
“SHIPMAN 98” Standard Ship Management Agreement

employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this <u>Clause 11</u> , every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this <u>Clause 11</u> the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388	regulations of the Vessel's flag, or of the places where she trades. 432
12. Documentation	389	
Where the Managers are providing Technical Management in accordance with sub-clause <u>3.2</u> and/or Crew Management in accordance with sub-clause <u>3.1</u> , they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW 95 or to defend a claim against a third party.	390 391 392 393 394 395 396 397	
13. General Administration	398	
13.1 The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties.	399 400 401 402 403	
13.2 The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.	404 405 406	
13.3 The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.	407 408 409 410	
13.4 The Owners shall arrange for the provision of any necessary guarantee bond or other security.	411 412	
13.5 Any costs reasonably incurred by the Managers in carrying out their obligations according to <u>Clause 13</u> shall be reimbursed by the Owners.	413 414 415	
14. Auditing	416	
The Managers shall at all times maintain and keep true and correct accounts and shall make the same available for inspection and auditing by the Owners at such times as may be mutually agreed. On the termination, for whatever reasons, of this Agreement, the Managers shall release to the Owners, if so requested, the originals where possible, or otherwise certified copies, of all such accounts and all documents specifically relating to the Vessel and her operation.	417 418 419 420 421 422 423 424	
15. Inspection of Vessel	425	
The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary.	426 427 428	
16. Compliance with Laws and Regulations	429	
The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and	430 431	
17. Duration of the Agreement	433	
This Agreement shall come into effect on the day and year stated in <u>Box 4</u> and shall continue until the date stated in <u>Box 17</u> . Thereafter it shall continue until terminated by either party giving to the other notice in writing, in which event the Agreement shall terminate upon the expiration of a period of two months from the date upon which such notice was given.	434 435 436 437 438 439	
18. Termination	440	
18.1 Owners' default	441	
(i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement and/or the owners of any associated vessel, details of which are listed in <u>Annex "D"</u> , shall not have been received in the Managers' nominated account within ten running days of receipt by the Owners of the Managers written request or if the Vessel is repossessed by the Mortgagees.	442 443 444 445 446 447 448 449	
(ii) If the Owners:	450	
(a) fail to meet their obligations under sub-clauses <u>5.2</u> and <u>5.3</u> of this Agreement for any reason within their control, or	451 452 453	
(b) proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper,	454 455 456 457 458	
the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.	459 460 461 462 463 464	
18.2 Managers' Default	465	
If the Managers fail to meet their obligations under <u>Clauses 3</u> and <u>4</u> of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.	466 467 468 469 470 471 472 473	
18.3 Extraordinary Termination	474	
This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.	475 476 477 478	
18.4 For the purpose of sub-clause <u>18.3</u> hereof	479	
(i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel;	480 481 482 483	
(ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.	484 485 486 487 488 489 490	
18.5 This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.	491 492 493 494 495 496 497	
18.6 The termination of this Agreement shall be without	498	

PART II
“SHIPMAN 98” Standard Ship Management Agreement

prejudice to all rights accrued due between the parties prior to the date of termination.	499 500	parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	550 551 552 553
19. Law and Arbitration	501	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	554 555 556 557 558 559
19.1 This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	502 503 504 505 506 507	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-clause <u>19.1</u> of this Clause shall apply.	560 561
The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	508 509 510 511 512	<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in <u>Box 18</u>.</i>	562 563
The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	513 514 515 516 517 518 519 520 521 522 523 524	20. Notices	564
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	525 526 527 528	20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	565 566 567
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	529 530 531 532 533 534 535	20.2 The address of the Parties for service of such communication shall be as stated in <u>Boxes 19</u> and <u>20</u> , respectively.	568 569 570
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	536 537 538 539 540 541 542 543 544 545 546 547	Additional Clause(s)	
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the	548 549	21. Trading Restrictions	
		The Managers agree that they shall comply with all Applicable US Laws (as defined below) that apply to the operations and trading of the Vessel with respect to the performance of this Agreement and that the Managers shall not take any action, or direct that any actions are taken, that will cause the Owner to violate or be subject to penalty under such laws.	
		“Applicable US Laws” means and includes all applicable United States laws, regulations, rules and executive orders including: the United States Foreign Corrupt Practices Act (the FCPA); export control and sanctions laws and regulations including the Trading with the Enemy Act of 1917 (50 U.S.C. 1-44), the International Emergency Economic Powers Act (50 U.S.C. 17011706), the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901-1908, 8 U.S.C. 1182), the Export Administration Regulations (15 C.F.R. Parts 730 et seq.), the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130), Section 999 of the Internal Revenue Code, the Iran Sanctions Act of 1995 (50 U.S.C. 1701 note), as amended by the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (PL 111-195); and the regulations, rules, and executive orders administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC).	



THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
 STANDARD SHIP MANAGEMENT AGREEMENT
 CODE NAME: "SHIPMAN 98"

Part I

Approved by
 the International Ship Managers' Association (ISMA)

Approved by
 the Documentary Committee of The
 Japan Shipping Exchange Inc., Tokyo

Printed by BIMCO's Idea

1. Date of Agreement 06TH MARCH 2014		2. Owners (name, place of registered office and law of registry) (Cl. 1)		3. Managers (name, place of registered office and law of registry) (Cl. 1)	
		Name IVS BULK 3693 Pte. Ltd.		Name Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road, # 03-01 Southpoint, Singapore, 089763	
		Place of registered office Singapore		Place of registered office Singapore	
		Law of registry Singapore		Law of registry Singapore	
4. Day and year of commencement of Agreement (Cl. 2) Date of Agreement as per Box 1.					
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) Yes (via sub-contract)			6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2) Yes		
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) No			8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4) No		
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) Yes			10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6) Yes		
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) Yes			12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) No		
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.3(ii)) No			14. Owners' Insurance (state alternative (i), (ii) or (iii) of Cl. 6.3) Yes - Alternative (ii) of Clause 6.3 applies		
15. Annual Management Fee (state annual amount) (Cl. 8.1) USD 125 000.00 commencing one month prior to delivery of Vessel.			16. Severance Costs (state maximum amount) (Cl. 8.4(iii)) USD 75,000		
17. Day and year of termination of Agreement (Cl. 17) One year from the delivery of the Vessel.			18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) London Clause 19.1		
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20) IVS BULK 3693 Pte. Ltd. 200 Cantonment Road, # 03-01 Southpoint, Singapore, 089763 Tel : +65 632 300 48 // Fax : +65 632 300 46			20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20) Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road, # 03-01 Southpoint, Singapore, 089763 Tel : + 65 632 300 48 // Fax: +65 632 300 46		

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further..

Signature(s) (Owners) 	Signature(s) (Managers)
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**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

06TH March 2014

Name of Vessel(s):

Shin Kurushima Dockyard - HULL 3693

Particulars of Vessel(s):

Deadweight : 58,000 mt

Type: Bulk Carrier.

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WWS^{CA}

**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

06TH March 2014

Details of Crew:

Numbers	Rank	Nationality
1	Master	Filipino
2	Chief Officer	Filipino
3	Second Mate	Filipino
4	Third Mate	Filipino
5	Bosun	Filipino
6	AB	Filipino
7	AB	Filipino
8	AB	Filipino
9	OS	Filipino
10	OS	Filipino
11	Chief Engineer	Filipino
12	Second Engineer	Filipino
13	Third Engineer	Filipino
14	Fourth Engineer	Filipino
15	Electrician	Filipino
16	Oiler	Filipino
17	Oiler	Filipino
18	Oiler	Filipino
19	Wiper	Filipino
20	Chief Cook	Filipino
21	Messman	Filipino

OA
AW

**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

06TH March 2014

Managers' Budget for the first year with effect from the **scheduled date of delivery of the Vessel.**

~~Commencement Date of this Agreement:~~

Manager's Form (Attached)

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AWP
OA

IVS Bulk 3693 Pte Ltd

SHIP NAME:

SKDY 3693 (58dwt) May '16

PERIOD

Year 1 from Delivery

CURRENCY : USD

Repairs and Maintenance
Manning
Stores
Lube Oil
Insurance
Admin
Management Fee

YEAR 1
130 000
1 035 000
130 000
185 000
170 000
155 000
125 000
1 930 000
20 000
1 950 000

SHIP OPERATING EXPENSES

Unplanned Expenses

TOTAL SHIP OPERATING EXPENSES

No of operating days

365

Costs per day

- Ship operating expenses pd

5 288

- Unplanned expenses pd

55

- **Total ship operating expenses pd**

5 342

AWSCA

**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D"
THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS
AGREEMENT.**

Date of Agreement:

Details of Associated Vessels:

| N/A

PART II
"SHIPMAN 98" Standard Ship Management Agreement

1. Definitions	1		
In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.	2 3 4		
"Owners" means the party identified in Box 2 .	5		
"Managers" means the party identified in Box 3 .	6		
"Vessel" means the vessel or vessels details of which are set out in Annex "A" attached hereto.	7 8		
"Crew" means the Master, officers and ratings of the numbers, rank and nationality specified in Annex "B" attached hereto.	9 10		
"Crew Support Costs" means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.	11 12 13 14 15 16 17 18		
"Severance Costs" means the costs which the employers are legally obliged to pay to or in respect of the Crew as a result of the early termination of any employment contract for service on the Vessel.	19 20 21 22		
"Crew Insurances" means insurances against crew risks which shall include but not be limited to death, sickness, permanent disability , repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.	23 24 25 26		
"Management Services" means the services specified in sub-clauses 3.1 to 3.8 as indicated affirmatively in Boxes 5 to 12 .	27 28		
"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.	29 30 31 32		
"STCW 95" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.	33 34 35		
"Flag State" means the State whose flag the Vessel is flying.			
"Company" (with reference to the ISM Code and the ISPS Code) means the organisation identified in Box 5 or any replacement organisation appointed by the Owners from time to time.			
"ISPS Code" means the International Code for the Security of Ships and Port Facilities and the relevant amendments to Chapter XI of SOLAS and any amendment thereto or substitution thereof.			
"SMS" means the Safety Management System (as defined by the ISM Code).			
2. Appointment of Managers	36		
With effect from the day and year stated in Box 4 and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.	37 38 39 40		
3. Basis of Agreement	41		
Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice, including compliance with all relevant rules and regulations.	42 43 44 45 46 47 48 49		
3.1 Crew Management	50		
<i>(only applicable if agreed according to Box 5)</i>	51		
The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:	52 53 54 55		
(i) selecting and engaging the Vessel's Crew, including payroll arrangements, pension administration, tax, social security	56 57		
			contributions and other mandatory dues related to their employment payable in each crew member's country of domicile and insurances for
			the Crew other than those mentioned in Clause 6 ;
			(ii) ensuring that the applicable requirements of the law of the Flag State flag of the Vessel are satisfied in respect of manning levels,
			rank, qualification and certification of the Crew and employment regulations including Crew's tax, social insurance, discipline and other requirements;
			(iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate Flag State requirements. In the absence of applicable Flag State requirements the medical certificate shall be dated not more than three months prior to the respective Crew members leaving their country of domicile and maintained for the duration of their service on board the Vessel;
			(iv) ensuring that the Crew shall have a command of the English language of a sufficient standard to enable them to perform their duties safely;
			(v) arranging transportation of the Crew, including repatriation;
			(vi) training of the Crew and supervising their efficiency;
			(vii) conducting union negotiations;
			(viii) operating the Managers' drug and alcohol policy unless otherwise agreed.
			(ix) ensuring that the crew, on joining the Vessel, are given proper familiarisation with their duties in relation to the Vessel's SMS and that instructions which are essential to the SMS are identified, documented and given to the Crew prior to sailing.
			3.2 Technical Management
			<i>(only applicable if agreed according to Box 6)</i>
			The Managers shall provide technical management which includes, but is not limited to, the following functions:
			(i) provision of competent personnel to supervise the maintenance and general efficiency of the Vessel;
			(ii) arrangement and supervision of dry dockings, repairs, alterations and the upkeep of the Vessel to the standards required by the Owners provided that the Managers shall be entitled to incur the necessary expenditure to ensure that the Vessel will comply with the law of the Flag State flag of the Vessel and of the places where she trades, and all requirements and recommendations of the classification society;
			(iii) arrangement of the supply of necessary stores, spares and lubricating oil;
			(iv) appointment of surveyors and technical consultants as the Managers may consider from time to time to be necessary;
			(v) development, implementation and maintenance of a Safety Management System (SMS) -in accordance with the ISM Code (see sub-clauses 4.2 and 5.3).
			(vi) ensuring compliance with the ISM Code;
			(vii) ensuring compliance with the ISPS Code;
			(viii) monitoring construction and delivery of the Vessel including liaising with builder, seller and construction supervisor as necessary.
			3.3 Commercial Management
			<i>(only applicable if agreed according to Box 7)</i>
			The Managers shall provide the commercial operation of the Vessel, as required by the Owners, which includes, but is not limited to, the following functions:
			(i) providing chartering services in accordance with the Owners' instructions which include, but are not limited to, seeking and negotiating employment for the Vessel and the conclusion (including the execution thereof) of charter parties or other contracts relating to the employment of the Vessel. If such a contract exceeds the period stated in Box 13 , consent thereto in writing shall first be obtained from the Owners.

PART II
"SHIPMAN 98" Standard Ship Management Agreement

(ii) arranging of the proper payment to Owners or their nominees of all hire and/or freight revenues or other moneys of whatsoever nature to which Owners may be entitled arising out of the employment of or otherwise in connection with the Vessel.	114 115 116 117 118	by the ISM Code when applicable. The Managers shall report to the Flag State administration details of the Managers, as the Company, as required to comply with the ISM and ISPS Code.	174
(iii) providing voyage estimates and accounts and calculating of hire, freights, demurrage and/or despatch moneys due from or due to the charterers of the Vessel;	119 120 121	5. Owners' Obligations	175
(iv) Issuing of voyage instructions;	122	5.1 The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement.	176 177
(v) appointing agents;	123	5.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2 , the Owners shall:	178 179
(vi) appointing stevedores;	124	(i) procure that all officers and ratings supplied by them or on their behalf comply with the requirements of STCW 95;	180 181
(vii) arranging surveys associated with the commercial operation of the Vessel.	125 126	(ii) instruct such officers and ratings to obey all reasonable orders of the Managers in connection with the operation of the Managers' safety management system.	182 183 184
3.4 Insurance Arrangements'	127	5.3 Where the Managers are not providing Technical Management in accordance with sub-clause 3.2 , the Owners shall procure that the requirements of the law of the Flag State flag of the Vessel are satisfied	185 186 187
<i>(only applicable if agreed according to Box 8)</i>	128	and that they, or such other entity as may be appointed by them and identified to the Managers, shall be deemed to be the "Company" as defined by the ISM Code assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.	188 189 190 191 192
The Managers shall arrange Insurances in accordance with Clause 6, on such terms and conditions as the Owners shall have instructed or agreed, in particular regarding conditions, insured values, deductibles and franchises.	129 130 131 132	6. Insurance Policies	193
3.5 Accounting Services	133	The Owners shall procure, whether by instructing the Managers under sub-clause 3.4 or otherwise, that throughout the period of this Agreement:	194 195 196
<i>(only applicable if agreed according to Box 9)</i>	134	6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:	197 198 199
The Managers shall:	135	(i) usual hull and machinery marine risks (including crew negligence) and excess liabilities;	200 201
(i) establish an accounting system which meets the requirements of the Owners and provide regular accounting services, supply regular reports and records, relating to the technical operation of the Vessel ;	136 137 138	(ii) protection and indemnity risks (including, but not limited to , pollution risks, diversion expenses and Crew Insurances); and	202 203
(ii) maintain the records of all costs and expenditure incurred as well as data necessary or proper for the settlement of accounts between the parties.	139 140 141	(iii) war risks (including protection and indemnity and crew risks) in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");	204 205 206 207 208
3.6 Sale or Purchase of the Vessel	142	6.2 all premiums and calls on the Owners' Insurances are paid promptly by their due date,	209 210
<i>(only applicable if agreed according to Box 10)</i>	143	6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Owners obtaining cover in respect of each of the insurances specified in sub-clause 6.1 :	211 212 213 214 215
The Managers shall, in accordance with the Owners' instructions, supervise the sale or purchase of the Vessel, including the performance of any sale or purchase agreement, but not negotiation of the same.	144 145 146 147	(i) on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances; or	216 217 218
3.7 Provisions <i>(only applicable if agreed according to Box 11)</i>	148	(ii) if reasonably obtainable, on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances; or	219 220 221 222
The Managers shall arrange for the supply of provisions.	149	(iii) on such other terms as may be agreed in writing.	223
3.8 Bunkering <i>(only applicable if agreed according to Box 12)</i>	150	<i>Indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left blank then (i) applies.</i>	224 225
The Managers shall arrange for the provision of bunker fuel of the quality specified by the Owners as required for the Vessel's trade.	151 152	6.4 written evidence is provided, to the reasonable satisfaction of the Managers, of their compliance with their obligations under Clause 6 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.	226 227 228 229 230
4. Managers' Obligations	153	7. Income Collected and Expenses Paid on Behalf of Owners	231
4.1 The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.	154 155 156 157 158 159 160 161 162 163 164 165 166 167	7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account.	232 233 234 235
4.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2 , they shall procure that the requirements of the law of the Flag State flag of the Vessel are satisfied and they shall in particular be deemed to be the "Company" as defined by the ISM Code, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed	168 169 170 171 172 173		

PART II
"SHIPMAN 98" Standard Ship Management Agreement

7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in Clause 8) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owners to the Managers on demand.	236 237 238 239 240 241	each month request the Owners in writing for the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.	302 303 304 305 306 307 308 309
8. Management Fee	242	9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	310 311 312 313
8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement an annual management fee as stated in Box 15 which shall be payable by equal monthly instalments in advance, the first instalment being payable on the commencement of this Agreement (see Clause 2 and Box 4) and subsequent instalments being payable every month.	243 244 245 246 247 248 249	9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	314 315 316 317
8.2 The management fee shall be subject to an annual review on the anniversary date of the Agreement and the proposed fee shall be presented in the annual budget referred to in clause 9.1 .	250 251 252 253	10. Managers' Right to Sub-Contract	318
8.3 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of Clause 7 the Owners shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in pursuance of the Management Services.	254 255 256 257 258 259 260	The Managers shall not have the right to sub-contract any of their obligations hereunder, including those mentioned in sub-clause 3.1 , without the prior written consent of the Owners which shall not be unreasonably withheld. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement. The Owner hereby consents to the Manager subcontracting all or some aspects of crew management.	319 320 321 322 323 324
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 17 and 18 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee" payable to the Managers according to the provisions of sub-clause 8.1 , shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause 3.1 :	261 262 263 264 265 266 267 268 269 270	11. Responsibilities	325
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	271 272	11.1 Force Majeure - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	326 327 328 329
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in Box 16 . The Managers shall use their reasonable endeavours to minimise such Severance Costs.	273 274 275	11.2 Liability to Owners - (i) Without prejudice to sub-clause 11.1 , the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	276 277 278 279 280 281	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1 , in which case their liability shall be limited in accordance with the terms of this Clause 11 .	348 349 350 351 352 353 354
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	282 283 284	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2 , the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	355 356 357 358 359 360 361 362 363 364 365 366 367
9. Budgets and Management of Funds	285		
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in Annex "C" hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see Clause 2 and Box 4).	286 287 288 289 290 291 292		
9.2 The Managers shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	293 294 295 296 297		
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. Based thereon, the Managers shall	298 299 300 301		

PART II
"SHIPMAN 98" Standard Ship Management Agreement

11.4 "Himalaya" - It is hereby expressly agreed that no employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 11, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 11 the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388	regulations of the Vessel's flag, or of the places where she trades.	432
12. Documentation	389		
Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW 95 or to defend a claim against a third party.	390 391 392 393 394 395 396 397		
13. General Administration	398		
13.1 The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties.	399 400 401 402		
13.2 The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.	403 404 405 406		
13.3 The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.	407 408 409 410		
13.4 The Owners shall arrange for the provision of any necessary guarantee bond or other security.	411 412		
13.5 Any costs reasonably incurred by the Managers in carrying out their obligations according to Clause 13 shall be reimbursed by the Owners.	413 414 415		
14. Auditing	416		
The Managers shall at all times maintain and keep true and correct accounts and shall make the same available for inspection and auditing by the Owners at such times as may be mutually agreed. On the termination, for whatever reasons, of this Agreement, the Managers shall release to the Owners, if so requested, the originals where possible, or otherwise certified copies, of all such accounts and all documents specifically relating to the Vessel and her operation.	417 418 419 420 421 422 423 424		
15. Inspection of Vessel	425		
The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary.	426 427 428		
16. Compliance with Laws and Regulations	429		
The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and	430 431		
17. Duration of the Agreement	433		
This Agreement shall come into effect on the day and year stated in Box 4 and shall continue until the date stated in Box 17. Thereafter it shall continue until terminated by either party giving to the other notice in writing, in which event the Agreement shall terminate upon the expiration of a period of two months from the date upon which such notice was given.	434 435 436 437 438 439		
18. Termination	440		
18.1 Owners' default	441		
(i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement and/or the owners of any associated vessel, details of which are listed in Annex "D", shall not have been received in the Managers' nominated account within ten running days of receipt by the Owners of the Managers written request or if the Vessel is repossessed by the Mortgagees.	442 443 444 445 446 447 448 449		
(ii) If the Owners:	450		
(a) fail to meet their obligations under sub-clauses 5.2 and 5.3 of this Agreement for any reason within their control, or	451 452 453		
(b) proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper,	454 455 456 457 458		
the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.	459 460 461 462 463 464		
18.2 Managers' Default	465		
If the Managers fail to meet their obligations under Clauses 3 and 4 of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.	466 467 468 469 470 471 472 473		
18.3 Extraordinary Termination	474		
This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.	475 476 477 478		
18.4 For the purpose of sub-clause 18.3 hereof	479		
(i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners -cease to be registered as Owners of the Vessel;	480 481 482 483		
(ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.	484 485 486 487 488 489 490		
18.5 This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.	491 492 493 494 495 496 497		
18.6 The termination of this Agreement shall be without	498		

PART II
“SHIPMAN 98” Standard Ship Management Agreement

prejudice to all rights accrued due between the parties prior to the date of termination.	499 500		548 549 550
19. Law and Arbitration	501		
19.1 This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	502 503 504 505 506 507 508 509		551 552 553 554 555 556 557 558
The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	510 511 512		559 560 561
The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	513 514 515 516 517 518 519 520 521 522 523 524 525 526 527		562 563
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	528 529 530		
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	531 532 533 534 535		
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	536 537 538 539 540 541 542 543 544 545 546 547		564 565 566 567 568 569 570
		In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	
		19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	
		19.4 If Box 18 in Part I is not appropriately filled in, sub-clause 19.1 of this Clause shall apply.	
		<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in Box 18.</i>	562 563
		20. Notices	564
		20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	565 566 567
		20.2 The address of the Parties for service of such communication shall be as stated in Boxes 19 and 20 , respectively.	568 569 570
		Additional Clause(s)	
		21. Trading Restrictions	
		The Managers agree that they shall comply with all Applicable US Laws (as defined below) that apply to the operations and trading of the Vessel with respect to the performance of this Agreement and that the Managers shall not take any action, or direct that any actions are taken, that will cause the Owner to violate or be subject to penalty under such laws.	
		“Applicable US Laws” means and includes all applicable United States laws, regulations, rules and executive orders including: the United States Foreign Corrupt Practices Act (the FCPA); export control and sanctions laws and regulations including the Trading with the Enemy Act of 1917 (50 U.S.C. 1 – 44), the International Emergency Economic Powers Act (50 U.S.C. 17011706), the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901-1908, 8 U.S.C. 1182), the Export Administration Regulations (15 C.F.R. Parts 730 et seq.), the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130), Section 999 of the Internal Revenue Code, the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note), as amended by the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (PL 111-195); and the regulations, rules, and executive orders administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC).	



THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
 STANDARD SHIP MANAGEMENT AGREEMENT
 CODE NAME: "SHIPMAN 98"

Part I

Approved by
 the International Ship Managers' Association (ISMA)

1. Date of Agreement 12 December 2013
2. Owners (name, place of registered office and law of registry) (Cl. 1)
Name IVS Bulk 709 Pte. Ltd.
Place of registered office Singapore
Law of registry Singapore

3. Managers (name, place of registered office and law of registry) (Cl. 1)
Name Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089763
Place of registered office Singapore
Law of registry Singapore

Approved by
 the Documentary Committee of The
 Japan Shipping Exchange Inc., Tokyo

4. Day and year of commencement of Agreement (Cl. 2) Date of Agreement as per Box 1	
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) Yes (via sub-contract)	6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2) Yes
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) No	8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4) No
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) Yes	10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6) Yes
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) Yes	12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) No
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.3(i)) No	14. Owners' Insurance (state alternative (i), (ii) or (iii) of Cl. 6.3) Yes - Alternative (ii) of Clause 6.3 applies
15. Annual Management Fee (state annual amount) (Cl. 8.1) USD 125,000.00 commencing one month prior to delivery of the Vessel.	16. Severance Costs (state maximum amount) (Cl. 8.4(ii)) USD 75,000
17. Day and year of termination of Agreement (Cl. 17) One year from the delivery of the Vessel.	18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) London Clause 19.1
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20) IVS Bulk 709 Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089703 Tel: +65 632 300 48 Fax: +65 632 300 46	20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20) Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089703 Tel: +65 632 300 48 Fax: +65 632 300 46

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It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further.

Signature(s) (Owners) 	Signature(s) (Managers)
---------------------------	-----------------------------

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**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement
December 2013

Name of Vessel(s):
Onomichi Hull No. 709

Particulars of Vessel(s):
D.W. 60,000 M.T. Bulk Carrier

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**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement
December 2013

Details of Crew:

Numbers	Rank	Nationality
1	Master	Filipino
2	Chief Officer	Filipino
3	Second Officer	Filipino
4	Third Officer	Filipino
5	Bosun	Filipino
6	AB	Filipino
7	AB	Filipino
8	AB	Filipino
9	OS	Filipino
10	OS	Filipino
11	Chief Engineer	Filipino
12	Second Engineer	Filipino
13	Third Engineer	Filipino
14	Fourth Engineer	Filipino
15	Electrician	Filipino
16	Oiler	Filipino
17	Oiler	Filipino
18	Oiler	Filipino
19	Wiper	Filipino
20	Chief Cook	Filipino
21	Messman	Filipino

016
C. A. Q.

**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement

December 2013

Managers' Budget for the first year with effect from the Commencement Date of this Agreement scheduled date of delivery of the Vessel:

As appended

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A handwritten signature in black ink, consisting of a stylized 'C' followed by 'A' and 'Q' with a long horizontal stroke extending to the right. Above the 'C' and 'A' are some smaller, less distinct markings.

STEELCO

DIVISION: STEELCO
SUBSIDIARY: Summary

SHIP NAME:

BUDGETED PERIOD:

First year of operating

Delivery
 Completion of 1st Year

CURRENCY : USD

Repairs and Maintenance
 Manning
 Stores
 Lube Oil
 Insurance
 Admin
 Management Fee

SHIP OPERATING EXPENSES
 Unplanned Expenses

TOTAL SHIP OPERATING EXPENSES

Commercial Expenses
 Cadets
 Owners Costs
 Depreciation
 Dry docking Amortisation

SHIP RUNNING COSTS

No of operating days

Costs per day
 - Ship operating expenses pd
 - Unplanned expenses pd
 - Total ship operating expenses pd

	01/07/2014	01/01/2015	01/05/2014	01/11/2015	01/12/2014	01/07/2015	01/10/2015
	31/06/2015	31/12/2015	30/04/2015	30/09/2016	30/11/2015	30/06/2016	30/09/2016
	37 400 DWT	37 400 DWT	33 000 DWT	37 400 DWT	33 200 DWT	60 000 DWT	58 000 DWT
	KANDA 543 Q3'14	KANDA 545 Q1'15	KANDA 541 Q2'14	KANDA 554 Q4'15	SKDY 5855 Q4'15	ONO 709 Q3'15	SKDY1 5858 Q3'15
	97 924	126 028	87 983	130 650	125 776	130 122	139 905
	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256
	106 800	104 000	102 133	108 625	100 833	127 058	130 537
	138 000	140 000	123 667	120 333	136 333	190 000	185 000
	146 945	149 446	146 111	155 282	149 029	170 000	170 000
	156 660	156 660	156 660	156 660	156 660	156 580	156 620
	125 000	125 000	125 000	125 000	125 000	125 000	125 000
	1 805 155	1 835 390	1 765 810	1 830 806	1 827 810	1 933 016	1 931 318
	20 000	20 000	20 000	20 000	20 000	20 000	20 000
	1 825 155	1 855 390	1 785 810	1 850 806	1 847 810	1 953 016	1 961 318
	15 000	15 000	15 000	15 000	15 000	15 000	15 000
	4 500	4 500	4 500	4 500	4 500	4 500	4 500
	921 168	921 168	851 340	921 168	900 336	1 094 832	1 089 660
	2 765 813	2 796 058	2 656 650	2 791 474	2 767 724	3 067 348	3 070 478
	365	365	365	366	365	366	366
	4 946	5 028	4 838	5 002	5 008	5 281	5 304
	55	55	55	55	55	55	55
	5 000	5 083	4 893	5 057	5 063	5 336	5 359

**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D"
THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS
AGREEMENT.**

Date of Agreement

Details of Associated Vessels:
N/A

PART II
"SHIPMAN 98" Standard Ship Management Agreement

1. Definitions	1		1
In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.	2		2
	3		3
	4		4
"Owners" means the party identified in <u>Box 2</u>	5		5
"Managers" means the party identified in <u>Box 3</u> .	6		6
"Vessel" means the vessel or vessels details of which are set out in <u>Annex "A"</u> attached hereto.	7		7
"Crew" means the Master, officers and ratings of the numbers, rank and nationality specified in <u>Annex "B"</u> attached hereto.	8		8
"Crew Support Costs" means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.	9		9
"Severance Costs" means the costs which the employers are legally obliged to pay to or in respect of the Crew as a result of the early termination of any employment contract for service on the Vessel.	10		10
"Crew Insurances" means insurances against crew risks which shall include but not be limited to death, sickness, permanent disability, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.	11		11
"Management Services" means the services specified in sub-clauses 3.1 to 3.8 as indicated affirmatively in Boxes 5 to 12.	12		12
"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741 (18) or any subsequent amendment thereto.	13		13
"STCW 95" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.	14		14
"Flag State" means the State whose flag the Vessel is flying.	15		15
"Company" (with reference to the ISM Code and the ISPS Code) means the organisation identified in <u>Box 5</u> or any replacement organisation appointed by the Owners from time to time.	16		16
"ISPS Code" means the International Code for the Security of Ships and Port Facilities and the relevant amendments to Chapter XI of SOLAS and any amendment thereto or substitution thereof.	17		17
"SMS" means the Safety Management System (as defined by the ISM Code).	18		18
2. Appointment of Managers	19		19
With effect from the day and year stated in <u>Box 4</u> and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.	20		20
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3. Basis of Agreement	42		42
Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice, including compliance with all relevant rules and regulations.-	43		43
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3.1 Crew Management	51		51
(only applicable if agreed according to <u>Box 5</u>)	52		52
The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:	53		53
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(i) selecting and engaging the Vessel's Crew, including payroll arrangements, pension administration, tax, social security	56		56
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(ii) arranging of the proper payment to Owners or their nominees of all hire and/or freight revenues or other moneys of whatsoever nature to which Owners may be entitled arising out of the employment of or otherwise in connection with the Vessel.	114 115 116 117 118 119	by the ISM Code when applicable. The Managers shall report to the Flag State administration details of the Managers, as the Company, as required to comply with the ISM and ISPS Code.	174
(iii) providing voyage estimates and accounts and calculating of hire, freights, demurrage and/or despatch moneys due from or due to the charterers of the Vessel;	119 120 121	5. Owners' Obligations	175
(iv) issuing of voyage instructions;	122	5.1 The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement.	176 177
(v) appointing agents;	123	5.2 Where the Managers are providing Technical Management in accordance with sub-clause <u>3.2</u> , the Owners shall:	178 179
(vi) appointing stevedores;	124	(i) procure that all officers and ratings supplied by them or on their behalf comply with the requirements of STCW 95;	180 181
(vii) arranging surveys associated with the commercial operation of the Vessel.	125 126	(ii) instruct such officers and ratings to obey all reasonable orders of the Managers in connection with the operation of the Managers' safety management system.	182 183 184
3.4 Insurance Arrangements'	127	5.3 Where the Managers are not providing Technical Management in accordance with sub-clause <u>3.2</u> , the Owners shall procure that the requirements of the law of the Flag State flag of the Vessel are satisfied	185 186 187
<i>(only applicable if agreed according to Box 8)</i>	128	and that they, or such other entity as may be appointed by them and identified to the Managers, shall be deemed to be the "Company" as defined by the ISM Code assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.	188 189 190 191 192
The Managers shall arrange insurances in accordance with Clause 6, on such terms and conditions as the Owners shall have instructed or agreed, in particular regarding conditions, insured values, deductibles and franchises.	129 130 131 132	6. Insurance Policies	193
3.5 Accounting Services	133	The Owners shall procure, whether by instructing the Managers under sub-clause <u>3.4</u> or otherwise, that throughout the period of this Agreement:	194 195 196
<i>(only applicable if agreed according to Box 9)</i>	134	6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for	197 198 199
The Managers shall:	135	(i) usual hull and machinery marine risks (including crew negligence) and excess liabilities;	200 201
(i) establish an accounting system which meets the requirements of the Owners and provide regular accounting services, supply regular reports and records, relating to the technical operation of the Vessel;	136 137 138	(ii) protection and indemnity risks (including, but not limited to, pollution risks, diversion expenses and Crew Insurances); and	202 203
(ii) maintain the records of all costs and expenditure incurred as well as data necessary or proper for the settlement of accounts between the parties.	139 140 141	(iii) war risks (including protection and indemnity and crew risks) in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");	204 205 206 207 208
3.6 Sale or Purchase of the Vessel	142	6.2 all premiums and calls on the Owners' Insurances are paid promptly by their due date,	209 210
<i>(only applicable if agreed according to Box 10)</i>	143	6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Owners obtaining cover in respect of each of the insurances specified in sub-clause <u>6.1</u> ;	211 212 213 214 215
The Managers shall, in accordance with the Owners' instructions, supervise the sale or purchase of the Vessel, including the performance of any sale or purchase agreement, but not negotiation of the same.	144 145 146 147	(i) on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances; or	216 217 218
3.7 Provisions (only applicable if agreed according to Box 11)	148	(ii) if reasonably obtainable, on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances; or	219 220 221 222
The Managers shall arrange for the supply of provisions.	149	(iii) on such other terms as may be agreed in writing. Indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left blank then (i) applies.	223 224 225
3.8 Bunkering (only applicable if agreed according to Box 12)	150	6.4 written evidence is provided, to the reasonable satisfaction of the Managers, of their compliance with their obligations under Clause 6 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.	226 227 228 229 230
The Managers shall arrange for the provision of bunker fuel of the quality specified by the Owners as required for the Vessel's trade.	151 152	7. Income Collected and Expenses Paid on Behalf of Owners	231
4. Managers' Obligations	153	7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account.	232 233 234 235
4.1 The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.	154 155 156 157 158 159 160 161 162 163 164 165 166 167		
4.2 Where the Managers are providing Technical Management in accordance with sub-clause <u>3.2</u> , they shall procure that the requirements of the law of the Flag State flag of the Vessel are satisfied and they shall in particular be deemed to be the "Company" as defined by the ISM Code, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed	168 169 170 171 172 173		

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7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in <u>Clause 8</u>) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owners to the Managers on demand.	236 237 238 239 240 241	each month request the Owners in writing for the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.	302 303 304 305 306 307 308 309
8. Management Fee	242	9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	310 311 312 313
8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement an annual management fee as stated in <u>Box 15</u> which shall be payable by equal monthly instalments in advance, the first instalment being payable on the commencement of this Agreement (see <u>Clause 2</u> and <u>Box 4</u>) and subsequent instalments being payable every month.	243 244 245 246 247 248 249	9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	314 315 316 317
8.2 The management fee shall be subject to an annual review on the anniversary date of the Agreement and the proposed fee shall be presented in the annual budget referred to in sub-clause 9.1.	250 251 252 253		
8.3 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of <u>Clause 7</u> the Owners shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in pursuance of the Management Services.	254 255 256 257 258 259 260	10. Managers' Right to Sub-Contract	318
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of <u>Clauses 17</u> and <u>18</u> other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee" payable to the Managers according to the provisions of sub-clause 8.1, shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause 3.1:	261 262 263 264 265 266 267 268 269 270	The Managers shall not have the right to sub-contract any of their obligations hereunder, including those mentioned in sub-clause 3.1, without the prior written consent of the Owners which shall not be unreasonably withheld. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement. The Owner hereby consents to the Manager subcontracting all or some aspects of crew management.	319 320 321 322 323 324
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	271 272	11. Responsibilities	325
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in <u>Box 16</u> . The Managers shall use their reasonable endeavours to minimise such Severance Costs.	273 274 275	11.1 Force Majeure - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	326 327 328 329
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	276 277 278 279 280 281	11.2 Liability to Owners - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	282 283 284	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1, in which case their liability shall be limited in accordance with the terms of this <u>Clause 11</u> .	348 349 350 351 352 353 354
9. Budgets and Management of Funds	285	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	355 356 357 358 359 360 361 362 363 364 365 366 367
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in <u>Annex "C"</u> hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see <u>Clause 2</u> and <u>Box 4</u>).	286 287 288 289 290 291 292	11.4 "Himalaya" - It is hereby expressly agreed that no	368
9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	293 294 295 296 297		
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. Based thereon, the Managers shall	298 299 300 301		

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employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this <u>Clause 11</u> , every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this <u>Clause 11</u> the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388	regulations of the Vessel's flag, or of the places where she trades.	432
17. Duration of the Agreement			433
This Agreement shall come into effect on the day and year stated in <u>Box 4</u> and shall continue until the date stated in <u>Box 17</u> .			434 435
Hereafter it shall continue until terminated by either party giving to the other notice in writing, in which event the Agreement shall terminate upon the expiration of a period of two months from the date upon which such notice was given.			436 437 438 439
18. Termination			440
18.1 Owners' default			441
(i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement and/or the owners of any associated vessel, details of which are listed in <u>Annex "D"</u> , shall not have been received in the Managers' nominated account within ten running days of receipt by the Owners of the Managers' written request or if the Vessel is repossessed by the Mortgagees.			442 443 444 445 446 447 448 449
(ii) If the Owners:			450
(a) fail to meet their obligations under sub-clauses <u>5.2</u> and <u>5.3</u> of this Agreement for any reason within their control, or			451 452 453
(b) proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper,			454 455 456 457 458
the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.			459 460 461 462 463 464
18.2 Managers' Default			465
If the Managers fail to meet their obligations under <u>Clauses 3</u> and <u>4</u> of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.			466 467 468 469 470 471 472 473
18.3 Extraordinary Termination			474
This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.			475 476 477 478
18.4 For the purpose of sub-clause <u>18.3</u> hereof			479
(i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel;			480 481 482 483
(ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.			484 485 486 487 488 489 490
18.5 This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.			491 492 493 494 495 496 497
18.6 The termination of this Agreement shall be without			498
12. Documentation			389
Where the Managers are providing Technical Management in accordance with sub-clause <u>3.2</u> and/or Crew Management in accordance with sub-clause <u>3.1</u> , they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW 95 or to defend a claim against a third party.			390 391 392 393 394 395 396 397
13. General Administration			398
13.1 The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties.			399 400 401 402 403
13.2 The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.			404 405 406
13.3 The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.			407 408 409 410
13.4 The Owners shall arrange for the provision of any necessary guarantee bond or other security.			411 412
13.5 Any costs reasonably incurred by the Managers in carrying out their obligations according to <u>Clause 13</u> shall be reimbursed by the Owners.			413 414 415
14. Auditing			416
The Managers shall at all times maintain and keep true and correct accounts and shall make the same available for inspection and auditing by the Owners at such times as may be mutually agreed. On the termination, for whatever reasons, of this Agreement, the Managers shall release to the Owners, if so requested, the originals where possible, or otherwise certified copies, of all such accounts and all documents specifically relating to the Vessel and her operation.			417 418 419 420 421 422 423 424
15. Inspection of Vessel			425
The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary.			426 427 428
16. Compliance with Laws and Regulations			429
The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and			430 431

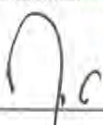
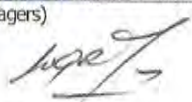
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prejudice to all rights accrued due between the parties prior to the date of termination.	499 500	parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	550 551 552 553
19. Law and Arbitration	501	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	554 555 556 557 558 559
19.1 This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	502 503 504 505 506 507 508	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-clause <u>19.1</u> of this Clause shall apply.	560 561
The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	509 510 511 512	<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in <u>Box 18</u>.</i>	562 563
The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	513 514 515 516 517 518 519 520 521 522 523 524 525 526	20. Notices	564
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	527 528 529 530	20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	565 566 567
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	531 532 533 534	20.2 The address of the Parties for service of such communication shall be as stated in <u>Boxes 19</u> and <u>20</u> , respectively.	568 569 570
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	535 536 537 538 539 540 541 542 543 544 545 546 547	Additional Clause(s)	
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the	548 549	21. Trading Restrictions	
		The Managers agree that they shall comply with all Applicable US Laws (as defined below) that apply to the operations and trading of the Vessel with respect to the performance of this Agreement and that the Managers shall not take any action, or direct that any actions are taken, that will cause the Owner to violate or be subject to penalty under such laws.	
		"Applicable US Laws" means and includes all applicable United States laws, regulations, rules and executive orders including: the United States Foreign Corrupt Practices Act (the FCPA); export control and sanctions laws and regulations including the Trading with the Enemy Act of 1917 (50 U.S.C. 1-44), the International Emergency Economic Powers Act (50 U.S.C. 1701-1706), the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901-1908, 8 U.S.C. 1182), the Export Administration Regulations (15 C.F.R. Parts 730 et seq.), the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130), Section 999 of the Internal Revenue Code, the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note), as amended by the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (PL 111-195); and the regulations, rules, and executive orders administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC).	

Approved by the International Ship Managers' Association (ISMA)

Approved by the Documentary Committee of The Japan Shipping Exchange Inc., Tokyo

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1. Date of Agreement 28 January 2013		THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)	
		STANDARD SHIP MANAGEMENT AGREEMENT	
		CODE NAME: "SHIPMAN 98" Part I	
2. Owners (name, place of registered office and law of registry) (Cl. 1)		3. Managers (name, place of registered office and law of registry) (Cl. 1)	
Name IVS Bulk Owing Pte.Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763		Name Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	
Place of registered office Singapore		Place of registered office Singapore	
Law of registry Singapore		Law of registry Singapore	
4. Day and year of commencement of Agreement (Cl. 2) 01 February 2013			
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1)		6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2)	
YES		YES	
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3)		8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4)	
NO		YES	
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5)		10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6)	
YES		YES	
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7)		12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8)	
YES		NO	
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.9)		14. Owners' Insurance (state alternative (1), @ or @) of Cl. 6.3)	
NO		YES – Alternative (ii) of clause 6.3 applies	
15. Annual Management Fee (state annual amount) (Cl. 8.1)		16. Severance Costs (state maximum amount) (Cl. 8.4(ii1))	
USD 120 000.00		NIL	
17. Day and year of termination of Agreement (Cl. 17)		18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19)	
31 January 2018		(Clause 19.3 English Law and Arbitration in Singapore under SIAC Rules)	
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20)		20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20)	
IVS Bulk Owing Pte.Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763		Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	
It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further..			
Signature(s) (Owners) 		Signature(s) (Managers) 	

**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

01 February 2013

Name of Vessel(s):

IVS KANDA

Particulars of Vessel(s): IMO: NO. 9295567

Bulk Carrier

Singapore registered – Official No. 396144

Port of registry : Singapore

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**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Details of Crew:

Numbers	Rank	Nationality
1	Master	Filipino
2	Chief Officer	Filipino
3	Second Officer	Filipino
4	Third Officer	Filipino
5	Bosun	Filipino
6	AB	Filipino
7	AB	Filipino
8	AB	Filipino
9	OS	Filipino
10	OS	Filipino
11	Chief Engineer	Filipino
12	Second Engineer	Filipino
13	Third Engineer	Filipino
14	Fourth Engineer	Filipino
15	Electrician	Filipino
16	Oiler	Filipino
17	Oiler	Filipino
18	Oiler	Filipino
19	Wiper	Filipino
20	Chief Cook	Filipino
21	Messman	Filipino

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**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Managers' Budget for the first year with effect from the Commencement Date of this Agreement:

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**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D" THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS AGREEMENT.

Date of Agreement:

Details of Associated Vessels:

PART II
"SHIPMAN 98" Standard Ship Management Agreement

1. Definitions	1	for the duties for which they are engaged and are in possession	66
In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.	2	of valid medical certificates issued in accordance with	67
	3	appropriate flag State requirements. In the absence of	68
	4	applicable flag State requirements the medical certificate shall	69
<u>"Owners" means the party identified in Box 2.</u>	5	be dated not more than three months prior to the respective	70
<u>"Managers" means the party identified in Box 3.</u>	6	Crew members leaving their country of domicile and	71
<u>"Vessel" means the vessel or vessels details of which are set out in Annex "A" attached hereto.</u>	7	maintained for the duration of their service on board the Vessel;	72
	8	(iv) ensuring that the Crew shall have a command of the English	73
<u>"Crew" means the Master, officers and ratings of the numbers, rank and nationality specified in Annex "B" attached hereto.</u>	9	language of a sufficient standard to enable them to perform	74
	10	their duties safely;	75
<u>"Crew Support Costs" means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.</u>	11	(v) arranging transportation of the Crew, including repatriation;	76
	12	(vi) training of the Crew and supervising their efficiency;	77
<u>"Severance Costs" means the costs which the employers are legally obliged to pay to or in respect of the Crew as a result of the early termination of any employment contract for service on the Vessel.</u>	13	(vii) conducting union negotiations;	78
	14	(viii) operating the Managers' drug and alcohol policy unless	79
<u>"Crew Insurances" means insurances against crew risks which shall include but not be limited to death, sickness, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.</u>	15	otherwise agreed.	80
	16		
<u>"Management Services" means the services specified in sub-clauses 3.1 to 3.8 as indicated affirmatively in Boxes 5 to 12.</u>	17	3.2 Technical Management	81
<u>"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.</u>	18	<i>(only applicable if agreed according to Box 6)</i>	82
<u>"STCW 95" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.</u>	19	The Managers shall provide technical management which	83
	20	includes, but is not limited to, the following functions:	84
	21	(i) provision of competent personnel to supervise the	85
	22	maintenance and general efficiency of the Vessel;	86
	23	(ii) arrangement and supervision of dry dockings, repairs,	87
	24	alterations and the upkeep of the Vessel to the standards	88
	25	required by the Owners provided that the Managers shall	89
	26	be entitled to incur the necessary expenditure to ensure	90
	27	that the Vessel will comply with the law of the flag of the	91
	28	Vessel and of the places where she trades, and all	92
	29	requirements and recommendations of the classification	93
	30	society;	94
	31	(iii) arrangement of the supply of necessary stores, spares and	95
	32	lubricating oil;	96
	33	(iv) appointment of surveyors and technical consultants as the	97
	34	Managers may consider from time to time to be necessary;	98
	35	(v) development, implementation and maintenance of a Safety	99
		Management System (SMS) in accordance with the ISM	100
		Code (see sub-clauses 4.2 and 5.3).	101
2. Appointment of Managers	36	3.3 Commercial Management	102
With effect from the day and year stated in Box 4 and continuing	37	<i>(only applicable if agreed according to Box 7)</i>	103
unless and until terminated as provided herein, the Owners	38	The Managers shall provide the commercial operation of the	104
hereby appoint the Managers and the Managers hereby agree	39	Vessel, as required by the Owners, which includes, but is not	105
to act as the Managers of the Vessel.	40	limited to, the following functions:	106
		(i) providing chartering services in accordance with the Owners'	107
3. Basis of Agreement	41	instructions which include, but are not limited to, seeking	108
Subject to the terms and conditions herein provided, during the period	42	and negotiating employment for the Vessel and the conclusion	109
of this Agreement, the Managers shall carry out	43	(Including the execution thereof) of charter parties or other	110
Management Services in respect of the Vessel as agents for	44	contracts relating to the employment of the Vessel. If such a	111
and on behalf of the Owners. The Managers shall have authority	45	contract exceeds the period stated in Box 13, consent thereto	112
to take such actions as they may from time to time in their absolute	46	in writing shall first be obtained from the Owners.	113
discretion consider to be necessary to enable them to perform	47	(ii) arranging of the proper payment to Owners or their nominees	114
this Agreement in accordance with sound ship management	48	of all hire and/or freight revenues or other moneys of	115
practice.	49	whatsoever nature to which Owners may be entitled arising	116
		out of the employment of or otherwise in connection with the	117
3.1 Crew Management	50	Vessel.	118
<i>(only applicable if agreed according to Box 5)</i>	51	(iii) providing voyage estimates and accounts and calculating of	119
The Managers shall provide suitably qualified Crew for the Vessel	52	hire, freights, demurrage and/or despatch moneys due from	120
as required by the Owners in accordance with the STCW 95	53	or due to the charterers of the Vessel;	121
requirements, provision of which includes but is not limited to	54	(iv) issuing of voyage instructions;	122
the following functions:	55	(v) appointing agents;	123
(i) selecting and engaging the Vessel's Crew, including payroll	56	(vi) appointing stevedores;	124
arrangements, pension administration, and insurances for	57	(vii) arranging surveys associated with the commercial operation	125
the Crew other than those mentioned in Clause 6;	58	of the Vessel.	126
(ii) ensuring that the applicable requirements of the law of the	59		
flag of the Vessel are satisfied in respect of manning levels,	60	3.4 Insurance Arrangements'	127
rank, qualification and certification of the Crew and	61	<i>(only applicable if agreed according to Box 8)</i>	128
employment regulations including Crew's tax, social	62	The Managers shall arrange insurances in accordance with	129
insurance, discipline and other requirements;	63	Clause 6, on such terms and conditions as the Owners shall	130
(iii) ensuring that all members of the Crew have passed a medical	64	have instructed or agreed, in particular regarding conditions,	131
examination with a qualified doctor certifying that they are fit	65		

PART II
"SHIPMAN 98" Standard Ship Management Agreement

insured values, deductibles and franchises.	132	6. Insurance Policies	193
3.5 Accounting Services	133	The Owners shall procure, whether by instructing the Managers	194
<i>(only applicable if agreed according to Box 9)</i>	134	under sub-clause 3.4 or otherwise, that throughout the period of	195
The Managers shall:	135	this Agreement:	196
(i) establish an accounting system which meets the	136	6.1 at the Owners' expense, the Vessel is insured for not less	197
requirements of the Owners and provide regular accounting	137	than her sound market value or entered for her full gross tonnage,	198
services, supply regular reports and records,	138	as the case may be for:	199
(ii) maintain the records of all costs and expenditure incurred	139	(i) usual hull and machinery marine risks (including crew	200
as well as data necessary or proper for the settlement of	140	negligence) and excess liabilities;	201
accounts between the parties.	141	(ii) protection and indemnity risks (including pollution risks and	202
		Crew Insurances); and	203
		(iii) war risks (including protection and indemnity and crew risks)	204
3.6 Sale or Purchase of the Vessel	142	in accordance with the best practice of prudent owners of	205
<i>(only applicable if agreed according to Box 10)</i>	143	vessels of a similar type to the Vessel, with first class insurance	206
The Managers shall, in accordance with the Owners' instructions,	144	companies, underwriters or associations ("the Owners'	207
supervise the sale or purchase of the Vessel, including the	145	Insurances");	208
performance of any sale or purchase agreement, but not	146	6.2 all premiums and calls on the Owners' Insurances are paid	209
negotiation of the same.	147	promptly by their due date,	210
		6.3 the Owners' Insurances name the Managers and, subject	211
3.7 Provisions <i>(only applicable if agreed according to Box 11)</i>	148	to underwriters' agreement, any third party designated by the	212
The Managers shall arrange for the supply of provisions.	149	Managers as a joint assured, with full cover, with the Owners	213
		obtaining cover in respect of each of the insurances specified in	214
3.8 Bunkering <i>(only applicable if agreed according to Box 12)</i>	150	sub-clause 6.1:	215
The Managers shall arrange for the provision of bunker fuel of the	151	(i) on terms whereby the Managers and any such third party	216
quality specified by the Owners as required for the Vessel's trade.	152	are liable in respect of premiums or calls arising in connection	217
		with the Owners' Insurances; or	218
4. Managers' Obligations	153	(ii) if reasonably obtainable, on terms such that neither the	219
4.1 The Managers undertake to use their best endeavours to	154	Managers nor any such third party shall be under any	220
provide the agreed Management Services as agents for and on	155	liability in respect of premiums or calls arising in connection	221
behalf of the Owners in accordance with sound ship management	156	with the Owners' Insurances; or	222
practice and to protect and promote the interests of the Owners in	157	(iii) on such other terms as may be agreed in writing.	223
all matters relating to the provision of services hereunder.	158	<i>Indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left</i>	224
Provided, however, that the Managers in the performance of their	159	<i>blank then (i) applies.</i>	225
management responsibilities under this Agreement shall be entitled	160	6.4 written evidence is provided, to the reasonable satisfaction	226
to have regard to their overall responsibility in relation to all vessels	161	of the Managers, of their compliance with their obligations under	227
as may from time to time be entrusted to their management and	162	<u>Clause 6</u> within a reasonable time of the commencement of	228
in particular, but without prejudice to the generality of the foregoing,	163	the Agreement, and of each renewal date and, if specifically	229
the Managers shall be entitled to allocate available supplies,	164	requested, of each payment date of the Owners' Insurances.	230
manpower and services in such manner as in the prevailing	165		
circumstances the Managers in their absolute discretion consider	166	7. Income Collected and Expenses Paid on Behalf of Owners	231
to be fair and reasonable.	167	7.1 All moneys collected by the Managers under the terms of	232
4.2 Where the Managers are providing Technical Management	168	this Agreement (other than moneys payable by the Owners to	233
in accordance with sub-clause 3.2, they shall procure that the	169	the Managers) and any interest thereon shall be held to the	234
requirements of the law of the flag of the Vessel are satisfied and	170	credit of the Owners in a separate bank account	235
they shall in particular be deemed to be the "Company" as defined	171	7.2 All expenses incurred by the Managers under the terms	236
by the ISM Code, assuming the responsibility for the operation of	172	of this Agreement on behalf of the Owners (including expenses	237
the Vessel and taking over the duties and responsibilities imposed	173	as provided in <u>Clause 8</u>) may be debited against the Owners	238
by the ISM Code when applicable.	174	in the account referred to under sub-clause 7.1 but shall in any	239
		event remain payable by the Owners to the Managers on	240
5. Owners' Obligations	175	demand.	241
5.1 The Owners shall pay all sums due to the Managers punctually	176	8. Management Fee	242
in accordance with the terms of this Agreement	177	8.1 The Owners shall pay to the Managers for their services	243
5.2 Where the Managers are providing Technical Management	178	as Managers under this Agreement an annual management	244
in accordance with sub-clause 3.2, the Owners shall:	179	fee as stated in <u>Box 15</u> which shall be payable by equal	245
(i) procure that all officers and ratings supplied by them or on	180	monthly instalments in advance, the first instalment being	246
their behalf comply with the requirements of STCW 95;	181	payable on the commencement of this Agreement (see <u>Clause</u>	247
(ii) instruct such officers and ratings to obey all reasonable orders	182	<u>2</u> and <u>Box 4</u>) and subsequent instalments being payable every	248
of the Managers in connection with the operation of the	183	month.	249
Managers' safety management system.	184	8.2 The management fee shall be subject to an annual review	250
5.3 Where the Managers are not providing Technical Management	185	on the anniversary date of the Agreement and the proposed	251
in accordance with sub-clause 3.2, the Owners shall procure that	186	fee shall be presented in the annual budget referred to in sub-	252
the requirements of the law of the flag of the Vessel are satisfied	187	<u>clause 9.1</u> .	253
and that they, or such other entity as may be appointed by them	188	8.3 The Managers shall, at no extra cost to the Owners, provide	254
and identified to the Managers, shall be deemed to be the	189	their own office accommodation, office staff, facilities and	255
"Company" as defined by the ISM Code assuming the responsibility	190	stationery. Without limiting the generality of <u>Clause 7</u> the Owners	256
for the operation of the Vessel and taking over the duties and	191	shall reimburse the Managers for postage and communication	257
responsibilities imposed by the ISM Code when applicable.	192	expenses, travelling expenses, and other out of pocket	258
		expenses properly incurred by the Managers in pursuance of	259

PART II
"SHIPMAN 98" Standard Ship Management Agreement

the Management Services.	260	11.1 Force Majeure - Neither the Owners nor the Managers	326
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 17 and 18 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee payable to the Managers according to the provisions of sub-clause 8.1, shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause 3.1:	261	shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	327
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	262		328
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in <u>Box 16</u> .	263	11.2 Liability to Owners - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	329
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	264		330
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	265		331
	266		332
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	282	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1, in which case their liability shall be limited in accordance with the terms of this <u>Clause 11</u> .	348
	283		349
	284		350
	285	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	351
9. Budgets and Management of Funds	286		352
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in <u>Annex "C"</u> hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see Clause 2 and Box 4). 9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	287		353
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. Based thereon, the Managers shall each month request the Owners in writing for the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional Insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.	288		354
9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	289		355
9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	290		356
	291		357
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	325		
		11.4 "Himalaya" - It is hereby expressly agreed that no employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this <u>Clause 11</u> , every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this <u>Clause 11</u> the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	389
		12. Documentation	389
		Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available, upon Owners' request, all documentation and records related	390
			391
			392
			393

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PART II
"SHIPMAN 98" Standard Ship Management Agreement

to the Safety Management System (SMS) and/or the Crew	394	in the reasonable opinion of the Managers is unduly	457
which the Owners need in order to demonstrate compliance	395	hazardous or improper,	458
with the ISM Code and STCW 95 or to defend a claim against	396	the Managers may give notice of the default to the Owners,	459
a third party.	397	requiring them to remedy it as soon as practically possible.	460
13. General Administration	398	In the event that the Owners fail to remedy it within a	461
13.1 The Managers shall handle and settle all claims arising	399	reasonable time to the satisfaction of the Managers, the	462
out of the Management Services hereunder and keep the Owners	400	Managers shall be entitled to terminate the Agreement	463
informed regarding any incident of which the Managers become	401	with immediate effect by notice in writing.	464
aware which gives or may give rise to claims or disputes involving	402	18.2 Managers' Default	465
third parties.	403	If the Managers fail to meet their obligations under <u>Clauses 3</u>	466
13.2 The Managers shall, as instructed by the Owners, bring	404	and 4 of this Agreement for any reason within the control of the	467
or defend actions, suits or proceedings in connection with matters	405	Managers, the Owners may give notice to the Managers of the	468
entrusted to the Managers according to this Agreement.	406	default, requiring them to remedy it as soon as practically	469
13.3 The Managers shall also have power to obtain legal or	407	possible. In the event that the Managers fail to remedy it within a	470
technical or other outside expert advice in relation to the handling	408	reasonable time to the satisfaction of the Owners, the Owners	471
and settlement of claims and disputes or all other matters	409	shall be entitled to terminate the Agreement with immediate effect	472
affecting the interests of the Owners in respect of the Vessel.	410	by notice in writing.	473
13.4 The Owners shall arrange for the provision of any	411	18.3 Extraordinary Termination	474
necessary guarantee bond or other security.	412	This Agreement shall be deemed to be terminated in the case of	475
13.5 Any costs reasonably incurred by the Managers in	413	the sale of the Vessel or if the Vessel becomes a total loss or is	476
carrying out their obligations according to <u>Clause 13</u> shall be	414	declared as a constructive or compromised or arranged total	477
reimbursed by the Owners.	415	loss or is requisitioned.	478
14. Auditing	416	18.4 For the purpose of sub-clause 18.3 hereof	479
The Managers shall at all times maintain and keep true and	417	(i) the date upon which the Vessel is to be treated as having	480
correct accounts and shall make the same available for inspection	418	been sold or otherwise disposed of shall be the date on	481
and auditing by the Owners at such times as may be mutually	419	which the Owners cease to be registered as Owners of	482
agreed. On the termination, for whatever reasons, of this	420	the Vessel;	483
Agreement, the Managers shall release to the Owners, if so	421	(ii) the Vessel shall not be deemed to be lost unless either	484
requested, the originals where possible, or otherwise certified	422	she has become an actual total loss or agreement has	485
copies, of all such accounts and all documents specifically relating	423	been reached with her underwriters in respect of her	486
to the Vessel and her operation.	424	constructive, compromised or arranged total loss or if such	487
15. Inspection of Vessel	425	agreement with her underwriters is not reached it is	488
The Owners shall have the right at any time after giving	426	adjudged by a competent tribunal that a constructive loss	489
reasonable notice to the Managers to inspect the Vessel for any	427	of the Vessel has occurred.	490
reason they consider necessary.	428	18.5 This Agreement shall terminate forthwith in the event of	491
16. Compliance with Laws and Regulations	429	an order being made or resolution passed for the winding up,	492
The Managers will not do or permit to be done anything which	430	dissolution, liquidation or bankruptcy of either party (otherwise	493
might cause any breach or infringement of the laws and	431	than for the purpose of reconstruction or amalgamation) or if a	494
regulations of the Vessel's flag, or of the places where she trades.	432	receiver is appointed, or if it suspends payment, ceases to	495
17. Duration of the Agreement	433	carry on business or makes any special arrangement or	496
This Agreement shall come into effect on the day and year stated	434	composition with its creditors.	497
in <u>Box 4</u> and shall continue until the date stated in <u>Box 17</u> .	435	18.6 The termination of this Agreement shall be without	498
Thereafter it shall continue until terminated by either party giving	436	prejudice to all rights accrued due between the parties prior to	499
to the other notice in writing, in which event the Agreement shall	437	the date of termination.	500
terminate upon the expiration of a period of two months from the	438	19. Law and Arbitration	501
date upon which such notice was given.	439	19.1 This Agreement shall be governed by and construed in	502
18. Termination	440	accordance with English law and any dispute arising out of or	503
18.1 Owners' default	441	in connection with this Agreement shall be referred to arbitration	504
(i) The Managers shall be entitled to terminate the Agreement	442	in London in accordance with the Arbitration Act 1996 or	505
with immediate effect by notice in writing if any moneys	443	any statutory modification or re-enactment thereof save to	506
payable by the Owners under this Agreement and/or the	444	the extent necessary to give effect to the provisions of this	507
owners of any associated vessel, details of which are listed	445	Clause,	508
<u>in Annex "D", shall not have been received in the Managers'</u>	446	The arbitration shall be conducted in accordance with the	509
<u>nominated account within ten running days of receipt by</u>	447	London Maritime Arbitrators Association (LMAA) Terms	510
<u>the Owners of the Managers written request or if the Vessel</u>	448	current at the time when the arbitration proceedings are	511
<u>is repossessed by the Mortgagees.</u>	449	commenced.	512
(ii) If the Owners:	450	The reference shall be to three arbitrators. A party wishing	513
(a) fail to meet their obligations under sub-clauses 5.2	451	to refer a dispute to arbitration shall appoint its arbitrator	514
and 5.3 of this Agreement for any reason within their	452	and send notice of such appointment in writing to the other	515
control, or	453	party requiring the other party to appoint its own arbitrator	516
(b) proceed with the employment of or continue to employ	454	within 14 calendar days of that notice and stating that it will	517
the Vessel in the carriage of contraband, blockade	455	appoint its arbitrator as sole arbitrator unless the other party	518
running, or in an unlawful trade, or on a voyage which	456	appoints its own arbitrator and gives notice that it has	519
		done so within the 14 days specified. If the other party does	520
		not appoint its own arbitrator and give notice that it has done	521
		so within the 14 days specified, the party referring a dispute to	522
		arbitration may, without the requirement of any further prior	523
		notice to the other party, appoint its arbitrator as sole	524

PART II
"SHIPMAN 98" Standard Ship Management Agreement

arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	525	exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	549
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	526		550
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	527		551
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	528		552
	529	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	553
	530		554
	531		555
	532		556
	533		557
	534		558
	535		559
	536	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-clause 19.1 of this Clause shall apply.	560
	537		561
	538		562
	539	<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in Box 18.</i>	563
	540		564
	541	20. Notices	565
	542		566
	543	20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	567
	544		568
	545	20.2 The address of the Parties for service of such communication shall be as stated in <u>Boxes 19</u> and <u>20</u> , respectively.	569
	546		570
	547		571
In cases where neither the claim nor any counterclaim	548		572

Approved by the International Ship Managers' Association (ISMA)

Approved by the Documentary Committee of The Japan Shipping Exchange Inc., Tokyo

Printed by BIMCO's idea

1. Date of Agreement 28 January 2013		THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)	
		STANDARD SHIP MANAGEMENT AGREEMENT	
		CODE NAME: "SHIPMAN 98" Part I	
2. Owners (name, place of registered office and law of registry) (Cl. 1)		3. Managers (name, place of registered office and law of registry) (Cl. 1)	
Name IVS Bulk 462 Pte.Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763		Name Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	
Place of registered office Singapore		Place of registered office Singapore	
Law of registry Singapore		Law of registry Singapore	
4. Day and year of commencement of Agreement (Cl. 2) 01 February 2013			
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1)		6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2)	
YES		YES	
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3)		8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4)	
NO		YES	
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5)		10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6)	
YES		YES	
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7)		12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8)	
YES		NO	
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.9)		14. Owners' Insurance (state alternative (1), @ or @) of Cl. 6.3)	
NO		YES – Alternative (ii) of clause 6.3 applies	
15. Annual Management Fee (state annual amount) (Cl. 8.1)		16. Severance Costs (state maximum amount) (Cl. 8.4(ii))	
USD 120 000.00		NIL	
17. Day and year of termination of Agreement (Cl. 17)		18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19)	
31 January 2018		(Clause 19.3 English Law and Arbitration in Singapore under SIAC Rules)	
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20)		20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20)	
IVS Bulk 462 Pte.Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763		Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further..

Signature(s) (Owners) 	Signature(s) (Managers) 
--------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------

**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

01 February 2013

Name of Vessel(s):

IVS KAWANA

Particulars of Vessel(s): IMO: NO. 9303376

Bulker Carrier

Singapore registered – Official No. 396978

Port of registry : Singapore

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**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Details of Crew:

Numbers	Rank	Nationality
1	Master	Filipino
2	Chief Officer	Filipino
3	Second Officer	Filipino
4	Third Officer	Filipino
5	Bosun	Filipino
6	AB	Filipino
7	AB	Filipino
8	AB	Filipino
9	OS	Filipino
10	OS	Filipino
11	Chief Engineer	Filipino
12	Second Engineer	Filipino
13	Third Engineer	Filipino
14	Fourth Engineer	Filipino
15	Electrician	Filipino
16	Oiler	Filipino
17	Oiler	Filipino
18	Oiler	Filipino
19	Wiper	Filipino
20	Chief Cook	Filipino
21	Messman	Filipino

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**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Managers' Budget for the first year with effect from the Commencement Date of this Agreement:

**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D" THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS AGREEMENT.

Date of Agreement:

Details of Associated Vessels:

PART II
"SHIPMAN 98" Standard Ship Management Agreement

1. Definitions	1		66
In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.	2	for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate flag State requirements. In the absence of applicable flag State requirements the medical certificate shall be dated not more than three months prior to the respective Crew members leaving their country of domicile and maintained for the duration of their service on board the Vessel;	67 68 69 70 71
<u>"Owners" means the party identified in Box 2.</u>	3		72
<u>"Managers" means the party identified in Box 3.</u>	4		73
<u>"Vessel" means the vessel or vessels details of which are set out in Annex "A" attached hereto.</u>	5	(iv) ensuring that the Crew shall have a command of the English language of a sufficient standard to enable them to perform their duties safely;	74 75
<u>"Crew" means the Master, officers and ratings of the numbers, rank and nationality specified in Annex "B" attached hereto.</u>	6	(v) arranging transportation of the Crew, including repatriation;	76
<u>"Crew Support Costs" means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.</u>	7	(vi) training of the Crew and supervising their efficiency;	77
<u>"Severance Costs" means the costs which the employers are legally obliged to pay to or in respect of the Crew as a result of the early termination of any employment contract for service on the Vessel.</u>	8	(vii) conducting union negotiations;	78
<u>"Crew Insurances" means insurances against crew risks which shall include but not be limited to death, sickness, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.</u>	9	(viii) operating the Managers' drug and alcohol policy unless otherwise agreed.	79 80
<u>"Management Services" means the services specified in sub-clauses 3.1 to 3.8 as indicated affirmatively in Boxes 5 to 12.</u>	10		81
<u>"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.</u>	11	3.2 Technical Management	82
<u>"STCW 95" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.</u>	12	<i>(only applicable if agreed according to Box 6)</i>	83
	13	The Managers shall provide technical management which includes, but is not limited to, the following functions:	84
	14	(i) provision of competent personnel to supervise the maintenance and general efficiency of the Vessel;	85
	15	(ii) arrangement and supervision of dry dockings, repairs, alterations and the upkeep of the Vessel to the standards required by the Owners provided that the Managers shall be entitled to incur the necessary expenditure to ensure that the Vessel will comply with the law of the flag of the Vessel and of the places where she trades, and all requirements and recommendations of the classification society;	86 87 88 89 90 91 92 93 94
	16	(iii) arrangement of the supply of necessary stores, spares and lubricating oil;	95
	17	(iv) appointment of surveyors and technical consultants as the Managers may consider from time to time to be necessary;	96
	18	(v) development, implementation and maintenance of a Safety Management System (SMS) in accordance with the ISM Code (see sub-clauses 4.2 and 5.3).	97 98 99 100 101
	19		102
	20	3.3 Commercial Management	103
	21	<i>(only applicable if agreed according to Box 7)</i>	104
	22	The Managers shall provide the commercial operation of the Vessel, as required by the Owners, which includes, but is not limited to, the following functions:	105
	23	(i) providing chartering services in accordance with the Owners' instructions which include, but are not limited to, seeking and negotiating employment for the Vessel and the conclusion (including the execution thereof) of charter parties or other contracts relating to the employment of the Vessel. If such a contract exceeds the period stated in Box 13, consent thereto in writing shall first be obtained from the Owners.	106 107 108 109 110 111 112 113
	24	(ii) arranging of the proper payment to Owners or their nominees of all hire and/or freight revenues or other moneys of whatsoever nature to which Owners may be entitled arising out of the employment of or otherwise in connection with the Vessel.	114 115 116 117 118
	25	(iii) providing voyage estimates and accounts and calculating of hire, freights, demurrage and/or despatch moneys due from or due to the charterers of the Vessel;	119 120 121
	26	(iv) Issuing of voyage instructions;	122
	27	(v) appointing agents;	123
	28	(vi) appointing stevedores;	124
	29	(vii) arranging surveys associated with the commercial operation of the Vessel.	125 126
	30		127
	31	3.4 Insurance Arrangements'	128
	32	<i>(only applicable if agreed according to Box 8)</i>	129
	33	The Managers shall arrange insurances in accordance with Clause 6, on such terms and conditions as the Owners shall have instructed or agreed, in particular regarding conditions,	130 131
	34		131
	35		132
2. Appointment of Managers	36		133
With effect from the day and year stated in Box 4 and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.	37		134
	38		135
	39		136
	40		137
3. Basis of Agreement	41		138
Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice.	42		139 140 141 142 143 144 145 146 147 148 149
	43		150
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	49		156
3.1 Crew Management	50		157
<i>(only applicable if agreed according to Box 5)</i>	51		158
The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:	52		159
(i) selecting and engaging the Vessel's Crew, including payroll arrangements, pension administration, and insurances for the Crew other than those mentioned in Clause 6;	53		160
(ii) ensuring that the applicable requirements of the law of the flag of the Vessel are satisfied in respect of manning levels, rank, qualification and certification of the Crew and employment regulations including Crew's tax, social insurance, discipline and other requirements;	54		161 162 163
(iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit	55		164 165

PART II
"SHIPMAN 98" Standard Ship Management Agreement

insured values, deductibles and franchises.	132	6. Insurance Policies	193
3.5 Accounting Services	133	The Owners shall procure, whether by instructing the Managers under sub-clause 3.4 or otherwise, that throughout the period of this Agreement:	194
<i>(only applicable if agreed according to Box 9)</i>	134	6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:	195
The Managers shall:	135	(i) usual hull and machinery marine risks (including crew negligence) and excess liabilities;	196
(i) establish an accounting system which meets the requirements of the Owners and provide regular accounting services, supply regular reports and records,	136	(ii) protection and indemnity risks (including pollution risks and Crew Insurances); and	197
(ii) maintain the records of all costs and expenditure incurred as well as data necessary or proper for the settlement of accounts between the parties.	137	(iii) war risks (including protection and indemnity and crew risks) in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");	198
	138	6.2 all premiums and calls on the Owners' Insurances are paid promptly by their due date,	199
	139	6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Owners obtaining cover in respect of each of the Insurances specified in sub-clause 6.1:	200
	140	(i) on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances; or	201
	141	(ii) if reasonably obtainable, on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances; or	202
3.6 Sale or Purchase of the Vessel	142	(iii) on such other terms as may be agreed in writing.	203
<i>(only applicable if agreed according to Box 10)</i>	143	<i>Indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left blank then (i) applies.</i>	204
The Managers shall, in accordance with the Owners' instructions, supervise the sale or purchase of the Vessel, including the performance of any sale or purchase agreement, but not negotiation of the same.	144	6.4 written evidence is provided, to the reasonable satisfaction of the Managers, of their compliance with their obligations under Clause 6 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.	205
	145		206
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3.7 Provisions <i>(only applicable if agreed according to Box 11)</i>	148		209
The Managers shall arrange for the supply of provisions.	149		210
3.8 Bunkering <i>(only applicable if agreed according to Box 12)</i>	150		211
The Managers shall arrange for the provision of bunker fuel of the quality specified by the Owners as required for the Vessel's trade.	151		212
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4. Managers' Obligations	153	7. Income Collected and Expenses Paid on Behalf of Owners	231
4.1 The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.	154	7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account	232
	155	7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in Clause 8) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owners to the Managers on demand.	233
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5. Owners' Obligations	175	8. Management Fee	242
5.1 The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement	176	8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement an annual management fee as stated in Box 15 which shall be payable by equal monthly instalments in advance, the first instalment being payable on the commencement of this Agreement (see Clause 2 and Box 4) and subsequent instalments being payable every month.	243
5.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, the Owners shall:	177	8.2 The management fee shall be subject to an annual review on the anniversary date of the Agreement and the proposed fee shall be presented in the annual budget referred to in sub-clause 9.1.	244
(i) procure that all officers and ratings supplied by them or on their behalf comply with the requirements of STCW 95;	178		245
(ii) instruct such officers and ratings to obey all reasonable orders of the Managers in connection with the operation of the Managers' safety management system.	179		246
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PART II
"SHIPMAN 98" Standard Ship Management Agreement

the Management Services.	260	11.1 Force Majeure - Neither the Owners nor the Managers	326	
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 17 and 18 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee payable to the Managers according to the provisions of sub-clause 8.1, shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause 3.1:	261	shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	327	
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	262		328	
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in Box 16.	263	11.2 Liability to Owners - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	329	
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	264		330	
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	265		331	
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	282	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1, in which case their liability shall be limited in accordance with the terms of this Clause 11.	348	
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9. Budgets and Management of Funds	286	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	352	
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in Annex "C" hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see Clause 2 and Box 4).	287		353	
9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	288		354	
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. Based thereon, the Managers shall each month request the Owners in writing for the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.	289		355	
9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	290		356	
9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	291		357	
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	302	11.4 "Himalaya" - It is hereby expressly agreed that no employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 11, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 11 the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	303	368
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	325	12. Documentation	390	
		Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available, upon Owners' request, all documentation and records related	391	
			392	
			393	
1.1. Responsibilities				
This document is a computer generated SHIPMAN 98 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the preprinted text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.				

PART II
"SHIPMAN 98" Standard Ship Management Agreement

to the Safety Management System (SMS) and/or the Crew	394	in the reasonable opinion of the Managers is unduly	457
which the Owners need in order to demonstrate compliance	395	hazardous or improper,	458
with the ISM Code and STCW 95 or to defend a claim against	396	the Managers may give notice of the default to the Owners,	459
a third party.	397	requiring them to remedy it as soon as practically possible.	460
13. General Administration	398	In the event that the Owners fail to remedy it within a	461
13.1 The Managers shall handle and settle all claims arising	399	reasonable time to the satisfaction of the Managers, the	462
out of the Management Services hereunder and keep the Owners	400	Managers shall be entitled to terminate the Agreement	463
informed regarding any incident of which the Managers become	401	with immediate effect by notice in writing.	464
aware which gives or may give rise to claims or disputes involving	402	18.2 Managers' Default	465
third parties.	403	If the Managers fail to meet their obligations under <u>Clauses 3</u>	466
13.2 The Managers shall, as instructed by the Owners, bring	404	and 4 of this Agreement for any reason within the control of the	467
or defend actions, suits or proceedings in connection with matters	405	Managers, the Owners may give notice to the Managers of the	468
entrusted to the Managers according to this Agreement.	406	default, requiring them to remedy it as soon as practically	469
13.3 The Managers shall also have power to obtain legal or	407	possible. In the event that the Managers fail to remedy it within a	470
technical or other outside expert advice in relation to the handling	408	reasonable time to the satisfaction of the Owners, the Owners	471
and settlement of claims and disputes or all other matters	409	shall be entitled to terminate the Agreement with immediate effect	472
affecting the interests of the Owners in respect of the Vessel.	410	by notice in writing.	473
13.4 The Owners shall arrange for the provision of any	411	18.3 Extraordinary Termination	474
necessary guarantee bond or other security.	412	This Agreement shall be deemed to be terminated in the case of	475
13.5 Any costs reasonably incurred by the Managers in	413	the sale of the Vessel or if the Vessel becomes a total loss or is	476
carrying out their obligations according to <u>Clause 13</u> shall be	414	declared as a constructive or compromised or arranged total	477
reimbursed by the Owners.	415	loss or is requisitioned.	478
14. Auditing	416	18.4 For the purpose of sub-clause 18.3 hereof	479
The Managers shall at all times maintain and keep true and	417	(i) the date upon which the Vessel is to be treated as having	480
correct accounts and shall make the same available for inspection	418	been sold or otherwise disposed of shall be the date on	481
and auditing by the Owners at such times as may be mutually	419	which the Owners cease to be registered as Owners of	482
agreed. On the termination, for whatever reasons, of this	420	the Vessel;	483
Agreement, the Managers shall release to the Owners, if so	421	(ii) the Vessel shall not be deemed to be lost unless either	484
requested, the originals where possible, or otherwise certified	422	she has become an actual total loss or agreement has	485
copies, of all such accounts and all documents specifically relating	423	been reached with her underwriters in respect of her	486
to the Vessel and her operation.	424	constructive, compromised or arranged total loss or if such	487
15. Inspection of Vessel	425	agreement with her underwriters is not reached it is	488
The Owners shall have the right at any time after giving	426	adjudged by a competent tribunal that a constructive loss	489
reasonable notice to the Managers to inspect the Vessel for any	427	of the Vessel has occurred.	490
reason they consider necessary.	428	18.5 This Agreement shall terminate forthwith in the event of	491
16. Compliance with Laws and Regulations	429	an order being made or resolution passed for the winding up,	492
The Managers will not do or permit to be done anything which	430	dissolution, liquidation or bankruptcy of either party (otherwise	493
might cause any breach or infringement of the laws and	431	than for the purpose of reconstruction or amalgamation) or if a	494
regulations of the Vessel's flag, or of the places where she trades.	432	receiver is appointed, or if it suspends payment, ceases to	495
17. Duration of the Agreement	433	carry on business or makes any special arrangement or	496
This Agreement shall come into effect on the day and year stated	434	composition with its creditors.	497
in <u>Box 4</u> and shall continue until the date stated in <u>Box 17</u> .	435	18.6 The termination of this Agreement shall be without	498
Thereafter it shall continue until terminated by either party giving	436	prejudice to all rights accrued due between the parties prior to	499
the other notice in writing, in which event the Agreement shall	437	the date of termination.	500
terminate upon the expiration of a period of two months from the	438	19. Law and Arbitration	501
date upon which such notice was given.	439	19.1 This Agreement shall be governed by and construed in	502
18. Termination	440	accordance with English law and any dispute arising out of or	503
18.1 Owners' default	441	in connection with this Agreement shall be referred to arbitration	504
(i) The Managers shall be entitled to terminate the Agreement	442	in London in accordance with the Arbitration Act 1996 or	505
with immediate effect by notice in writing if any moneys	443	any statutory modification or re-enactment thereof save to	506
payable by the Owners under this Agreement and/or the	444	the extent necessary to give effect to the provisions of this	507
owners of any associated vessel, details of which are listed	445	Clause.	508
in <u>Annex "D"</u> , shall not have been received in the Managers'	446	The arbitration shall be conducted in accordance with the	509
nominated account within ten running days of receipt by	447	London Maritime Arbitrators Association (LMAA) Terms	510
the Owners of the Managers written request or if the Vessel	448	current at the time when the arbitration proceedings are	511
is repossessed by the Mortgagees.	449	commenced.	512
(ii) If the Owners:	450	The reference shall be to three arbitrators. A party wishing	513
(a) fail to meet their obligations under sub-clauses 5.2	451	to refer a dispute to arbitration shall appoint its arbitrator	514
and 5.3 of this Agreement for any reason within their	452	and send notice of such appointment in writing to the other	515
control, or	453	party requiring the other party to appoint its own arbitrator	516
(b) proceed with the employment of or continue to employ	454	within 14 calendar days of that notice and stating that it will	517
the Vessel in the carriage of contraband, blockade	455	appoint its arbitrator as sole arbitrator unless the other party	518
running, or in an unlawful trade, or on a voyage which	456	appoints its own arbitrator and gives notice that it has	519
		done so within the 14 days specified. If the other party does	520
		not appoint its own arbitrator and give notice that it has done	521
		so within the 14 days specified, the party referring a dispute to	522
		arbitration may, without the requirement of any further prior	523
		notice to the other party, appoint its arbitrator as sole	524

PART II
"SHIPMAN 98" Standard Ship Management Agreement

arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	525	exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	549
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	526	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	550
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	527	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-clause 19.1 of this Clause shall apply.	551
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	528	<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in Box 18.</i>	552
In cases where neither the claim nor any counterclaim	529		553
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		20. Notices	
		20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	
		20.2 The address of the Parties for service of such communication shall be as stated in <u>Boxes 19 and 20</u> , respectively.	



THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
 STANDARD SHIP MANAGEMENT AGREEMENT
 CODE NAME "SHIPMAN 98"

Part I

Approved by
 the International Ship Managers' Association (ISMA)

1. Date of Agreement 12 December 2013
2. Owners (name, place of registered office and law of registry) (Cl. 1)
Name IVS Bulk 541 Pte. Ltd.
Place of registered office Singapore
Law of registry Singapore

3. Managers (name, place of registered office and law of registry) (Cl. 1)
Name Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089763
Place of registered office Singapore
Law of registry Singapore

Approved by
 the Documentary Committee of The
 Japan Shipping Exchange Inc., Tokyo

4. Day and year of commencement of Agreement (Cl. 2) Date of Agreement as per Box 1
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) Yes (via sub-contract)
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) No
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) Yes
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) Yes
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.3(i)) No
15. Annual Management Fee (state annual amount) (Cl. 8.1) USD 125,000.00 commencing one month prior to delivery of the Vessel.
17. Day and year of termination of Agreement (Cl. 17) One year from the delivery of the Vessel.
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20) IVS Bulk 541 Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089703 Tel: +65 632 300 48 Fax: +65 632 300 46

6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2) Yes
8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4) No
10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6) Yes
12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) No
14. Owners' Insurance (state alternative (i), (ii) or (iii) of Cl. 6.3) Yes - Alternative (ii) of Clause 6.3 applies
16. Severance Costs (state maximum amount) (Cl. 8.4(ii)) USD 75,000
18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) London Clause 19.1
20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20) Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089703 Tel: +65 632 300 48 Fax: +65 632 300 46

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It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further..

Signature(s) (Owners) 	Signature(s) (Managers)
---------------------------	-----------------------------

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**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement
December 2013

Name of Vessel(s):
Hull No. 541

Particulars of Vessel(s):
D.W. 32,600 M.T. Type Open Hatch Cargo Ship

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**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement
December 2013

Details of Crew:

Numbers	Rank	Nationality
1	Master	Filipino
2	Chief Officer	Filipino
3	Second Officer	Filipino
4	Third Officer	Filipino
5	Bosun	Filipino
6	AB	Filipino
7	AB	Filipino
8	AB	Filipino
9	OS	Filipino
10	OS	Filipino
11	Chief Engineer	Filipino
12	Second Engineer	Filipino
13	Third Engineer	Filipino
14	Fourth Engineer	Filipino
15	Electrician	Filipino
16	Oiler	Filipino
17	Oiler	Filipino
18	Oiler	Filipino
19	Wiper	Filipino
20	Chief Cook	Filipino
21	Messman	Filipino

No. 6
CAQ

**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement

December 2013

Managers' Budget for the first year with effect from the Commencement Date of this Agreement scheduled date of delivery of the Vessel:

As appended

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N.G
C.A.G

STEELCO

DIVISION: STEELCO
 SUBSIDIARY: Summary

SHIP NAME:

BUDGETED PERIOD:

First year of operating

Delivery
 Completion of 1st Year

CURRENCY : USD

	01/07/2014 30/06/2015 37 400 DWT	01/10/2015 31/12/2015 37 400 DWT	01/05/2014 30/04/2015 33 000 DWT	01/10/2015 30/09/2016 37 400 DWT	01/12/2014 30/11/2015 33 200 DWT	01/07/2015 30/06/2016 33 000 DWT	01/10/2015 30/09/2016 37 400 DWT
	KANDA 543 Q3'14	KANDA 545 Q1	KANDA 541 Q2'14	KANDA 550 Q4'15	SKDY 5855 Q4'14	ONO 770 Q3'15	SKDY1 5858 Q3'15
Repairs and Maintenance	97 494	126 026	87 983	130 655	125 776	130 752	139 905
Manning	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256
Stores	107 800	104 000	92 133	108 625	100 833	127 058	130 537
Lube Oil	138 000	140 000	123 667	120 333	136 333	190 000	185 000
Insurance	146 955	149 446	146 111	155 282	149 029	170 000	170 000
Admin	156 660	156 660	156 660	156 660	156 660	156 580	156 620
Management Fee	125 000	125 000	125 000	125 000	125 000	125 000	125 000
SHIP OPERATING EXPENSES	1 805 155	1 835 390	1 765 810	1 830 806	1 827 853	1 933 016	1 941 118
Unplanned Expenses	20 000	20 000	20 000	20 000	20 000	20 000	20 000
TOTAL SHIP OPERATING EXPENSES	1 825 155	1 855 390	1 785 810	1 850 806	1 847 853	1 953 016	1 961 318
Commercial Expenses	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Cadets							
Owners Costs	4 500	4 500	4 500	4 500	4 500	4 500	4 500
Depreciation	921 168	921 168	851 340	921 168	900 336	1 094 832	1 089 660
Dry docking Amortisation							
SHIP RUNNING COSTS	2 765 823	2 796 058	2 656 650	2 791 474	2 767 724	3 067 348	3 070 478
No of operating days	365	365	365	366	365	366	366
Costs per day	4 946	5 026	4 838	5 002	5 008	5 281	5 311
- Ship operating expenses pd	55	55	55	55	55	55	55
- Unplanned expenses pd							
- Total ship operating expenses pd	5 000	5 083	4 893	5 057	5 063	5 336	5 369

**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D"
THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS
AGREEMENT.**

Date of Agreement

Details of Associated Vessels:
N/A

PART II
"SHIPMAN 98" Standard Ship Management Agreement

(ii) arranging of the proper payment to Owners or their nominees of all hire and/or freight revenues or other moneys of whatsoever nature to which Owners may be entitled arising out of the employment of or otherwise in connection with the Vessel.	114 115 116 117 118	by the ISM Code when applicable. The Managers shall report to the Flag State administration details of the Managers, as the Company, as required to comply with the ISM and ISPS Code.	174
(iii) providing voyage estimates and accounts and calculating of hire, freights, demurrage and/or despatch moneys due from or due to the charterers of the Vessel;	119 120 121	5. Owners' Obligations	175
(iv) issuing of voyage instructions;	122	5.1 The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement.	176 177
(v) appointing agents;	123	5.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, the Owners shall:	178 179
(vi) appointing stevedores;	124	(i) procure that all officers and ratings supplied by them or on their behalf comply with the requirements of STCW95;	180 181
(vii) arranging surveys associated with the commercial operation of the Vessel.	125 126	(ii) instruct such officers and ratings to obey all reasonable orders of the Managers in connection with the operation of the Managers' safety management system.	182 183 184
3.4 Insurance Arrangements'	127	5.3 Where the Managers are not providing Technical Management in accordance with sub-clause 3.2, the Owners shall procure that the requirements of the law of the Flag State flag of the Vessel are satisfied	185 186 187
<i>(only applicable if agreed according to Box 8)</i>	128	and that they, or such other entity as may be appointed by them and identified to the Managers, shall be deemed to be the "Company" as defined by the ISM Code assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.	188 189 190 191 192
The Managers shall arrange insurances in accordance with Clause 6, on such terms and conditions as the Owners shall have instructed or agreed, in particular regarding conditions, insured values, deductibles and franchises.	129 130 131 132	6. Insurance Policies	193
3.5 Accounting Services	133	The Owners shall procure, whether by instructing the Managers under sub-clause 3.4 or otherwise, that throughout the period of this Agreement:	194 195 196
<i>(only applicable if agreed according to Box 9)</i>	134	6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:	197 198 199
The Managers shall:	135	(i) usual hull and machinery marine risks (including crew negligence) and excess liabilities;	200 201
(i) establish an accounting system which meets the requirements of the Owners and provide regular accounting services, supply regular reports and records, relating to the technical operation of the Vessel;	136 137 138	(ii) protection and indemnity risks (including, but not limited to , pollution risks, diversion expenses and Crew Insurances); and	202 203
(ii) maintain the records of all costs and expenditure incurred as well as data necessary or proper for the settlement of accounts between the parties.	139 140 141	(iii) war risks (including protection and indemnity and crew risks) in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");	204 205 206 207 208
3.6 Sale or Purchase of the Vessel	142	6.2 all premiums and call on the Owners' Insurances are paid promptly by their due date,	209 210
<i>(only applicable if agreed according to Box 10)</i>	143	6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Owners obtaining cover in respect of each of the insurances specified in sub-clause 6.1:	211 212 213 214 215
The Managers shall, in accordance with the Owners' instructions, supervise the sale or purchase of the Vessel, including the performance of any sale or purchase agreement, but not negotiation of the same.	144 145 146 147	(i) on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances; or	216 217 218
3.7 Provisions <i>(only applicable if agreed according to Box 11)</i>	148	(ii) if reasonably obtainable, on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances; or	219 220 221 222
The Managers shall arrange for the supply of provisions.	149	(iii) on such other terms as may be agreed in writing.	223
3.8 Bunkering <i>(only applicable if agreed according to Box 12)</i>	150	<i>Indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left blank then (i) applies.</i>	224 225
The Managers shall arrange for the provision of bunker fuel of the quality specified by the Owners as required for the Vessel's trade.	151 152	6.4 written evidence is provided, to the reasonable satisfaction of the Managers, of their compliance with their obligations under Clause 6 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.	226 227 228 229 230
4. Managers' Obligations	153	7. Income Collected and Expenses Paid on Behalf of Owners	231
4.1 The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.	154 155 156 157 158 159 160 161 162 163 164 165 166 167	7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owner to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account.	232 233 234 235
4.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, they shall procure that the requirements of the law of the Flag State flag of the Vessel are satisfied and they shall in particular be deemed to be the "Company" as defined by the ISM Code, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed	168 169 170 171 172 173		

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"SHIPMAN 98" Standard Ship Management Agreement

7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in <u>Clause 8</u>) may be debited against the Owners in the account referred to under sub-clause <u>7.1</u> but shall in any event remain payable by the Owners to the Managers on demand.	236 237 238 239 240 241	each month request the Owners in writing for the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.	302 303 304 305 306 307 308 309
8. Management Fee	242	9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	310 311 312 313
8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement an annual management fee as stated in <u>Box 15</u> which shall be payable by equal monthly instalments in advance, the first instalment being payable on the commencement of this Agreement (see <u>Clause 2</u> and <u>Box 4</u>) and subsequent instalments being payable every month.	243 244 245 246 247 248 249	9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	314 315 316 317
8.2 The management fee shall be subject to an annual review on the anniversary date of the Agreement and the proposed fee shall be presented in the annual budget referred to in sub-clause <u>9.1</u> .	250 251 252 253	10. Managers' Right to Sub-Contract	318
8.3 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of <u>Clause 7</u> the Owners shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in pursuance of the Management Services.	254 255 256 257 258 259 260	The Managers shall not have the right to sub-contract any of their obligations hereunder, including those mentioned in sub-clause <u>3.1</u> , without the prior written consent of the Owners which shall not be unreasonably withheld. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement. The Owner hereby consents to the Manager subcontracting all or some aspects of crew management.	319 320 321 322 323 324
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of <u>Clauses 17</u> and <u>18</u> other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee" payable to the Managers according to the provisions of sub-clause <u>8.1</u> , shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause <u>3.1</u> :	261 262 263 264 265 266 267 268 269 270	11. Responsibilities	325
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	271 272	11.1 Force Majeure - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	326 327 328 329
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in <u>Box 16</u> . The Managers shall use their reasonable endeavours to minimise such Severance Costs.	273 274 275	11.2 Liability to Owners - (i) Without prejudice to sub-clause <u>11.1</u> , the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	276 277 278 279 280 281	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause <u>3.1</u> , in which case their liability shall be limited in accordance with the terms of this <u>Clause 11</u> .	348 349 350 351 352 353 354
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	282 283 284	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause <u>11.2</u> , the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	355 356 357 358 359 360 361 362 363 364 365 366 367
9. Budgets and Management of Funds	285	11.4 "Himalaya" - It is hereby expressly agreed that no	368
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in <u>Annex "C"</u> hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see <u>Clause 2</u> and <u>Box 4</u>).	286 287 288 289 290 291 292		
9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	293 294 295 296 297		
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. Based thereon, the Managers shall	298 299 300 301		

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employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this <u>Clause 11</u> , every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this <u>Clause 11</u> the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388	regulations of the Vessel's flag, or of the places where she trades	432
12. Documentation	389		
Where the Managers are providing Technical Management in accordance with sub-clause <u>3.2</u> and/or Crew Management in accordance with sub-clause <u>3.1</u> , they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW95 or to defend a claim against a third party.	390 391 392 393 394 395 396 397		
13. General Administration	398		
13.1 The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties.	399 400 401 402 403		
13.2 The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.	404 405 406		
13.3 The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.	407 408 409 410		
13.4 The Owners shall arrange for the provision of any necessary guarantee bond or other security.	411 412		
13.5 Any costs reasonably incurred by the Managers in carrying out their obligations according to <u>Clause 13</u> shall be reimbursed by the Owners.	413 414 415		
14. Auditing	416		
The Managers shall at all times maintain and keep true and correct accounts and shall make the same available for inspection and auditing by the Owners at such times as may be mutually agreed. On the termination, for whatever reasons, of this Agreement, the Managers shall release to the Owners, if so requested, the originals where possible, or otherwise certified copies, of all such accounts and all documents specifically relating to the Vessel and her operation.	417 418 419 420 421 422 423 424		
15. Inspection of Vessel	425		
The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary.	426 427 428		
16. Compliance with Laws and Regulations	429		
The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and	430 431		
		17. Duration of the Agreement	433
		This Agreement shall come into effect on the day and year stated in <u>Box 4</u> and shall continue until the date stated in <u>Box 17</u> .	434 435
		Thereafter it shall continue until terminated by either party giving to the other notice in writing, in which event the Agreement shall terminate upon the expiration of a period of two months from the date upon which such notice was given.	436 437 438 439
		18. Termination	440
		18.1 Owners' default	441
		(i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement and/or the owners of any associated vessel, details of which are listed in <u>Annex "D"</u> , shall not have been received in the Managers' nominated account within ten running days of receipt by the Owners of the Managers written request or if the Vessel is repossessed by the Mortgagees.	442 443 444 445 446 447 448 449
		(ii) If the Owners:	450
		(a) fail to meet their obligations under sub-clauses <u>5.2</u> and <u>5.3</u> of this Agreement for any reason within their control, or	451 452 453
		(b) proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper,	454 455 456 457 458
		the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible.	459 460
		In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.	461 462 463 464
		18.2 Managers' Default	465
		If the Managers fail to meet their obligations under <u>Clauses 3</u> and <u>4</u> of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.	466 467 468 469 470 471 472 473
		18.3 Extraordinary Termination	474
		This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.	475 476 477 478
		18.4 For the purpose of sub-clause <u>18.3</u> hereof	479
		(i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel;	480 481 482 483
		(ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.	484 485 486 487 488 489 490
		18.5 This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.	491 492 493 494 495 496 497
		18.6 The termination of this Agreement shall be without	498

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“SHIPMAN 98” Standard Ship Management Agreement

prejudice to all rights accrued due between the parties prior to the date of termination.	499 500	parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	550 551 552 553
19. Law and Arbitration	501	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	554 555 556 557 558 559
19.1 This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	502 503 504 505 506 507 508	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-clause <u>19.1</u> of this Clause shall apply.	560 561
The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	509 510 511 512	<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in Box 18.</i>	562 563
The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	513 514 515 516 517 518 519 520 521 522 523 524 525 526 527	20. Notices	564
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	528 529 530	20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	565 566 567
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	531 532 533 534 535	20.2 The address of the Parties for service of such communication shall be as stated in <u>Boxes 19</u> and <u>20</u> , respectively.	568 569 570
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	536 537 538 539 540 541 542 543 544 545 546 547	Additional Clause(s)	
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the	548 549	21. Trading Restrictions	
		The Managers agree that they shall comply with all Applicable US Laws (as defined below) that apply to the operations and trading of the Vessel with respect to the performance of this Agreement and that the Managers shall not take any action, or direct that any actions are taken, that will cause the Owner to violate or be subject to penalty under such laws.	
		“Applicable US Laws” means and includes all applicable United States laws, regulations, rules and executive orders including: the United States Foreign Corrupt Practices Act (the FCPA); export control and sanctions laws and regulations including the Trading with the Enemy Act of 1917 (50 U.S.C. 1-44), the International Emergency Economic Powers Act (50 U.S.C. 17011706), the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901-1908, 8 U.S.C. 1182), the Export Administration Regulations (15 C.F.R. Parts 730 et seq.), the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130), Section 999 of the Internal Revenue Code, the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note), as amended by the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (PL 111-195); and the regulations, rules, and executive orders administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC).	


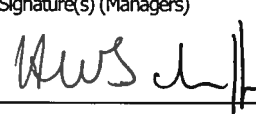
Approved by the International Ship Managers' Association (ISMA)

Approved by the Documentary Committee of The Japan Shipping Exchange Inc., Tokyo

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1. Date of Agreement 01 July 2014		THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)	
		STANDARD SHIP MANAGEMENT AGREEMENT	
		CODE NAME: "SHIPMAN 98" Part I	
2. Owners (name, place of registered office and law of registry) (Cl. 1)		3. Managers (name, place of registered office and law of registry) (Cl. 1)	
Name IVS Bulk 475 Pte., Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763		Name Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	
Place of registered office Singapore		Place of registered office Singapore	
Law of registry Singapore		Law of registry Singapore	
4. Day and year of commencement of Agreement (Cl. 2) 01 July 2014			
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) NO		6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2) YES	
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) NO		8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4) YES	
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) YES		10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6) YES	
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) YES		12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) NO	
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.9) NO		14. Owners' Insurance (state alternative (1), @ or @) of Cl. 6.3 YES – Alternative (ii) of clause 6.3 applies	
15. Annual Management Fee (state annual amount) (Cl. 8.1) USD 120 000.00		16. Severance Costs (state maximum amount) (Cl. 8.4(ii1)) NIL	
17. Day and year of termination of Agreement (Cl. 17) 30 June 2019		18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) (Clause 19.3 English Law and Arbitration in Singapore under SIAC Rules)	
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20) IVS Bulk 475 Pte., Ltd. 200 Cantonment Road #03-01 Southpoint Singapore, 089763		20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20) Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further..

Signature(s) (Owners) 	Signature(s) (Managers) 
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**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

01 July 2014

Name of Vessel(s):

IVS KINGBIRD

Particulars of Vessel(s): IMO: NO. 9336787

Log Bulk Carrier

Singapore registered – Official No. 399562

Port of registry : Singapore

GT / NT : 19,885 t / 11,140 t

LOA : 177.00 m / Beam : 28.40

CALL SIGN : 9v2898

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HWS

**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Details of Crew:

Numbers	Rank	Nationality
1.	Master	Filipino
2.	Chief Officer	Filipino
3.	Second Officer	Filipino
4.	Third Officer	Filipino
5.	Bosun	Filipino
6.	AB	Filipino
7.	AB	Filipino
8.	AB	Filipino
9.	OS	Filipino
10.	OS	Filipino
11.	Chief Engineer	Filipino
12.	Second Engineer	Filipino
13.	Third Engineer	Filipino
14.	Fourth Engineer	Filipino
15.	Electrician	Filipino
16.	Oiler	Filipino
17.	Oiler	Filipino
18.	Oiler	Filipino
19.	Wiper	Filipino
20.	Chief Cook	Filipino
21.	Messman	Filipino

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AWS

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**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Managers' Budget for the first year with effect from the Commencement Date of this Agreement:

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**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D"
THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS
AGREEMENT.**

Date of Agreement:

Details of Associated Vessels:

PART II
"SHIPMAN 98" Standard Ship Management Agreement

insured values, deductibles and franchises.	132	6. Insurance Policies	193
3.5 Accounting Services	133	The Owners shall procure, whether by instructing the Managers	194
<i>(only applicable if agreed according to Box 9)</i>	134	under sub-clause 3.4 or otherwise, that throughout the period of	195
The Managers shall:	135	this Agreement:	196
(i) establish an accounting system which meets the	136	6.1 at the Owners' expense, the Vessel is insured for not less	197
requirements of the Owners and provide regular accounting	137	than her sound market value or entered for her full gross tonnage,	198
services, supply regular reports and records,	138	as the case may be for:	199
(ii) maintain the records of all costs and expenditure incurred	139	(i) usual hull and machinery marine risks (including crew	200
as well as data necessary or proper for the settlement of	140	negligence) and excess liabilities;	201
accounts between the parties.	141	(ii) protection and indemnity risks (including pollution risks and	202
		Crew Insurances); and	203
		(iii) war risks (including protection and indemnity and crew risks)	204
3.6 Sale or Purchase of the Vessel	142	in accordance with the best practice of prudent owners of	205
<i>(only applicable if agreed according to Box 10)</i>	143	vessels of a similar type to the Vessel, with first class insurance	206
The Managers shall, in accordance with the Owners' instructions,	144	companies, underwriters or associations ("the Owners'	207
supervise the sale or purchase of the Vessel, including the	145	Insurances");	208
performance of any sale or purchase agreement, but not	146	6.2 all premiums and calls on the Owners' Insurances are paid	209
negotiation of the same.	147	promptly by their due date,	210
		6.3 the Owners' Insurances name the Managers and, subject	211
3.7 Provisions <i>(only applicable if agreed according to Box 11)</i>	148	to underwriters' agreement, any third party designated by the	212
The Managers shall arrange for the supply of provisions.	149	Managers as a joint assured, with full cover, with the Owners	213
		obtaining cover in respect of each of the insurances specified in	214
		sub-clause 6.1 :	215
3.8 Bunkering <i>(only applicable if agreed according to Box 12)</i>	150	(i) on terms whereby the Managers and any such third party	216
The Managers shall arrange for the provision of bunker fuel of the	151	are liable in respect of premiums or calls arising in connection	217
quality specified by the Owners as required for the Vessel's trade.	152	with the Owners' Insurances; or	218
		(ii) if reasonably obtainable, on terms such that neither the	219
4. Managers' Obligations	153	Managers nor any such third party shall be under any	220
4.1 The Managers undertake to use their best endeavours to	154	liability in respect of premiums or calls arising in connection	221
provide the agreed Management Services as agents for and on	155	with the Owners' Insurances; or	222
behalf of the Owners in accordance with sound ship management	156	(iii) on such other terms as may be agreed in writing.	223
practice and to protect and promote the interests of the Owners in	157	<i>Indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left</i>	224
all matters relating to the provision of services hereunder.	158	<i>blank then (i) applies.</i>	225
Provided, however, that the Managers in the performance of their	159	6.4 written evidence is provided, to the reasonable satisfaction	226
management responsibilities under this Agreement shall be entitled	160	of the Managers, of their compliance with their obligations under	227
to have regard to their overall responsibility in relation to all vessels	161	Clause 6 within a reasonable time of the commencement of	228
as may from time to time be entrusted to their management and	162	the Agreement, and of each renewal date and, if specifically	229
in particular, but without prejudice to the generality of the foregoing,	163	requested, of each payment date of the Owners' Insurances.	230
the Managers shall be entitled to allocate available supplies,	164		
manpower and services in such manner as in the prevailing	165		
circumstances the Managers in their absolute discretion consider	166	7. Income Collected and Expenses Paid on Behalf of Owners	231
to be fair and reasonable.	167	7.1 All moneys collected by the Managers under the terms of	232
4.2 Where the Managers are providing Technical Management	168	this Agreement (other than moneys payable by the Owners to	233
in accordance with sub-clause 3.2 , they shall procure that the	169	the Managers) and any interest thereon shall be held to the	234
requirements of the law of the flag of the Vessel are satisfied and	170	credit of the Owners in a separate bank account	235
they shall in particular be deemed to be the "Company" as defined	171	7.2 All expenses incurred by the Managers under the terms	236
by the ISM Code, assuming the responsibility for the operation of	172	of this Agreement on behalf of the Owners (including expenses	237
the Vessel and taking over the duties and responsibilities imposed	173	as provided in Clause 8) may be debited against the Owners	238
by the ISM Code when applicable.	174	in the account referred to under sub-clause 7.1 but shall in any	239
		event remain payable by the Owners to the Managers on	240
5. Owners' Obligations	175	demand.	241
5.1 The Owners shall pay all sums due to the Managers punctually	176		
in accordance with the terms of this Agreement	177	8. Management Fee	242
5.2 Where the Managers are providing Technical Management	178	8.1 The Owners shall pay to the Managers for their services	243
in accordance with sub-clause 3.2 , the Owners shall:	179	as Managers under this Agreement an annual management	244
(i) procure that all officers and ratings supplied by them or on	180	fee as stated in Box 15 which shall be payable by equal	245
their behalf comply with the requirements of STCW 95;	181	monthly instalments in advance, the first instalment being	246
(ii) instruct such officers and ratings to obey all reasonable orders	182	payable on the commencement of this Agreement (see Clause	247
of the Managers in connection with the operation of the	183	2 and Box 4) and subsequent instalments being payable every	248
Managers' safety management system.	184	month.	249
5.3 Where the Managers are not providing Technical Management	185	8.2 The management fee shall be subject to an annual review	250
in accordance with sub-clause 3.2 , the Owners shall procure that	186	on the anniversary date of the Agreement and the proposed	251
the requirements of the law of the flag of the Vessel are satisfied	187	fee shall be presented in the annual budget referred to in sub-	252
and that they, or such other entity as may be appointed by them	188	clause 9.1 .	253
and identified to the Managers, shall be deemed to be the	189	8.3 The Managers shall, at no extra cost to the Owners, provide	254
"Company" as defined by the ISM Code assuming the responsibility	190	their own office accommodation, office staff, facilities and	255
for the operation of the Vessel and taking over the duties and	191	stationery. Without limiting the generality of Clause 7 the Owners	256
responsibilities imposed by the ISM Code when applicable.	192	shall reimburse the Managers for postage and communication	257
		expenses, travelling expenses, and other out of pocket	258
		expenses properly incurred by the Managers in pursuance of	259

PART II
"SHIPMAN 98" Standard Ship Management Agreement

the Management Services.	260	11.1 Force Majeure - Neither the Owners nor the Managers	326
8.4 In the event of the appointment of the Managers being terminated	261	shall be under any liability for any failure to perform any of their	327
by the Owners or the Managers in accordance with	262	obligations hereunder by reason of any cause whatsoever of	328
the provisions of Clauses 17 and 18 other than by reason of default	263	any nature or kind beyond their reasonable control.	329
by the Managers, or if the Vessel is lost, sold or otherwise disposed	264	11.2 Liability to Owners - (i) Without prejudice to sub-clause	330
of, the "management fee payable to the Managers according to the	265	11.1, the Managers shall be under no liability whatsoever to the	331
provisions of sub-clause 8.1, shall continue to	266	Owners for any loss, damage, delay or expense of whatsoever	332
be payable for a further period of three calendar months as from the	267	nature, whether direct or indirect, (including but not limited to	333
termination date. In addition, provided that the Managers provide Crew	268	loss of profit arising out of or in connection with detention of or	334
for the Vessel in accordance with sub-clause 3.1:	269	delay to the Vessel) and howsoever arising in the course of	335
(i) the Owners shall continue to pay Crew Support Costs during	270	performance of the Management Services UNLESS same is	336
the said further period of three calendar months and	271	proved to have resulted solely from the negligence, gross	337
(ii) the Owners shall pay an equitable proportion of any Severance	272	negligence or wilful default of the Managers or their employees,	338
Costs which may materialize, not exceeding the amount stated	273	or agents or sub-contractors employed by them in connection	339
in <u>Box 16</u> .	274	with the Vessel, in which case (save where loss, damage, delay	340
8.5 If the Owners decide to lay-up the Vessel whilst this	275	or expense has resulted from the Managers' personal act or	341
Agreement remains in force and such lay-up lasts for more	276	omission committed with the intent to cause same or recklessly	342
than three months, an appropriate reduction of the management	277	and with knowledge that such loss, damage, delay or expense	343
fee for the period exceeding three months until one month before the	278	would probably result) the Managers' liability for each incident	344
Vessel is again put into service shall be mutually agreed between the	279	or series of incidents giving rise to a claim or claims shall never	345
parties.	280	exceed a total of ten times the annual management fee payable	346
8.6 Unless otherwise agreed in writing all discounts and	281	hereunder.	347
commissions obtained by the Managers in the course of the	282	(ii) Notwithstanding anything that may appear to the contrary in	348
management of the Vessel shall be credited to the Owners.	283	this Agreement, the Managers shall not be liable for any of the	349
	284	actions of the Crew, even if such actions are negligent, grossly	350
9. Budgets and Management of Funds		negligent or wilful, except only to the extent that they are shown	351
9.1 The Managers shall present to the Owners annually a budget for	285	to have resulted from a failure by the Managers to discharge	352
the following twelve months in such form as the Owners require. The	286	their obligations under sub-clause 3.1, in which case their liability	353
budget for the first year hereof is set out	287	<u>shall be limited in accordance with the terms of this Clause 11.</u>	354
in <u>Annex "C"</u> hereto. Subsequent annual budgets shall be prepared	288	11.3 Indemnity - Except to the extent and solely for the amount	355
by the Managers and submitted to the Owners not less than three	289	therein set out that the Managers would be liable under sub-	356
months before the anniversary date of the commencement of this	290	<u>clause 11.2, the Owners hereby undertake to keep the Managers</u>	357
Agreement (see Clause 2 and Box 4). 9.2 The Owners shall	291	and their employees, agents and sub-contractors indemnified	358
indicate to the Managers their acceptance and approval of the	292	and to hold them harmless against all actions, proceedings,	359
annual budget within one month of	293	claims, demands or liabilities whatsoever or howsoever arising	360
presentation and in the absence of any such indication the Managers	294	which may be brought against them or incurred or suffered by	361
shall be entitled to assume that the Owners have accepted the	295	them arising out of or in connection with the performance of the	362
proposed budget	296	Agreement, and against and in respect of all costs, losses,	363
9.3 Following the agreement of the budget, the Managers shall	297	damages and expenses (including legal costs and expenses on	364
prepare and present to the Owners their estimate of the working	298	a full indemnity basis) which the Managers may suffer or incur	365
capital requirement of the Vessel and the Managers shall each	299	(either directly or indirectly) in the course of the performance of	366
month up-date this estimate. Based thereon, the Managers shall	300	this Agreement.	367
each month request the Owners in writing for the funds required to	301	11.4 "Himalaya" - It is hereby expressly agreed that no	368
run the Vessel for the ensuing month, including the payment of any	302	employee or agent of the Managers (including every sub-	369
occasional or extraordinary item of expenditure, such as emergency	303	contractor from time to time employed by the Managers) shall in	370
repair costs, additional insurance premiums, bunkers or provisions.	304	any circumstances whatsoever be under any liability whatsoever	371
Such funds shall be received by the Managers within ten running	305	to the Owners for any loss, damage or delay of whatsoever kind	372
days after the receipt by the Owners of the Managers' written request	306	arising or resulting directly or indirectly from any act, neglect or	373
and shall be held to the credit of the Owners in a separate bank	307	default on his part while acting in the course of or in connection	374
account.	308	with his employment and, without prejudice to the generality of	375
9.4 The Managers shall produce a comparison between budgeted and	309	<u>the foregoing provisions in this Clause 11, every exemption,</u>	376
actual income and expenditure of the Vessel in such form as required	310	limitation, condition and liberty herein contained and every right,	377
by the Owners monthly or at such other intervals as mutually agreed.	311	exemption from liability, defence and immunity of whatsoever	378
9.5 Notwithstanding anything contained herein to the contrary, the	312	nature applicable to the Managers or to which the Managers are	379
Managers shall in no circumstances be required to use or commit their	313	entitled hereunder shall also be available and shall extend to	380
own funds to finance the provision of the Management Services.	314	protect every such employee or agent of the Managers acting	381
	315	as aforesaid and for the purpose of all the foregoing provisions	382
	316	<u>of this Clause 11 the Managers are or shall be deemed to be</u>	383
10. Managers' Right to Sub-Contract	317	acting as agent or trustee on behalf of and for the benefit of all	384
The Managers shall not have the right to sub-contract any of their		persons who are or might be their servants or agents from time	385
obligations hereunder, including those mentioned in sub-clause 3.1,	318	to time (including sub-contractors as aforesaid) and all such	386
without the prior written consent of the Owners which shall not be	319	persons shall to this extent be or be deemed to be parties to this	387
unreasonably withheld. In the event of such a sub-contract the	320	Agreement.	388
Managers shall remain fully liable for the due performance of their	321		
obligations under this Agreement	322	12. Documentation	389
	323	Where the Managers are providing Technical Management in	390
11. Responsibilities	324	accordance with sub-clause 3.2 and/or Crew Management in	391
This document is a computer generated SHIPMAN 98 form printed by authority of		accordance with sub-clause 3.1, they shall make available,	392
BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any		upon Owners' request, all documentation and records related	393
modification made to the preprinted text of this document which is not clearly visible, the			
text of the original BIMCO approved document shall apply. BIMCO assumes no	325		
responsibility for any loss, damage or expense as a result of discrepancies between the			
original BIMCO approved document and this computer generated document.			

PART II
"SHIPMAN 98" Standard Ship Management Agreement

to the Safety Management System (SMS) and/or the Crew	394	in the reasonable opinion of the Managers is unduly	457
which the Owners need in order to demonstrate compliance	395	hazardous or improper,	458
with the ISM Code and STCW 95 or to defend a claim against	396	Managers may give notice of the default to the Owners,	459
a third party.	397	requiring them to remedy it as soon as practically possible.	460
		In the event that the Owners fail to remedy it within a	461
13. General Administration	398	reasonable time to the satisfaction of the Managers, the	462
13.1 The Managers shall handle and settle all claims arising	399	Managers shall be entitled to terminate the Agreement	463
out of the Management Services hereunder and keep the Owners	400	with immediate effect by notice in writing.	464
informed regarding any incident of which the Managers become	401	18.2 Managers' Default	465
aware which gives or may give rise to claims or disputes involving	402	If the Managers fail to meet their obligations under <u>Clauses 3</u>	466
third parties.	403	and 4 of this Agreement for any reason within the control of the	467
13.2 The Managers shall, as instructed by the Owners, bring	404	Managers, the Owners may give notice to the Managers of the	468
or defend actions, suits or proceedings in connection with matters	405	default, requiring them to remedy it as soon as practically	469
entrusted to the Managers according to this Agreement.	406	possible. In the event that the Managers fail to remedy it within a	470
13.3 The Managers shall also have power to obtain legal or	407	reasonable time to the satisfaction of the Owners, the Owners	471
technical or other outside expert advice in relation to the handling	408	shall be entitled to terminate the Agreement with immediate effect	472
and settlement of claims and disputes or all other matters	409	by notice in writing.	473
affecting the interests of the Owners in respect of the Vessel.	410	18.3 Extraordinary Termination	474
13.4 The Owners shall arrange for the provision of any	411	This Agreement shall be deemed to be terminated in the case of	475
necessary guarantee bond or other security.	412	the sale of the Vessel or if the Vessel becomes a total loss or is	476
13.5 Any costs reasonably incurred by the Managers in	413	declared as a constructive or compromised or arranged total	477
carrying out their obligations according to <u>Clause 13</u> shall be	414	loss or is requisitioned.	478
reimbursed by the Owners.	415	18.4 For the purpose of sub-clause 18.3 hereof	479
		(i) the date upon which the Vessel is to be treated as having	480
14. Auditing	416	been sold or otherwise disposed of shall be the date on	481
The Managers shall at all times maintain and keep true and	417	which the Owners cease to be registered as Owners of	482
correct accounts and shall make the same available for inspection	418	the Vessel;	483
and auditing by the Owners at such times as may be mutually	419	(ii) the Vessel shall not be deemed to be lost unless either	484
agreed. On the termination, for whatever reasons, of this	420	she has become an actual total loss or agreement has	485
Agreement, the Managers shall release to the Owners, if so	421	been reached with her underwriters in respect of her	486
requested, the originals where possible, or otherwise certified	422	constructive, compromised or arranged total loss or if such	487
copies, of all such accounts and all documents specifically relating	423	agreement with her underwriters is not reached it is	488
to the Vessel and her operation.	424	adjudged by a competent tribunal that a constructive loss	489
		of the Vessel has occurred.	490
15. Inspection of Vessel	425	18.5 This Agreement shall terminate forthwith in the event of	491
The Owners shall have the right at any time after giving	426	an order being made or resolution passed for the winding up,	492
reasonable notice to the Managers to inspect the Vessel for any	427	dissolution, liquidation or bankruptcy of either party (otherwise	493
reason they consider necessary.	428	than for the purpose of reconstruction or amalgamation) or if a	494
		receiver is appointed, or if it suspends payment, ceases to	495
16. Compliance with Laws and Regulations	429	carry on business or makes any special arrangement or	496
The Managers will not do or permit to be done anything which	430	composition with its creditors.	497
might cause any breach or infringement of the laws and	431	18.6 The termination of this Agreement shall be without	498
regulations of the Vessel's flag, or of the places where she trades.	432	prejudice to all rights accrued due between the parties prior to	499
		the date of termination.	500
17. Duration of the Agreement	433	19. Law and Arbitration	501
This Agreement shall come into effect on the day and year stated	434	19.1 This Agreement shall be governed by and construed in	502
in <u>Box 4</u> and shall continue until the date stated in <u>Box 17</u> .	435	accordance with English law and any dispute arising out of or	503
Thereafter it shall continue until terminated by either party giving	436	in connection with this Agreement shall be referred to arbitration	504
to the other notice in writing, in which event the Agreement shall	437	in London in accordance with the Arbitration Act 1996 or	505
terminate upon the expiration of a period of two months from the	438	any statutory modification or re-enactment thereof save to	506
date upon which such notice was given.	439	the extent necessary to give effect to the provisions of this	507
		Clause.	508
18. Termination	440	The arbitration shall be conducted in accordance with the	509
18.1 Owners' default	441	London Maritime Arbitrators Association (LMAA) Terms	510
(i) The Managers shall be entitled to terminate the Agreement	442	current at the time when the arbitration proceedings are	511
with immediate effect by notice in writing if any moneys	443	commenced.	512
payable by the Owners under this Agreement and/or the	444	The reference shall be to three arbitrators. A party wishing	513
owners of any associated vessel, details of which are listed	445	to refer a dispute to arbitration shall appoint its arbitrator	514
in <u>Annex "D"</u> , shall not have been received in the Managers'	446	and send notice of such appointment in writing to the other	515
nominated account within ten running days of receipt by	447	party requiring the other party to appoint its own arbitrator	516
the Owners of the Managers written request or if the Vessel	448	within 14 calendar days of that notice and stating that it will	517
is repossessed by the Mortgagees.	449	appoint its arbitrator as sole arbitrator unless the other party	518
(ii) If the Owners:	450	appoints its own arbitrator and gives notice that it has	519
(a) fail to meet their obligations under sub-clauses <u>5.2</u>	451	done so within the 14 days specified. If the other party does	520
and <u>5.3</u> of this Agreement for any reason within their	452	not appoint its own arbitrator and give notice that it has done	521
control, or	453	so within the 14 days specified, the party referring a dispute to	522
(b) proceed with the employment of or continue to employ	454	arbitration may, without the requirement of any further prior	523
the Vessel in the carriage of contraband, blockade	455	notice to the other party, appoint its arbitrator as sole	524
running, or in an unlawful trade, or on a voyage which	456		

PART II
"SHIPMAN 98" Standard Ship Management Agreement

arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	525 526 527	exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	549 550 551 552
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	528 529 530	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	553 554 555
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	531 532 533 534 535	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-clause 19.1 of this Clause shall apply.	556 557 558 559 560
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	536 537 538 539 540 541 542 543 544 545 546 547	<hr/> <i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in Box 18.</i> <hr/>	561 562 563
In cases where neither the claim nor any counterclaim	548	20. Notices	564
		20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	565 566 567
		20.2 The address of the Parties for service of such communication shall be as stated in <u>Boxes 19</u> and <u>20</u> , respectively.	568 569 570

Approved by the International Ship Managers' Association (ISMA)

Approved by the Documentary Committee of The Japan Shipping Exchange Inc., Tokyo

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1. Date of Agreement 28 January 2013		THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)	
		STANDARD SHIP MANAGEMENT AGREEMENT	
		CODE NAME: "SHIPMAN 98" Part I	
2. Owners (name, place of registered office and law of registry) (Cl. 1)		3. Managers (name, place of registered office and law of registry) (Cl. 1)	
Name IVS Bulk 512 Pte.Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763		Name Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	
Place of registered office Singapore		Place of registered office Singapore	
Law of registry Singapore		Law of registry Singapore	
4. Day and year of commencement of Agreement (Cl. 2) 01 February 2013			
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1)		6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2)	
YES		YES	
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3)		8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4)	
NO		YES	
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5)		10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6)	
YES		YES	
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7)		12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8)	
YES		NO	
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.7)		14. Owners' Insurance (state alternative (1), @ or @) of Cl. 6.3)	
NO		YES – Alternative (ii) of clause 6.3 applies	
15. Annual Management Fee (state annual amount) (Cl. 8.1)		16. Severance Costs (state maximum amount) (Cl. 8.4(ii1))	
USD 120 000.00		NIL	
17. Day and year of termination of Agreement (Cl. 17)		18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19)	
31 January 2018		(Clause 19.3 English Law and Arbitration in Singapore under SIAC Rules)	
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20)		20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20)	
IVS Bulk 512 Pte.Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763		Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further.

Signature(s) (Owners) 	Signature(s) (Managers) 
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**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

01 February 2013

Name of Vessel(s):

IVS KINGLET

Particulars of Vessel(s): IMO: NO. 9459149

Bulk Carrier

Singapore registered – Official No. 397164.

Port of registry : Singapore

**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Details of Crew:

Numbers	Rank	Nationality
1	Master	Filipino
2	Chief Officer	Filipino
3	Second Officer	Filipino
4	Third Officer	Filipino
5	Bosun	Filipino
6	AB	Filipino
7	AB	Filipino
8	AB	Filipino
9	OS	Filipino
10	OS	Filipino
11	Chief Engineer	Filipino
12	Second Engineer	Filipino
13	Third Engineer	Filipino
14	Fourth Engineer	Filipino
15	Electrician	Filipino
16	Oiler	Filipino
17	Oiler	Filipino
18	Oiler	Filipino
19	Wiper	Filipino
20	Chief Cook	Filipino
21	Messman	Filipino

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**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Managers' Budget for the first year with effect from the Commencement Date of this Agreement:

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**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D" THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS AGREEMENT.

Date of Agreement:

Details of Associated Vessels:

PART II
"SHIPMAN 98" Standard Ship Management Agreement

1. Definitions	1		66
In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.	2	for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate flag State requirements. In the absence of applicable flag State requirements the medical certificate shall be dated not more than three months prior to the respective Crew members leaving their country of domicile and maintained for the duration of their service on board the Vessel;	67 68 69 70 71
<u>"Owners" means the party identified in Box 2.</u>	3		72
<u>"Managers" means the party identified in Box 3.</u>	4		73
<u>"Vessel" means the vessel or vessels details of which are set out in Annex "A" attached hereto.</u>	5	(iv) ensuring that the Crew shall have a command of the English language of a sufficient standard to enable them to perform their duties safely;	74
<u>"Crew" means the Master, officers and ratings of the numbers, rank and nationality specified in Annex "B" attached hereto.</u>	6	(v) arranging transportation of the Crew, including repatriation;	75
<u>"Crew Support Costs" means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.</u>	7	(vi) training of the Crew and supervising their efficiency;	76
<u>"Severance Costs" means the costs which the employers are legally obliged to pay to or in respect of the Crew as a result of the early termination of any employment contract for service on the Vessel.</u>	8	(vii) conducting union negotiations;	77
<u>"Crew Insurances" means insurances against crew risks which shall include but not be limited to death, sickness, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.</u>	9	(viii) operating the Managers' drug and alcohol policy unless otherwise agreed.	78 79 80
<u>"Management Services" means the services specified in sub-clauses 3.1 to 3.8 as indicated affirmatively in Boxes 5 to 12.</u>	10		81
<u>"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.</u>	11	3.2 Technical Management	82
<u>"STCW 95" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.</u>	12	<u>(only applicable if agreed according to Box 6)</u>	83
	13	The Managers shall provide technical management which includes, but is not limited to, the following functions:	84
	14	(i) provision of competent personnel to supervise the maintenance and general efficiency of the Vessel;	85
	15	(ii) arrangement and supervision of dry dockings, repairs, alterations and the upkeep of the Vessel to the standards required by the Owners provided that the Managers shall be entitled to incur the necessary expenditure to ensure that the Vessel will comply with the law of the flag of the Vessel and of the places where she trades, and all requirements and recommendations of the classification society;	86 87 88 89 90 91 92 93 94
	16	(iii) arrangement of the supply of necessary stores, spares and lubricating oil;	95
	17	(iv) appointment of surveyors and technical consultants as the Managers may consider from time to time to be necessary;	96
	18	(v) development, implementation and maintenance of a Safety Management System (SMS) in accordance with the ISM Code (see sub-clauses 4.2 and 5.3).	97 98 99 100 101
	19		102
	20	3.3 Commercial Management	103
	21	<u>(only applicable if agreed according to Box 7)</u>	104
	22	The Managers shall provide the commercial operation of the Vessel, as required by the Owners, which includes, but is not limited to, the following functions:	105
	23	(i) providing chartering services in accordance with the Owners' instructions which include, but are not limited to, seeking and negotiating employment for the Vessel and the conclusion (including the execution thereof) of charter parties or other contracts relating to the employment of the Vessel. If such a contract exceeds the period stated in Box 13, consent thereto in writing shall first be obtained from the Owners.	106 107 108 109 110 111 112 113
	24	(ii) arranging of the proper payment to Owners or their nominees of all hire and/or freight revenues or other moneys of whatsoever nature to which Owners may be entitled arising out of the employment of or otherwise in connection with the Vessel.	114 115 116 117 118
	25	(iii) providing voyage estimates and accounts and calculating of hire, freights, demurrage and/or despatch moneys due from or due to the charterers of the Vessel;	119 120 121
	26	(iv) Issuing of voyage instructions;	122
	27	(v) appointing agents;	123
	28	(vi) appointing stevedores;	124
	29	(vii) arranging surveys associated with the commercial operation of the Vessel.	125 126
	30		127
	31	3.4 Insurance Arrangements'	128
	32	<u>(only applicable if agreed according to Box 8)</u>	129
	33	The Managers shall arrange insurances in accordance with Clause 6, on such terms and conditions as the Owners shall have instructed or agreed, in particular regarding conditions,	130 131
	34		132
	35		133
2. Appointment of Managers	36		134
With effect from the day and year stated in Box 4 and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.	37		135
	38		136
	39		137
	40		138
3. Basis of Agreement	41		139
Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice.	42		140
	43		141
	44		142
	45		143
	46		144
	47		145
	48		146
	49		147
3.1 Crew Management	50		148
<u>(only applicable if agreed according to Box 5)</u>	51		149
The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:	52		150
(i) selecting and engaging the Vessel's Crew, including payroll arrangements, pension administration, and insurances for the Crew other than those mentioned in Clause 6;	53		151
	54		152
	55		153
(ii) ensuring that the applicable requirements of the law of the flag of the Vessel are satisfied in respect of manning levels, rank, qualification and certification of the Crew and employment regulations including Crew's tax, social insurance, discipline and other requirements;	56		154
	57		155
	58		156
(iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit	59		157
	60		158
	61		159
	62		160
	63		161
	64		162
	65		163

PART II
"SHIPMAN 98" Standard Ship Management Agreement

insured values, deductibles and franchises.	132	6. Insurance Policies	193
3.5 Accounting Services	133	The Owners shall procure, whether by instructing the Managers	194
<i>(only applicable if agreed according to Box 9)</i>	134	under sub-clause 3.4 or otherwise, that throughout the period of	195
The Managers shall:	135	this Agreement:	196
(i) establish an accounting system which meets the	136	6.1 at the Owners' expense, the Vessel is insured for not less	197
requirements of the Owners and provide regular accounting	137	than her sound market value or entered for her full gross tonnage,	198
services, supply regular reports and records,	138	as the case may be for:	199
(ii) maintain the records of all costs and expenditure incurred	139	(i) usual hull and machinery marine risks (including crew	200
as well as data necessary or proper for the settlement of	140	negligence) and excess liabilities;	201
accounts between the parties.	141	(ii) protection and indemnity risks (including pollution risks and	202
		Crew Insurances); and	203
		(iii) war risks (including protection and indemnity and crew risks)	204
3.6 Sale or Purchase of the Vessel	142	in accordance with the best practice of prudent owners of	205
<i>(only applicable if agreed according to Box 10)</i>	143	vessels of a similar type to the Vessel, with first class insurance	206
The Managers shall, in accordance with the Owners' Instructions,	144	companies, underwriters or associations ("the Owners'	207
supervise the sale or purchase of the Vessel, including the	145	Insurances");	208
performance of any sale or purchase agreement, but not	146	6.2 all premiums and calls on the Owners' Insurances are paid	209
negotiation of the same.	147	promptly by their due date,	210
		6.3 the Owners' Insurances name the Managers and, subject	211
3.7 Provisions <i>(only applicable if agreed according to Box 11)</i>	148	to underwriters' agreement, any third party designated by the	212
The Managers shall arrange for the supply of provisions.	149	Managers as a joint assured, with full cover, with the Owners	213
		obtaining cover in respect of each of the insurances specified in	214
3.8 Bunkering <i>(only applicable if agreed according to Box 12)</i>	150	sub-clause 6.1:	215
The Managers shall arrange for the provision of bunker fuel of the	151	(i) on terms whereby the Managers and any such third party	216
quality specified by the Owners as required for the Vessel's trade.	152	are liable in respect of premiums or calls arising in connection	217
		with the Owners' Insurances; or	218
4. Managers' Obligations	153	(ii) if reasonably obtainable, on terms such that neither the	219
4.1 The Managers undertake to use their best endeavours to	154	Managers nor any such third party shall be under any	220
provide the agreed Management Services as agents for and on	155	liability in respect of premiums or calls arising in connection	221
behalf of the Owners in accordance with sound ship management	156	with the Owners' Insurances; or	222
practice and to protect and promote the interests of the Owners in	157	(iii) on such other terms as may be agreed in writing.	223
all matters relating to the provision of services hereunder.	158	<i>Indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left</i>	224
Provided, however, that the Managers in the performance of their	159	<i>blank then (i) applies.</i>	225
management responsibilities under this Agreement shall be entitled	160	6.4 written evidence is provided, to the reasonable satisfaction	226
to have regard to their overall responsibility in relation to all vessels	161	of the Managers, of their compliance with their obligations under	227
as may from time to time be entrusted to their management and	162	<u>Clause 6</u> within a reasonable time of the commencement of	228
in particular, but without prejudice to the generality of the foregoing,	163	the Agreement, and of each renewal date and, if specifically	229
the Managers shall be entitled to allocate available supplies,	164	requested, of each payment date of the Owners' Insurances.	230
manpower and services in such manner as in the prevailing	165		
circumstances the Managers in their absolute discretion consider	166	7. Income Collected and Expenses Paid on Behalf of Owners	231
to be fair and reasonable.	167	7.1 All moneys collected by the Managers under the terms of	232
4.2 Where the Managers are providing Technical Management	168	this Agreement (other than moneys payable by the Owners to	233
in accordance with sub-clause 3.2, they shall procure that the	169	the Managers) and any interest thereon shall be held to the	234
requirements of the law of the flag of the Vessel are satisfied and	170	credit of the Owners in a separate bank account	235
they shall in particular be deemed to be the "Company" as defined	171	7.2 All expenses incurred by the Managers under the terms	236
by the ISM Code, assuming the responsibility for the operation of	172	of this Agreement on behalf of the Owners (including expenses	237
the Vessel and taking over the duties and responsibilities imposed	173	as provided in <u>Clause 8</u>) may be debited against the Owners	238
by the ISM Code when applicable.	174	in the account referred to under sub-clause 7.1 but shall in any	239
		event remain payable by the Owners to the Managers on	240
5. Owners' Obligations	175	demand.	241
5.1 The Owners shall pay all sums due to the Managers punctually	176	8. Management Fee	242
in accordance with the terms of this Agreement	177	8.1 The Owners shall pay to the Managers for their services	243
5.2 Where the Managers are providing Technical Management	178	as Managers under this Agreement an annual management	244
in accordance with sub-clause 3.2, the Owners shall:	179	fee as stated in <u>Box 15</u> which shall be payable by equal	245
(i) procure that all officers and ratings supplied by them or on	180	monthly instalments in advance, the first instalment being	246
their behalf comply with the requirements of STCW 95;	181	payable on the commencement of this Agreement (see <u>Clause</u>	247
(ii) instruct such officers and ratings to obey all reasonable orders	182	<u>2</u> and <u>Box 4</u>) and subsequent instalments being payable every	248
of the Managers in connection with the operation of the	183	month.	249
Managers' safety management system.	184	8.2 The management fee shall be subject to an annual review	250
5.3 Where the Managers are not providing Technical Management	185	on the anniversary date of the Agreement and the proposed	251
in accordance with sub-clause 3.2, the Owners shall procure that	186	fee shall be presented in the annual budget referred to in sub-	252
the requirements of the law of the flag of the Vessel are satisfied	187	<u>clause 9.1</u> .	253
and that they, or such other entity as may be appointed by them	188	8.3 The Managers shall, at no extra cost to the Owners, provide	254
and identified to the Managers, shall be deemed to be the	189	their own office accommodation, office staff, facilities and	255
"Company" as defined by the ISM Code assuming the responsibility	190	stationery. Without limiting the generality of <u>Clause 7</u> the Owners	256
for the operation of the Vessel and taking over the duties and	191	shall reimburse the Managers for postage and communication	257
responsibilities imposed by the ISM Code when applicable.	192	expenses, travelling expenses, and other out of pocket	258
		expenses properly incurred by the Managers in pursuance of	259

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the Management Services.	260	11.1 Force Majeure - Neither the Owners nor the Managers	326
8.4 In the event of the appointment of the Managers being terminated	261	shall be under any liability for any failure to perform any of their	327
by the Owners or the Managers in accordance with	262	obligations hereunder by reason of any cause whatsoever of	328
the provisions of Clauses 17 and 18 other than by reason of default	263	any nature or kind beyond their reasonable control.	329
by the Managers, or if the Vessel is lost, sold or otherwise disposed	264	11.2 Liability to Owners - (i) Without prejudice to sub-clause	330
of, the "management fee payable to the Managers according to the	265	11.1, the Managers shall be under no liability whatsoever to the	331
provisions of sub-clause 8.1, shall continue to	266	Owners for any loss, damage, delay or expense of whatsoever	332
be payable for a further period of three calendar months as from the	267	nature, whether direct or indirect, (including but not limited to	333
termination date. In addition, provided that the Managers provide Crew	268	loss of profit arising out of or in connection with detention of or	334
for the Vessel in accordance with sub-clause 3.1:	269	delay to the Vessel) and howsoever arising in the course of	335
(i) the Owners shall continue to pay Crew Support Costs during	270	performance of the Management Services UNLESS same is	336
the said further period of three calendar months and	271	proved to have resulted solely from the negligence, gross	337
(ii) the Owners shall pay an equitable proportion of any Severance	272	negligence or wilful default of the Managers or their employees,	338
Costs which may materialize, not exceeding the amount stated	273	or agents or sub-contractors employed by them in connection	339
in <u>Box 16</u> .	274	with the Vessel, in which case (save where loss, damage, delay	340
8.5 If the Owners decide to lay-up the Vessel whilst this	275	or expense has resulted from the Managers' personal act or	341
Agreement remains in force and such lay-up lasts for more	276	omission committed with the intent to cause same or recklessly	342
than three months, an appropriate reduction of the management	277	and with knowledge that such loss, damage, delay or expense	343
fee for the period exceeding three months until one month before the	278	would probably result) the Managers' liability for each incident	344
Vessel is again put into service shall be mutually agreed between the	279	or series of incidents giving rise to a claim or claims shall never	345
parties.	280	exceed a total of ten times the annual management fee payable	346
8.6 Unless otherwise agreed in writing all discounts and	281	hereunder.	347
commissions obtained by the Managers in the course of the	282	(ii) Notwithstanding anything that may appear to the contrary in	348
management of the Vessel shall be credited to the Owners.	283	this Agreement, the Managers shall not be liable for any of the	349
	284	actions of the Crew, even if such actions are negligent, grossly	350
9. Budgets and Management of Funds		negligent or wilful, except only to the extent that they are shown	351
9.1 The Managers shall present to the Owners annually a budget for	285	to have resulted from a failure by the Managers to discharge	352
the following twelve months in such form as the Owners require. The	286	their obligations under sub-clause 3.1, in which case their liability	353
budget for the first year hereof is set out	287	shall be limited in accordance with the terms of this <u>Clause 11</u> .	354
in <u>Annex "C"</u> hereto. Subsequent annual budgets shall be prepared	288	11.3 Indemnity - Except to the extent and solely for the amount	355
by the Managers and submitted to the Owners not less than three	289	therein set out that the Managers would be liable under sub-	356
months before the anniversary date of the commencement of this	290	clause 11.2, the Owners hereby undertake to keep the Managers	357
Agreement (see Clause 2 and Box 4). 9.2 The Owners shall	291	and their employees, agents and sub-contractors indemnified	358
indicate to the Managers their acceptance and approval of the	292	and to hold them harmless against all actions, proceedings,	359
annual budget within one month of	293	claims, demands or liabilities whatsoever or howsoever arising	360
presentation and in the absence of any such indication the Managers	294	which may be brought against them or incurred or suffered by	361
shall be entitled to assume that the Owners have accepted the	295	them arising out of or in connection with the performance of the	362
proposed budget.	296	Agreement, and against and in respect of all costs, losses,	363
9.3 Following the agreement of the budget, the Managers shall	297	damages and expenses (including legal costs and expenses on	364
prepare and present to the Owners their estimate of the working	298	a full indemnity basis) which the Managers may suffer or incur	365
capital requirement of the Vessel and the Managers shall each	299	(either directly or indirectly) in the course of the performance of	366
month up-date this estimate. Based thereon, the Managers shall	300	this Agreement.	367
each month request the Owners in writing for the funds required to	301	11.4 "Himalaya" - It is hereby expressly agreed that no	368
run the Vessel for the ensuing month, including the payment of any	302	employee or agent of the Managers (including every sub-	369
occasional or extraordinary item of expenditure, such as emergency	303	contractor from time to time employed by the Managers) shall in	370
repair costs, additional insurance premiums, bunkers or provisions.	304	any circumstances whatsoever be under any liability whatsoever	371
Such funds shall be received by the Managers within ten running	305	to the Owners for any loss, damage or delay of whatsoever kind	372
days after the receipt by the Owners of the Managers' written request	306	arising or resulting directly or indirectly from any act, neglect or	373
and shall be held to the credit of the Owners in a separate bank	307	default on his part while acting in the course of or in connection	374
account.	308	with his employment and, without prejudice to the generality of	375
9.4 The Managers shall produce a comparison between budgeted and	309	the foregoing provisions in this <u>Clause 11</u> , every exemption,	376
actual income and expenditure of the Vessel in such form as required	310	limitation, condition and liberty herein contained and every right,	377
by the Owners monthly or at such other intervals as mutually agreed.	311	exemption from liability, defence and immunity of whatsoever	378
9.5 Notwithstanding anything contained herein to the contrary, the	312	nature applicable to the Managers or to which the Managers are	379
Managers shall in no circumstances be required to use or commit their	313	entitled hereunder shall also be available and shall extend to	380
own funds to finance the provision of the Management Services.	314	protect every such employee or agent of the Managers acting	381
	315	as aforesaid and for the purpose of all the foregoing provisions	382
	316	of this <u>Clause 11</u> the Managers are or shall be deemed to be	383
10. Managers' Right to Sub-Contract	317	acting as agent or trustee on behalf of and for the benefit of all	384
The Managers shall not have the right to sub-contract any of their	318	persons who are or might be their servants or agents from time	385
obligations hereunder, including those mentioned in sub-clause 3.1,	319	to time (including sub-contractors as aforesaid) and all such	386
without the prior written consent of the Owners which shall not be	320	persons shall to this extent be or be deemed to be parties to this	387
unreasonably withheld. In the event of such a sub-contract the	321	Agreement.	388
Managers shall remain fully liable for the due performance of their	322		
obligations under this Agreement.	323	12. Documentation	389
	324	Where the Managers are providing Technical Management in	390
11. Responsibilities	325	accordance with sub-clause 3.2 and/or Crew Management in	391
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to the Safety Management System (SMS) and/or the Crew	394	in the reasonable opinion of the Managers is unduly	457
which the Owners need in order to demonstrate compliance	395	hazardous or improper,	458
with the ISM Code and STCW 95 or to defend a claim against	396	the Managers may give notice of the default to the Owners,	459
a third party.	397	requiring them to remedy it as soon as practically possible.	460
13. General Administration	398	In the event that the Owners fail to remedy it within a	461
13.1 The Managers shall handle and settle all claims arising	399	reasonable time to the satisfaction of the Managers, the	462
out of the Management Services hereunder and keep the Owners	400	Managers shall be entitled to terminate the Agreement	463
informed regarding any incident of which the Managers become	401	with immediate effect by notice in writing.	464
aware which gives or may give rise to claims or disputes involving	402	18.2 Managers' Default	465
third parties.	403	If the Managers fail to meet their obligations under <u>Clauses 3</u>	466
13.2 The Managers shall, as instructed by the Owners, bring	404	and 4 of this Agreement for any reason within the control of the	467
or defend actions, suits or proceedings in connection with matters	405	Managers, the Owners may give notice to the Managers of the	468
entrusted to the Managers according to this Agreement.	406	default, requiring them to remedy it as soon as practically	469
13.3 The Managers shall also have power to obtain legal or	407	possible. In the event that the Managers fail to remedy it within a	470
technical or other outside expert advice in relation to the handling	408	reasonable time to the satisfaction of the Owners, the Owners	471
and settlement of claims and disputes or all other matters	409	shall be entitled to terminate the Agreement with immediate effect	472
affecting the interests of the Owners in respect of the Vessel.	410	by notice in writing.	473
13.4 The Owners shall arrange for the provision of any	411	18.3 Extraordinary Termination	474
necessary guarantee bond or other security.	412	This Agreement shall be deemed to be terminated in the case of	475
13.5 Any costs reasonably incurred by the Managers in	413	the sale of the Vessel or if the Vessel becomes a total loss or is	476
carrying out their obligations according to <u>Clause 13</u> shall be	414	declared as a constructive or compromised or arranged total	477
reimbursed by the Owners.	415	loss or is requisitioned.	478
14. Auditing	416	18.4 For the purpose of sub-clause 18.3 hereof	479
The Managers shall at all times maintain and keep true and	417	(i) the date upon which the Vessel is to be treated as having	480
correct accounts and shall make the same available for inspection	418	been sold or otherwise disposed of shall be the date on	481
and auditing by the Owners at such times as may be mutually	419	which the Owners cease to be registered as Owners of	482
agreed. On the termination, for whatever reasons, of this	420	the Vessel;	483
Agreement, the Managers shall release to the Owners, if so	421	(ii) the Vessel shall not be deemed to be lost unless either	484
requested, the originals where possible, or otherwise certified	422	she has become an actual total loss or agreement has	485
copies, of all such accounts and all documents specifically relating	423	been reached with her underwriters in respect of her	486
to the Vessel and her operation.	424	constructive, compromised or arranged total loss or if such	487
15. Inspection of Vessel	425	agreement with her underwriters is not reached it is	488
The Owners shall have the right at any time after giving	426	adjudged by a competent tribunal that a constructive loss	489
reasonable notice to the Managers to inspect the Vessel for any	427	of the Vessel has occurred.	490
reason they consider necessary.	428	18.5 This Agreement shall terminate forthwith in the event of	491
16. Compliance with Laws and Regulations	429	an order being made or resolution passed for the winding up,	492
The Managers will not do or permit to be done anything which	430	dissolution, liquidation or bankruptcy of either party (otherwise	493
might cause any breach or infringement of the laws and	431	than for the purpose of reconstruction or amalgamation) or if a	494
regulations of the Vessel's flag, or of the places where she trades.	432	receiver is appointed, or if it suspends payment, ceases to	495
17. Duration of the Agreement	433	carry on business or makes any special arrangement or	496
This Agreement shall come into effect on the day and year stated	434	composition with its creditors.	497
in <u>Box 4</u> and shall continue until the date stated in <u>Box 17</u> .	435	18.6 The termination of this Agreement shall be without	498
Thereafter it shall continue until terminated by either party giving	436	prejudice to all rights accrued due between the parties prior to	499
to the other notice in writing, in which event the Agreement shall	437	the date of termination.	500
terminate upon the expiration of a period of two months from the	438	19. Law and Arbitration	501
date upon which such notice was given.	439	19.1 This Agreement shall be governed by and construed in	502
18. Termination	440	accordance with English law and any dispute arising out of or	503
18.1 Owners' default	441	in connection with this Agreement shall be referred to arbitration	504
(i) The Managers shall be entitled to terminate the Agreement	442	in London in accordance with the Arbitration Act 1996 or	505
with immediate effect by notice in writing if any moneys	443	any statutory modification or re-enactment thereof save to	506
payable by the Owners under this Agreement and/or the	444	the extent necessary to give effect to the provisions of this	507
owners of any associated vessel, details of which are listed	445	Clause.	508
in <u>Annex "D"</u> , shall not have been received in the Managers'	446	The arbitration shall be conducted in accordance with the	509
nominated account within ten running days of receipt by	447	London Maritime Arbitrators Association (LMAA) Terms	510
the Owners of the Managers written request or if the Vessel	448	current at the time when the arbitration proceedings are	511
is repossessed by the Mortgagees.	449	commenced.	512
(ii) If the Owners:	450	The reference shall be to three arbitrators. A party wishing	513
(a) fail to meet their obligations under sub-clauses 5.2	451	to refer a dispute to arbitration shall appoint its arbitrator	514
and 5.3 of this Agreement for any reason within their	452	and send notice of such appointment in writing to the other	515
control, or	453	party requiring the other party to appoint its own arbitrator	516
(b) proceed with the employment of or continue to employ	454	within 14 calendar days of that notice and stating that it will	517
the Vessel in the carriage of contraband, blockade	455	appoint its arbitrator as sole arbitrator unless the other party	518
running, or in an unlawful trade, or on a voyage which	456	appoints its own arbitrator and gives notice that it has	519
		done so within the 14 days specified. If the other party does	520
		not appoint its own arbitrator and give notice that it has done	521
		so within the 14 days specified, the party referring a dispute to	522
		arbitration may, without the requirement of any further prior	523
		notice to the other party, appoint its arbitrator as sole	524


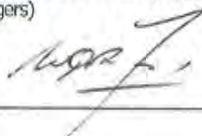
PART II
"SHIPMAN 98" Standard Ship Management Agreement

arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	525	exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	549
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	526		550
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	527		551
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	528	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	552
In cases where neither the claim nor any counterclaim	529	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-clause 19.1 of this Clause shall apply.	553
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	539	<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in <u>Box 18</u>.</i>	562
	540		563
	541		
	542	20. Notices	564
	543	20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	565
	544	20.2 The address of the Parties for service of such communication shall be as stated in <u>Boxes 19</u> and <u>20</u> , respectively.	566
	545		567
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Approved by the International Ship Managers' Association (ISMA)

Approved by the Documentary Committee of The Japan Shipping Exchange Inc., Tokyo

Printed by BIMCO's idea

1. Date of Agreement 28 January 2013		THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)	
		STANDARD SHIP MANAGEMENT AGREEMENT	
		CODE NAME: "SHIPMAN 98" Part I	
2. Owners (name, place of registered office and law of registry) (Cl. 1)		3. Managers (name, place of registered office and law of registry) (Cl. 1)	
Name IVS Bulk 511 Pte.Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763		Name Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	
Place of registered office Singapore		Place of registered office Singapore	
Law of registry Singapore		Law of registry Singapore	
4. Day and year of commencement of Agreement (Cl. 2) 01 February 2013			
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) YES		6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2) YES	
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) NO		8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4) YES	
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) YES		10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6) YES	
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) YES		12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) NO	
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.7) NO		14. Owners' Insurance (state alternative (1), @ or @) of Cl. 6.3 YES – Alternative (ii) of clause 6.3 applies	
15. Annual Management Fee (state annual amount) (Cl. 8.1) USD 120 000.00		16. Severance Costs (state maximum amount) (Cl. 8.4(ii1)) NIL	
17. Day and year of termination of Agreement (Cl. 17) 31 January 2018		18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) (Clause 19.3 English Law and Arbitration in Singapore under SIAC Rules)	
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20) IVS Bulk 511 Pte.Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763		20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20) Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	
It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further.			
Signature(s) (Owners) 		Signature(s) (Managers) 	

**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

01 February 2013

Name of Vessel(s):

IVS KNOT

Particulars of Vessel(s): IMO: NO. 9459137

Bulk Carrier

Singapore registered

Port of registry : Singapore

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**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Details of Crew:

Numbers	Rank	Nationality
1	Master	Filipino
2	Chief Officer	Filipino
3	Second Officer	Filipino
4	Third Officer	Filipino
5	Bosun	Filipino
6	AB	Filipino
7	AB	Filipino
8	AB	Filipino
9	OS	Filipino
10	OS	Filipino
11	Chief Engineer	Filipino
12	Second Engineer	Filipino
13	Third Engineer	Filipino
14	Fourth Engineer	Filipino
15	Electrician	Filipino
16	Oiler	Filipino
17	Oiler	Filipino
18	Oiler	Filipino
19	Wiper	Filipino
20	Chief Cook	Filipino
21	Messman	Filipino

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**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Managers' Budget for the first year with effect from the Commencement Date of this Agreement:

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**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D" THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS AGREEMENT.

Date of Agreement:

Details of Associated Vessels:

PART II
"SHIPMAN 98" Standard Ship Management Agreement

1. Definitions	1		66
In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.	2	for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate flag State requirements. In the absence of applicable flag State requirements the medical certificate shall be dated not more than three months prior to the respective Crew members leaving their country of domicile and maintained for the duration of their service on board the Vessel;	67 68 69 70 71 72
<u>"Owners" means the party identified in Box 2.</u>	5		
<u>"Managers" means the party identified in Box 3.</u>	6		
<u>"Vessel" means the vessel or vessels details of which are set out in Annex "A" attached hereto.</u>	7	(iv) ensuring that the Crew shall have a command of the English language of a sufficient standard to enable them to perform their duties safely;	73 74
<u>"Crew" means the Master, officers and ratings of the numbers, rank and nationality specified in Annex "B" attached hereto.</u>	9	(v) arranging transportation of the Crew, including repatriation;	75 76
<u>"Crew Support Costs" means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.</u>	11	(vi) training of the Crew and supervising their efficiency;	77
<u>"Severance Costs" means the costs which the employers are legally obliged to pay to or in respect of the Crew as a result of the early termination of any employment contract for service on the Vessel.</u>	12	(vii) conducting union negotiations;	78
<u>"Crew Insurances" means insurances against crew risks which shall include but not be limited to death, sickness, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.</u>	13	(viii) operating the Managers' drug and alcohol policy unless otherwise agreed.	79 80
<u>"Management Services" means the services specified in sub-clauses 3.1 to 3.8 as indicated affirmatively in Boxes 5 to 12.</u>	14		
<u>"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.</u>	15		
<u>"STCW 95" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.</u>	16		
	17	3.2 Technical Management	81
	18	<u>(only applicable if agreed according to Box 6)</u>	82
	19	The Managers shall provide technical management which includes, but is not limited to, the following functions:	83
	20	(i) provision of competent personnel to supervise the maintenance and general efficiency of the Vessel;	84 85 86
	21	(ii) arrangement and supervision of dry dockings, repairs, alterations and the upkeep of the Vessel to the standards required by the Owners provided that the Managers shall be entitled to incur the necessary expenditure to ensure that the Vessel will comply with the law of the flag of the Vessel and of the places where she trades, and all requirements and recommendations of the classification society;	87 88 89 90 91 92 93 94
	22	(iii) arrangement of the supply of necessary stores, spares and lubricating oil;	95 96
	23	(iv) appointment of surveyors and technical consultants as the Managers may consider from time to time to be necessary;	97 98
	24	(v) development, implementation and maintenance of a Safety Management System (SMS) in accordance with the ISM Code (see sub-clauses 4.2 and 5.3).	99 100 101
	25		
	26	3.3 Commercial Management	102
	27	<u>(only applicable if agreed according to Box 7)</u>	103
	28	The Managers shall provide the commercial operation of the Vessel, as required by the Owners, which includes, but is not limited to, the following functions:	104 105 106
	29	(i) providing chartering services in accordance with the Owners' instructions which include, but are not limited to, seeking and negotiating employment for the Vessel and the conclusion (including the execution thereof) of charter parties or other contracts relating to the employment of the Vessel. If such a contract exceeds the period stated in Box 13, consent thereto in writing shall first be obtained from the Owners.	107 108 109 110 111 112 113
	30	(ii) arranging of the proper payment to Owners or their nominees of all hire and/or freight revenues or other moneys of whatsoever nature to which Owners may be entitled arising out of the employment of or otherwise in connection with the Vessel.	114 115 116 117 118
	31	(iii) providing voyage estimates and accounts and calculating of hire, freights, demurrage and/or despatch moneys due from or due to the charterers of the Vessel;	119 120 121
	32	(iv) issuing of voyage instructions;	122
	33	(v) appointing agents;	123
	34	(vi) appointing stevedores;	124
	35	(vii) arranging surveys associated with the commercial operation of the Vessel.	125 126
	36	3.4 Insurance Arrangements	127
	37	<u>(only applicable if agreed according to Box 8)</u>	128
	38	The Managers shall arrange insurances in accordance with Clause 6, on such terms and conditions as the Owners shall have instructed or agreed, in particular regarding conditions,	129 130 131
	39		
2. Appointment of Managers	36		
With effect from the day and year stated in Box 4 and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.	37		
	38		
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3. Basis of Agreement	41		
Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice.	42		
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3.1 Crew Management	50		
<u>(only applicable if agreed according to Box 5)</u>	51		
The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:	52		
(i) selecting and engaging the Vessel's Crew, including payroll arrangements, pension administration, and insurances for the Crew other than those mentioned in Clause 6;	53		
	54		
	55		
(ii) ensuring that the applicable requirements of the law of the flag of the Vessel are satisfied in respect of manning levels, rank, qualification and certification of the Crew and employment regulations including Crew's tax, social insurance, discipline and other requirements;	56		
	57		
	58		
(iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit	59		
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PART II
"SHIPMAN 98" Standard Ship Management Agreement

Insured values, deductibles and franchises.	132	6. Insurance Policies	193
3.5 Accounting Services	133	The Owners shall procure, whether by instructing the Managers	194
<i>(only applicable if agreed according to <u>Box 9</u>)</i>	134	under sub-clause 3.4 or otherwise, that throughout the period of	195
The Managers shall:	135	this Agreement:	196
(i) establish an accounting system which meets the	136	6.1 at the Owners' expense, the Vessel is insured for not less	197
requirements of the Owners and provide regular accounting	137	than her sound market value or entered for her full gross tonnage,	198
services, supply regular reports and records,	138	as the case may be for:	199
(ii) maintain the records of all costs and expenditure incurred	139	(i) usual hull and machinery marine risks (including crew	200
as well as data necessary or proper for the settlement of	140	negligence) and excess liabilities;	201
accounts between the parties.	141	(ii) protection and indemnity risks (including pollution risks and	202
		Crew Insurances); and	203
		(iii) war risks (including protection and indemnity and crew risks)	204
3.6 Sale or Purchase of the Vessel	142	In accordance with the best practice of prudent owners of	205
<i>(only applicable if agreed according to <u>Box 10</u>)</i>	143	vessels of a similar type to the Vessel, with first class insurance	206
The Managers shall, in accordance with the Owners' instructions,	144	companies, underwriters or associations ("the Owners'	207
supervise the sale or purchase of the Vessel, including the	145	Insurances");	208
performance of any sale or purchase agreement, but not	146	6.2 all premiums and calls on the Owners' Insurances are paid	209
negotiation of the same.	147	promptly by their due date,	210
		6.3 the Owners' Insurances name the Managers and, subject	211
3.7 Provisions <i>(only applicable if agreed according to <u>Box 11</u>)</i>	148	to underwriters' agreement, any third party designated by the	212
The Managers shall arrange for the supply of provisions.	149	Managers as a joint assured, with full cover, with the Owners	213
		obtaining cover in respect of each of the insurances specified in	214
3.8 Bunkering <i>(only applicable if agreed according to <u>Box 12</u>)</i>	150	sub-clause 6.1:	215
The Managers shall arrange for the provision of bunker fuel of the	151	(i) on terms whereby the Managers and any such third party	216
quality specified by the Owners as required for the Vessel's trade.	152	are liable in respect of premiums or calls arising in connection	217
		with the Owners' Insurances; or	218
4. Managers' Obligations	153	(ii) if reasonably obtainable, on terms such that neither the	219
4.1 The Managers undertake to use their best endeavours to	154	Managers nor any such third party shall be under any	220
provide the agreed Management Services as agents for and on	155	liability in respect of premiums or calls arising in connection	221
behalf of the Owners in accordance with sound ship management	156	with the Owners' Insurances; or	222
practice and to protect and promote the interests of the Owners in	157	(iii) on such other terms as may be agreed in writing.	223
all matters relating to the provision of services hereunder.	158	<i>Indicate alternative (i), (ii) or (iii) in <u>Box 14</u>. If <u>Box 14</u> is left</i>	224
Provided, however, that the Managers in the performance of their	159	<i>blank then (i) applies.</i>	225
management responsibilities under this Agreement shall be entitled	160	6.4 written evidence is provided, to the reasonable satisfaction	226
to have regard to their overall responsibility in relation to all vessels	161	of the Managers, of their compliance with their obligations under	227
as may from time to time be entrusted to their management and	162	<u>Clause 6</u> within a reasonable time of the commencement of	228
in particular, but without prejudice to the generality of the foregoing,	163	the Agreement, and of each renewal date and, if specifically	229
the Managers shall be entitled to allocate available supplies,	164	requested, of each payment date of the Owners' Insurances.	230
manpower and services in such manner as in the prevailing	165		
circumstances the Managers in their absolute discretion consider	166	7. Income Collected and Expenses Paid on Behalf of Owners	231
to be fair and reasonable.	167	7.1 All moneys collected by the Managers under the terms of	232
4.2 Where the Managers are providing Technical Management	168	this Agreement (other than moneys payable by the Owners to	233
in accordance with sub-clause 3.2, they shall procure that the	169	the Managers) and any interest thereon shall be held to the	234
requirements of the law of the flag of the Vessel are satisfied and	170	credit of the Owners in a separate bank account	235
they shall in particular be deemed to be the "Company" as defined	171	7.2 All expenses incurred by the Managers under the terms	236
by the ISM Code, assuming the responsibility for the operation of	172	of this Agreement on behalf of the Owners (including expenses	237
the Vessel and taking over the duties and responsibilities imposed	173	as provided in <u>Clause 8</u>) may be debited against the Owners	238
by the ISM Code when applicable.	174	in the account referred to under sub-clause 7.1 but shall in any	239
		event remain payable by the Owners to the Managers on	240
5. Owners' Obligations	175	demand.	241
5.1 The Owners shall pay all sums due to the Managers punctually	176	8. Management Fee	242
in accordance with the terms of this Agreement	177	8.1 The Owners shall pay to the Managers for their services	243
5.2 Where the Managers are providing Technical Management	178	as Managers under this Agreement an annual management	244
in accordance with sub-clause 3.2, the Owners shall:	179	fee as stated in <u>Box 15</u> which shall be payable by equal	245
(i) procure that all officers and ratings supplied by them or on	180	monthly instalments in advance, the first instalment being	246
their behalf comply with the requirements of STCW 95;	181	payable on the commencement of this Agreement (see <u>Clause</u>	247
(ii) instruct such officers and ratings to obey all reasonable orders	182	<u>2</u> and <u>Box 4</u>) and subsequent instalments being payable every	248
of the Managers in connection with the operation of the	183	month.	249
Managers' safety management system.	184	8.2 The management fee shall be subject to an annual review	250
5.3 Where the Managers are not providing Technical Management	185	on the anniversary date of the Agreement and the proposed	251
in accordance with sub-clause 3.2, the Owners shall procure that	186	fee shall be presented in the annual budget referred to in sub-	252
the requirements of the law of the flag of the Vessel are satisfied	187	<u>clause 9.1</u> .	253
and that they, or such other entity as may be appointed by them	188	8.3 The Managers shall, at no extra cost to the Owners, provide	254
and identified to the Managers, shall be deemed to be the	189	their own office accommodation, office staff, facilities and	255
"Company" as defined by the ISM Code assuming the responsibility	190	stationery. Without limiting the generality of <u>Clause 7</u> the Owners	256
for the operation of the Vessel and taking over the duties and	191	shall reimburse the Managers for postage and communication	257
responsibilities imposed by the ISM Code when applicable.	192	expenses, travelling expenses, and other out of pocket	258
		expenses properly incurred by the Managers in pursuance of	259

PART II
"SHIPMAN 98" Standard Ship Management Agreement

the Management Services.	260	11.1 Force Majeure - Neither the Owners nor the Managers	326
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 17 and 18 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee payable to the Managers according to the provisions of sub-clause 8.1, shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause 3.1:	261	shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	327
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	262		328
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in <u>Box 16</u> .	263	11.2 Liability to Owners - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	329
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	264		330
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	265		331
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	284		350
9. Budgets and Management of Funds		(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1, in which case their liability shall be limited in accordance with the terms of this Clause 11.	351
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in <u>Annex 'C'</u> hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see Clause 2 and Box 4). 9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	285	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	352
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. Based thereon, the Managers shall each month request the Owners in writing for the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.	286		353
9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	287		354
9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	288		355
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	323	12. Documentation	389
	324	Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available, upon Owners' request, all documentation and records related	390
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PART II
"SHIPMAN 98" Standard Ship Management Agreement

to the Safety Management System (SMS) and/or the Crew	394	in the reasonable opinion of the Managers is unduly	457
which the Owners need in order to demonstrate compliance	395	hazardous or improper,	458
with the ISM Code and STCW 95 or to defend a claim against	396	the Managers may give notice of the default to the Owners,	459
a third party.	397	requiring them to remedy it as soon as practically possible.	460
13. General Administration	398	In the event that the Owners fail to remedy it within a	461
13.1 The Managers shall handle and settle all claims arising	399	reasonable time to the satisfaction of the Managers, the	462
out of the Management Services hereunder and keep the Owners	400	Managers shall be entitled to terminate the Agreement	463
informed regarding any incident of which the Managers become	401	with immediate effect by notice in writing.	464
aware which gives or may give rise to claims or disputes involving	402	18.2 Managers' Default	465
third parties.	403	If the Managers fail to meet their obligations under <u>Cl</u> auses 3	466
13.2 The Managers shall, as instructed by the Owners, bring	404	and 4 of this Agreement for any reason within the control of the	467
or defend actions, suits or proceedings in connection with matters	405	Managers, the Owners may give notice to the Managers of the	468
entrusted to the Managers according to this Agreement.	406	default, requiring them to remedy it as soon as practically	469
13.3 The Managers shall also have power to obtain legal or	407	possible. In the event that the Managers fail to remedy it within a	470
technical or other outside expert advice in relation to the handling	408	reasonable time to the satisfaction of the Owners, the Owners	471
and settlement of claims and disputes or all other matters	409	shall be entitled to terminate the Agreement with immediate effect	472
affecting the interests of the Owners in respect of the Vessel.	410	by notice in writing.	473
13.4 The Owners shall arrange for the provision of any	411	18.3 Extraordinary Termination	474
necessary guarantee bond or other security.	412	This Agreement shall be deemed to be terminated in the case of	475
13.5 Any costs reasonably incurred by the Managers in	413	the sale of the Vessel or if the Vessel becomes a total loss or is	476
carrying out their obligations according to <u>Clause 13</u> shall be	414	declared as a constructive or compromised or arranged total	477
reimbursed by the Owners.	415	loss or is requisitioned.	478
14. Auditing	416	18.4 For the purpose of sub-clause 18.3 hereof	479
The Managers shall at all times maintain and keep true and	417	(i) the date upon which the Vessel is to be treated as having	480
correct accounts and shall make the same available for inspection	418	been sold or otherwise disposed of shall be the date on	481
and auditing by the Owners at such times as may be mutually	419	which the Owners cease to be registered as Owners of	482
agreed. On the termination, for whatever reasons, of this	420	the Vessel;	483
Agreement, the Managers shall release to the Owners, if so	421	(ii) the Vessel shall not be deemed to be lost unless either	484
requested, the originals where possible, or otherwise certified	422	she has become an actual total loss or agreement has	485
copies, of all such accounts and all documents specifically relating	423	been reached with her underwriters in respect of her	486
to the Vessel and her operation.	424	constructive, compromised or arranged total loss or if such	487
15. Inspection of Vessel	425	agreement with her underwriters is not reached it is	488
The Owners shall have the right at any time after giving	426	adjudged by a competent tribunal that a constructive loss	489
reasonable notice to the Managers to inspect the Vessel for any	427	of the Vessel has occurred.	490
reason they consider necessary.	428	18.5 This Agreement shall terminate forthwith in the event of	491
16. Compliance with Laws and Regulations	429	an order being made or resolution passed for the winding up,	492
The Managers will not do or permit to be done anything which	430	dissolution, liquidation or bankruptcy of either party (otherwise	493
might cause any breach or infringement of the laws and	431	than for the purpose of reconstruction or amalgamation) or if a	494
regulations of the Vessel's flag, or of the places where she trades.	432	receiver is appointed, or if it suspends payment, ceases to	495
17. Duration of the Agreement	433	carry on business or makes any special arrangement or	496
This Agreement shall come into effect on the day and year stated	434	composition with its creditors.	497
in <u>Box 4</u> and shall continue until the date stated in <u>Box 17</u> .	435	18.6 The termination of this Agreement shall be without	498
Thereafter it shall continue until terminated by either party giving	436	prejudice to all rights accrued due between the parties prior to	499
to the other notice in writing, in which event the Agreement shall	437	the date of termination.	500
terminate upon the expiration of a period of two months from the	438	19. Law and Arbitration	501
date upon which such notice was given.	439	19.1 This Agreement shall be governed by and construed in	502
18. Termination	440	accordance with English law and any dispute arising out of or	503
18.1 Owners' default	441	in connection with this Agreement shall be referred to arbitration	504
(i) The Managers shall be entitled to terminate the Agreement	442	in London in accordance with the Arbitration Act 1996 or	505
with immediate effect by notice in writing if any moneys	443	any statutory modification or re-enactment thereof save to	506
payable by the Owners under this Agreement and/or the	444	the extent necessary to give effect to the provisions of this	507
owners of any associated vessel, details of which are listed	445	Clause.	508
in <u>Annex "D"</u> , shall not have been received in the Managers'	446	The arbitration shall be conducted in accordance with the	509
nominated account within ten running days of receipt by	447	London Maritime Arbitrators Association (LMAA) Terms	510
the Owners of the Managers written request or if the Vessel	448	current at the time when the arbitration proceedings are	511
is repossessed by the Mortgagees.	449	commenced.	512
(ii) If the Owners:	450	The reference shall be to three arbitrators. A party wishing	513
(a) fail to meet their obligations under sub-clauses 5.2	451	to refer a dispute to arbitration shall appoint its arbitrator	514
and 5.3 of this Agreement for any reason within their	452	and send notice of such appointment in writing to the other	515
control, or	453	party requiring the other party to appoint its own arbitrator	516
(b) proceed with the employment of or continue to employ	454	within 14 calendar days of that notice and stating that it will	517
the Vessel in the carriage of contraband, blockade	455	appoint its arbitrator as sole arbitrator unless the other party	518
running, or in an unlawful trade, or on a voyage which	456	appoints its own arbitrator and gives notice that it has	519
		done so within the 14 days specified. If the other party does	520
		not appoint its own arbitrator and give notice that it has done	521
		so within the 14 days specified, the party referring a dispute to	522
		arbitration may, without the requirement of any further prior	523
		notice to the other party, appoint its arbitrator as sole	524

PART II
"SHIPMAN 98" Standard Ship Management Agreement

arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	525 526 527		549 550 551
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	528 529 530		552 553 554
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	531 532 533 534 535		555 556 557 558 559
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	536 537 538 539 540 541 542 543 544 545 546 547		560 561 562 563
In cases where neither the claim nor any counterclaim	548		570
		exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	549 550 551 552 553
		19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	554 555 556 557 558 559
		19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-clause 19.1 of this Clause shall apply.	560 561
		<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in Box 18.</i>	562 563
		20. Notices	564
		20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	565 566 567
		20.2 The address of the Parties for service of such communication shall be as stated in <u>Boxes 19 and 20</u> , respectively.	568 569 570

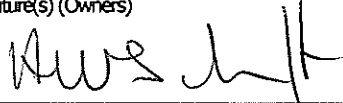
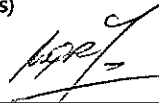
Approved by the International Ship Managers' Association (ISMA)

Approved by the Documentary Committee of The Japan Shipping Exchange Inc., Tokyo

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1. Date of Agreement 28 January 2013		THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)	
		STANDARD SHIP MANAGEMENT AGREEMENT	
		CODE NAME: "SHIPMAN 98" Part I	
2. Owners (name, place of registered office and law of registry) (Cl. 1)		3. Managers (name, place of registered office and law of registry) (Cl. 1)	
Name IVS Bulk 611 Pte., Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763		Name Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	
Place of registered office Singapore		Place of registered office Singapore	
Law of registry Singapore		Law of registry Singapore	
4. Day and year of commencement of Agreement (Cl. 2) 01 February 2013			
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) NO		6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2) YES	
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) NO		8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4) YES	
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) YES		10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6) YES	
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) YES		12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) NO	
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.9) NO		14. Owners' Insurance (state alternative (i), @ or @) of Cl. 6.3 YES – Alternative (ii) of clause 6.3 applies	
15. Annual Management Fee (state annual amount) (Cl. 8.1) USD 120 000.00		16. Severance Costs (state maximum amount) (Cl. 8.4(ii1)) NIL	
17. Day and year of termination of Agreement (Cl. 17) 31 January 2018		18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) (Clause 19.3 English Law and Arbitration in Singapore under STAC Rules)	
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20) IVS Bulk 611 Pte., Ltd. 200 Cantonment Road #03-01 Southpoint Singapore, 089763		20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20) Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further..

Signature(s) (Owners) 	Signature(s) (Managers) 
--------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------

**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

01 February 2013

Name of Vessel(s):

IVS MERLION

Particulars of Vessel(s): IMO: NO. 9620126

Bulk Carrier

Singapore registered – Official No. 397926

Port of registry : Singapore

GT / NT : 20,477 t / 11,786 t

LOA : 179.9 m / Beam : 28.40

CALL SIGN : S6LP5

**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Details of Crew:

Numbers	Rank	Nationality
1.	Master	Filipino
2.	Chief Officer	Filipino
3.	Second Officer	Filipino
4.	Third Officer	Filipino
5.	Bosun	Filipino
6.	AB	Filipino
7.	AB	Filipino
8.	AB	Filipino
9.	OS	Filipino
10.	OS	Filipino
11.	Chief Engineer	Filipino
12.	Second Engineer	Filipino
13.	Third Engineer	Filipino
14.	Fourth Engineer	Filipino
15.	Electrician	Filipino
16.	Oiler	Filipino
17.	Oiler	Filipino
18.	Oiler	Filipino
19.	Wiper	Filipino
20.	Chief Cook	Filipino
21.	Messman	Filipino

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**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Managers' Budget for the first year with effect from the Commencement Date of this Agreement:

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**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D" THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS AGREEMENT.

Date of Agreement:

Details of Associated Vessels:

PART II
"SHIPMAN 98" Standard Ship Management Agreement

Insured values, deductibles and franchises.	132	6. Insurance Policies	193
3.5 Accounting Services	133	The Owners shall procure, whether by instructing the Managers under sub-clause 3.4 or otherwise, that throughout the period of this Agreement:	194 195 196
<i>(only applicable if agreed according to <u>Box 9</u>)</i>	134	6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:	197 198 199
The Managers shall:	135	(i) usual hull and machinery marine risks (including crew negligence) and excess liabilities;	200 201
(i) establish an accounting system which meets the requirements of the Owners and provide regular accounting services, supply regular reports and records,	136 137 138	(ii) protection and indemnity risks (including pollution risks and Crew Insurances); and	202 203
(ii) maintain the records of all costs and expenditure incurred as well as data necessary or proper for the settlement of accounts between the parties.	139 140 141	(iii) war risks (including protection and indemnity and crew risks) in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");	204 205 206 207 208
3.6 Sale or Purchase of the Vessel	142	6.2 all premiums and calls on the Owners' Insurances are paid promptly by their due date,	209
<i>(only applicable if agreed according to <u>Box 10</u>)</i>	143	6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Owners obtaining cover in respect of each of the Insurances specified in sub-clause 6.1:	210 211 212 213 214 215
The Managers shall, in accordance with the Owners' instructions, supervise the sale or purchase of the Vessel, including the performance of any sale or purchase agreement, but not negotiation of the same.	144 145 146 147	(i) on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances; or	216 217 218
3.7 Provisions <i>(only applicable if agreed according to <u>Box 11</u>)</i>	148	(ii) if reasonably obtainable, on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances; or	219 220 221 222
The Managers shall arrange for the supply of provisions.	149	(iii) on such other terms as may be agreed in writing. Indicate alternative (i), (ii) or (iii) in <u>Box 14</u> . If <u>Box 14</u> is left blank then (i) applies.	223 224 225
3.8 Bunkering <i>(only applicable if agreed according to <u>Box 12</u>)</i>	150	6.4 written evidence is provided, to the reasonable satisfaction of the Managers, of their compliance with their obligations under <u>Clause 6</u> within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.	226 227 228 229 230
The Managers shall arrange for the provision of bunker fuel of the quality specified by the Owners as required for the Vessel's trade.	151 152	7. Income Collected and Expenses Paid on Behalf of Owners	231
4. Managers' Obligations	153	7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account	232 233 234 235
4.1 The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.	154 155 156 157 158 159 160 161 162 163 164 165 166 167	7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in <u>Clause 8</u>) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owners to the Managers on demand.	236 237 238 239 240 241
4.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, they shall procure that the requirements of the law of the flag of the Vessel are satisfied and they shall in particular be deemed to be the "Company" as defined by the ISM Code, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.	168 169 170 171 172 173 174	8. Management Fee	242
5. Owners' Obligations	175	8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement an annual management fee as stated in <u>Box 15</u> which shall be payable by equal monthly instalments in advance, the first instalment being payable on the commencement of this Agreement (see <u>Clause 2</u> and <u>Box 4</u>) and subsequent instalments being payable every month.	243 244 245 246 247 248 249
5.1 The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement	176	8.2 The management fee shall be subject to an annual review on the anniversary date of the Agreement and the proposed fee shall be presented in the annual budget referred to in sub-clause 9.1.	250 251 252 253
5.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, the Owners shall:	177 178	8.3 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of <u>Clause 7</u> the Owners shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in pursuance of	254 255 256 257 258 259
(i) procure that all officers and ratings supplied by them or on their behalf comply with the requirements of STCW 95;	179 180 181		
(ii) instruct such officers and ratings to obey all reasonable orders of the Managers in connection with the operation of the Managers' safety management system.	182 183 184		
5.3 Where the Managers are not providing Technical Management in accordance with sub-clause 3.2, the Owners shall procure that the requirements of the law of the flag of the Vessel are satisfied and that they, or such other entity as may be appointed by them and identified to the Managers, shall be deemed to be the "Company" as defined by the ISM Code assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.	185 186 187 188 189 190 191 192		

PART II

"SHIPMAN 98" Standard Ship Management Agreement

the Management Services.	260	11.1 Force Majeure - Neither the Owners nor the Managers	326
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 17 and 18 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee payable to the Managers according to the provisions of sub-clause 8.1, shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause 3.1:	261	shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	327
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	262	11.2 Liability to Owners - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	328
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in Box 16.	263	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1, in which case their liability shall be limited in accordance with the terms of this Clause 11.	329
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	264	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	330
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	265	11.4 "Himalaya" - It is hereby expressly agreed that no employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 11, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 11 the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	331
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9. Budgets and Management of Funds			351
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in Annex "C" hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see Clause 2 and Box 4). 9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	285		352
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. Based thereon, the Managers shall each month request the Owners in writing for the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.	286		353
9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	287		354
9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	288		355
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	323	12. Documentation	389
	324	Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available,	390
	325	upon Owners' request, all documentation and records related	391
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PART II
"SHIPMAN 98" Standard Ship Management Agreement

to the Safety Management System (SMS) and/or the Crew	394	in the reasonable opinion of the Managers is unduly	457
which the Owners need in order to demonstrate compliance	395	hazardous or improper,	458
with the ISM Code and STCW 95 or to defend a claim against	396	the Managers may give notice of the default to the Owners,	459
a third party.	397	requiring them to remedy it as soon as practically possible.	460
13. General Administration	398	In the event that the Owners fail to remedy it within a	461
13.1 The Managers shall handle and settle all claims arising	399	reasonable time to the satisfaction of the Managers, the	462
out of the Management Services hereunder and keep the Owners	400	Managers shall be entitled to terminate the Agreement	463
informed regarding any incident of which the Managers become	401	with immediate effect by notice in writing.	464
aware which gives or may give rise to claims or disputes involving	402	18.2 Managers' Default	465
third parties.	403	If the Managers fail to meet their obligations under <u>Cl</u>	466
13.2 The Managers shall, as instructed by the Owners, bring	404	auses 3	467
or defend actions, suits or proceedings in connection with matters	405	and 4 of this Agreement for any reason within the control of the	468
entrusted to the Managers according to this Agreement.	406	Managers, the Owners may give notice to the Managers of the	469
13.3 The Managers shall also have power to obtain legal or	407	default, requiring them to remedy it as soon as practically	470
technical or other outside expert advice in relation to the handling	408	possible. In the event that the Managers fail to remedy it within a	471
and settlement of claims and disputes or all other matters	409	reasonable time to the satisfaction of the Owners, the Owners	472
affecting the interests of the Owners in respect of the Vessel.	410	shall be entitled to terminate the Agreement with immediate effect	473
13.4 The Owners shall arrange for the provision of any	411	by notice in writing.	474
necessary guarantee bond or other security.	412	18.3 Extraordinary Termination	475
13.5 Any costs reasonably incurred by the Managers in	413	This Agreement shall be deemed to be terminated in the case of	476
carrying out their obligations according to <u>Clause 13</u> shall be	414	the sale of the Vessel or if the Vessel becomes a total loss or is	477
reimbursed by the Owners.	415	declared as a constructive or compromised or arranged total	478
14. Auditing	416	loss or is requisitioned.	479
The Managers shall at all times maintain and keep true and	417	18.4 For the purpose of sub-clause 18.3 hereof	480
correct accounts and shall make the same available for inspection	418	(i) the date upon which the Vessel is to be treated as having	481
and auditing by the Owners at such times as may be mutually	419	been sold or otherwise disposed of shall be the date on	482
agreed. On the termination, for whatever reasons, of this	420	which the Owners cease to be registered as Owners of	483
Agreement, the Managers shall release to the Owners, if so	421	the Vessel;	484
requested, the originals where possible, or otherwise certified	422	(ii) the Vessel shall not be deemed to be lost unless either	485
copies, of all such accounts and all documents specifically relating	423	she has become an actual total loss or agreement has	486
to the Vessel and her operation.	424	been reached with her underwriters in respect of her	487
15. Inspection of Vessel	425	constructive, compromised or arranged total loss or if such	488
The Owners shall have the right at any time after giving	426	agreement with her underwriters is not reached it is	489
reasonable notice to the Managers to inspect the Vessel for any	427	adjudged by a competent tribunal that a constructive loss	490
reason they consider necessary.	428	of the Vessel has occurred.	491
16. Compliance with Laws and Regulations	429	18.5 This Agreement shall terminate forthwith in the event of	492
The Managers will not do or permit to be done anything which	430	an order being made or resolution passed for the winding up,	493
might cause any breach or infringement of the laws and	431	dissolution, liquidation or bankruptcy of either party (otherwise	494
regulations of the Vessel's flag, or of the places where she trades.	432	than for the purpose of reconstruction or amalgamation) or if a	495
17. Duration of the Agreement	433	receiver is appointed, or if it suspends payment, ceases to	496
This Agreement shall come into effect on the day and year stated	434	carry on business or makes any special arrangement or	497
<u>in Box 4 and shall continue until the date stated in Box 17.</u>	435	composition with its creditors.	498
Thereafter it shall continue until terminated by either party giving	436	18.6 The termination of this Agreement shall be without	499
to the other notice in writing, in which event the Agreement shall	437	prejudice to all rights accrued due between the parties prior to	500
terminate upon the expiration of a period of two months from the	438	the date of termination.	
date upon which such notice was given.	439	19. Law and Arbitration	
18. Termination	440	19.1 This Agreement shall be governed by and construed in	501
18.1 Owners' default	441	accordance with English law and any dispute arising out of or	502
(i) The Managers shall be entitled to terminate the Agreement	442	in connection with this Agreement shall be referred to arbitration	503
with immediate effect by notice in writing if any moneys	443	in London in accordance with the Arbitration Act 1996 or	504
payable by the Owners under this Agreement and/or the	444	any statutory modification or re-enactment thereof save to	505
owners of any associated vessel, details of which are listed	445	the extent necessary to give effect to the provisions of this	506
<u>in Annex "D", shall not have been received in the Managers'</u>	446	Clause.	507
<u>nominated account within ten running days of receipt by</u>	447	The arbitration shall be conducted in accordance with the	508
<u>the Owners of the Managers written request or if the Vessel</u>	448	London Maritime Arbitrators Association (LMAA) Terms	509
<u>is repossessed by the Mortgagees.</u>	449	current at the time when the arbitration proceedings are	510
(ii) If the Owners:	450	commenced.	
(a) fail to meet their obligations under sub-clauses 5.2	451	The reference shall be to three arbitrators. A party wishing	511
and 5.3 of this Agreement for any reason within their	452	to refer a dispute to arbitration shall appoint its arbitrator	512
control, or	453	and send notice of such appointment in writing to the other	513
(b) proceed with the employment of or continue to employ	454	party requiring the other party to appoint its own arbitrator	514
the Vessel in the carriage of contraband, blockade	455	within 14 calendar days of that notice and stating that it will	515
running, or in an unlawful trade, or on a voyage which	456	appoint its arbitrator as sole arbitrator unless the other party	516
		appoints its own arbitrator and gives notice that it has	517
		done so within the 14 days specified. If the other party does	518
		not appoint its own arbitrator and give notice that it has done	519
		so within the 14 days specified, the party referring a dispute to	520
		arbitration may, without the requirement of any further prior	521
		notice to the other party, appoint its arbitrator as sole	522
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PART II
"SHIPMAN 98" Standard Ship Management Agreement

arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	525		549
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	526	exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	550
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	527		551
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	528		552
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	529	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	553
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	530		554
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	531	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-clause 19.1 of this Clause shall apply.	555
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	532		556
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In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	535		559
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In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	537		561
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In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	539		563
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	540	<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in Box 18.</i>	564
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	541		565
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	542		566
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	543		567
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In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	545		569
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In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	547		570
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	548		570
		20. Notices	
		20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	
		20.2 The address of the Parties for service of such communication shall be as stated in <u>Boxes 19</u> and <u>20</u> , respectively.	



THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
 STANDARD SHIP MANAGEMENT AGREEMENT
 CODE NAME: "SHIP MAN 98"

Part I



Approved by
 the International Ship Managers' Association (ISMA)

Approved by
 the Documentary Committee of The
 Japan Shipping Exchange Inc., Tokyo

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1. Date of Agreement 31 MARCH 2014		2. Owners (name, place of registered office and law of registry) (Cl. 1)		3. Managers (name, place of registered office and law of registry) (Cl. 1)	
		Name IVS BULK 10824 Pte. Ltd.		Name Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road, # 03-01 Southpoint, Singapore, 089763	
		Place of registered office Singapore		Place of registered office Singapore	
		Law of registry Singapore		Law of registry Singapore	
4. Day and year of commencement of Agreement (Cl. 2) Date of Agreement as per Box 1.					
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) Yes (via sub-contract)			6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2) Yes		
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) No			8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4) No		
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) Yes			10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6) Yes		
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) Yes			12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) No		
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.3(i)) No			14. Owners' Insurance (state alternative (i), (ii) or (iii) of Cl. 6.3) Yes - Alternative (ii) of Clause 6.3 applies		
15. Annual Management Fee (state annual amount) (Cl. 8.1) USD 125 000.00 commencing one month prior to delivery of Vessel.			16. Severance Costs (state maximum amount) (Cl. 8.4(ii)) USD 75,000		
17. Day and year of termination of Agreement (Cl. 17) One year from the delivery of the Vessel.			18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) London Clause 19.1		
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20) IVS BULK 10824 Pte. Ltd. 200 Cantonment Road, # 03-01 Southpoint, Singapore, 089763 Tel : +65 632 300 48 // Fax : +65 632 300 46			20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20) Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road, # 03-01 Southpoint, Singapore, 089763 Tel : + 65 632 300 48 // Fax: +65 632 300 46		

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further..

Signature(s) (Owners) 	Signature(s) (Managers) 
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**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

31 MARCH 2014

Name of Vessel(s):

Oshima Shipbuilding Co., Ltd - Hull No. 10824

Particulars of Vessel(s):

Deadweight : 59,950 mt

Type: Bulk Carrier.

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CA

N.

**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

31 MARCH 2014

Details of Crew:

Numbers	Rank	Nationality
1	Master	Filipino
2	Chief Officer	Filipino
3	Second Mate	Filipino
4	Third Mate	Filipino
5	Bosun	Filipino
6	AB	Filipino
7	AB	Filipino
8	AB	Filipino
9	OS	Filipino
10	OS	Filipino
11	Chief Engineer	Filipino
12	Second Engineer	Filipino
13	Third Engineer	Filipino
14	Fourth Engineer	Filipino
15	Electrician	Filipino
16	Oiler	Filipino
17	Oiler	Filipino
18	Oiler	Filipino
19	Wiper	Filipino
20	Chief Cook	Filipino
21	Messman	Filipino

CA no.

**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

31 MARCH 2014

Managers' Budget for the first year with effect from the **scheduled date of delivery of the Vessel.**

~~Commencement Date of this Agreement:~~

Manager's Form (Attached)

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W

IVS Bulk 10824 Pte Ltd

SHIP NAME:

Oshima (60dwt) Mar '16 - Hull 10824

PERIOD

Year 1 from delivery

CURRENCY : USD

Repairs and Maintenance
Manning
Stores
Lube Oil
Insurance
Admin
Management Fee

YEAR 1
130 000
1 035 000
130 000
185 000
170 000
155 000
125 000
1 930 000
20 000
1 950 000

SHIP OPERATING EXPENSES

Unplanned Expenses

TOTAL SHIP OPERATING EXPENSES

No of operating days

365

Costs per day

- Ship operating expenses pd

5 288

- Unplanned expenses pd

55

- **Total ship operating expenses pd**

5 342

CA 12.

**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D"
THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS
AGREEMENT.**

Date of Agreement:

Details of Associated Vessels:

N/A

PART II
"SHIPMAN 98" Standard Ship Management Agreement

1. Definitions	1		
In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.	2		
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"Owners" means the party identified in Box 2 .	5		
"Managers" means the party identified in Box 3 .	6		
"Vessel" means the vessel or vessels details of which are set out in Annex "A" attached hereto.	7		
"Crew" means the Master, officers and ratings of the numbers, rank and nationality specified in Annex "B" attached hereto.	8		
"Crew Support Costs" means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.	9		
"Severance Costs" means the costs which the employers are legally obliged to pay to or in respect of the Crew as a result of the early termination of any employment contract for service on the Vessel.	10		
"Crew Insurances" means insurances against crew risks which shall include but not be limited to death, sickness, permanent disability , repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.	11		
"Management Services" means the services specified in sub-clauses 3.1 to 3.8 as indicated affirmatively in Boxes 5 to 12 .	12		
"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.	13		
"STCW 95" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.	14		
"Flag State" means the State whose flag the Vessel is flying.	15		
"Company" (with reference to the ISM Code and the ISPS Code) means the organisation identified in Box 5 or any replacement organisation appointed by the Owners from time to time.	16		
"ISPS Code" means the International Code for the Security of Ships and Port Facilities and the relevant amendments to Chapter XI of SOLAS and any amendment thereto or substitution thereof.	17		
"SMS" means the Safety Management System (as defined by the ISM Code).	18		
2. Appointment of Managers	19		
With effect from the day and year stated in Box 4 and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.	20		
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3. Basis of Agreement	41		
Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice, including compliance with all relevant rules and regulations.	42		
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3.1 Crew Management	50		
(only applicable if agreed according to Box 5)	51		
The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:	52		
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(i) selecting and engaging the Vessel's Crew, including payroll arrangements, pension administration, tax, social security	56		
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PART II
"SHIPMAN 98" Standard Ship Management Agreement

7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in Clause 8) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owners to the Managers on demand.	236 237 238 239 240 241	each month request the Owners in writing for the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.	302 303 304 305 306 307 308 309
8. Management Fee	242	9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	310 311 312 313
8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement an annual management fee as stated in Box 15 which shall be payable by equal monthly instalments in advance, the first instalment being payable on the commencement of this Agreement (see Clause 2 and Box 4) and subsequent instalments being payable every month.	243 244 245 246 247 248 249	9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	314 315 316 317
8.2 The management fee shall be subject to an annual review on the anniversary date of the Agreement and the proposed fee shall be presented in the annual budget referred to in sub-clause 9.1 .	250 251 252 253	10. Managers' Right to Sub-Contract	318
8.3 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of Clause 7 the Owners shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in pursuance of the Management Services.	254 255 256 257 258 259 260	The Managers shall not have the right to sub-contract any of their obligations hereunder, including those mentioned in sub-clause 3.1 , without the prior written consent of the Owners which shall not be unreasonably withheld. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement. The Owner hereby consents to the Manager subcontracting all or some aspects of crew management.	319 320 321 322 323 324
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 17 and 18 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee" payable to the Managers according to the provisions of sub-clause 8.1 , shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause 3.1 :	261 262 263 264 265 266 267 268 269 270	11. Responsibilities	325
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	271 272	11.1 Force Majeure - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	326 327 328 329
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in Box 16 . The Managers shall use their reasonable endeavours to minimise such Severance Costs.	273 274 275	11.2 Liability to Owners - (i) Without prejudice to sub-clause 11.1 , the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	276 277 278 279 280 281	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1 , in which case their liability shall be limited in accordance with the terms of this Clause 11 .	348 349 350 351 352 353 354
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	282 283 284	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2 , the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	355 356 357 358 359 360 361 362 363 364 365 366 367
9. Budgets and Management of Funds	285		
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in Annex "C" hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see Clause 2 and Box 4).	286 287 288 289 290 291 292		
9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	293 294 295 296 297		
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. Based thereon, the Managers shall	298 299 300 301		

PART II
"SHIPMAN 98" Standard Ship Management Agreement

11.4 "Himalaya" - It is hereby expressly agreed that no employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 11, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 11 the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	388 389 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388	regulations of the Vessel's flag, or of the places where she trades.	432
12. Documentation	389		
Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW 95 or to defend a claim against a third party.	390 391 392 393 394 395 396 397		
13. General Administration	398		
13.1 The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties.	399 400 401 402 403		
13.2 The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.	404 405 406		
13.3 The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.	407 408 409 410		
13.4 The Owners shall arrange for the provision of any necessary guarantee bond or other security.	411 412		
13.5 Any costs reasonably incurred by the Managers in carrying out their obligations according to Clause 13 shall be reimbursed by the Owners.	413 414 415		
14. Auditing	416		
The Managers shall at all times maintain and keep true and correct accounts and shall make the same available for inspection and auditing by the Owners at such times as may be mutually agreed. On the termination, for whatever reasons, of this Agreement, the Managers shall release to the Owners, if so requested, the originals where possible, or otherwise certified copies, of all such accounts and all documents specifically relating to the Vessel and her operation.	417 418 419 420 421 422 423 424		
15. Inspection of Vessel	425		
The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary.	426 427 428		
16. Compliance with Laws and Regulations	429		
The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and	430 431		
17. Duration of the Agreement	433		
This Agreement shall come into effect on the day and year stated in Box 4 and shall continue until the date stated in Box 17. Thereafter it shall continue until terminated by either party giving to the other notice in writing, in which event the Agreement shall terminate upon the expiration of a period of two months from the date upon which such notice was given.	434 435 436 437 438 439		
18. Termination	440		
18.1 Owners' default	441		
(I) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement and/or the owners of any associated vessel, details of which are listed in Annex "D", shall not have been received in the Managers' nominated account within ten running days of receipt by the Owners of the Managers written request or if the Vessel is repossessed by the Mortgagees.	442 443 444 445 446 447 448 449		
(II) If the Owners:	450		
(a) fail to meet their obligations under sub-clauses 5.2 and 5.3 of this Agreement for any reason within their control, or	451 452 453		
(b) proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper,	454 455 456 457 458		
the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.	459 460 461 462 463 464		
18.2 Managers' Default	465		
If the Managers fail to meet their obligations under Clauses 3 and 4 of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.	466 467 468 469 470 471 472 473		
18.3 Extraordinary Termination	474		
This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.	475 476 477 478		
18.4 For the purpose of sub-clause 18.3 hereof	479		
(I) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel;	480 481 482 483		
(II) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.	484 485 486 487 488 489 490		
18.5 This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.	491 492 493 494 495 496 497		
18.6 The termination of this Agreement shall be without	498		

PART II
"SHIPMAN 98" Standard Shlp Management Agreement

prejudice to all rights accrued due between the parties prior to the date of termination.	499 500	In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	548 549 550 551 552 553
19. Law and Arbitration	501	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	554 555 556 557 558 559
19.1 This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	502 503 504 505 506 507 508 509	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-clause <u>19.1</u> of this Clause shall apply.	560 561
The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	510 511 512	<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in <u>Box 18</u></i>	562 563
The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	513 514 515 516 517 518 519 520 521 522 523 524 525 526 527	20. Notices	564 565 566 567 568 569 570
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	528 529 530	20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	565 566 567
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	531 532 533 534 535	20.2 The address of the Parties for service of such communication shall be as stated in <u>Boxes 19</u> and <u>20</u> , respectively.	568 569 570
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	536 537 538 539 540 541 542 543 544 545 546 547	Additional Clause(s)	
		21. Trading Restrictions	
		The Managers agree that they shall comply with all Applicable US Laws (as defined below) that apply to the operations and trading of the Vessel with respect to the performance of this Agreement and that the Managers shall not take any action, or direct that any actions are taken, that will cause the Owner to violate or be subject to penalty under such laws.	
		"Applicable US Laws" means and includes all applicable United States laws, regulations, rules and executive orders including: the United States Foreign Corrupt Practices Act (the FCPA); export control and sanctions laws and regulations including the Trading with the Enemy Act of 1917 (50 U.S.C. 1 - 44), the International Emergency Economic Powers Act (50 U.S.C. 17011706), the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901-1908, 8 U.S.C. 1182), the Export Administration Regulations (15 C.F.R. Parts 730 et seq.), the International Traffic In Arms Regulations (22 C.F.R. Parts 120-130), Section 999 of the Internal Revenue Code, the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note), as amended by the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (PL 111-195); and the regulations, rules, and executive orders administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC).	

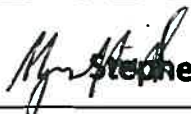
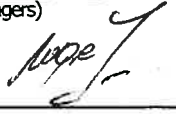
Approved by the International Ship Managers' Association (ISMA)

Approved by the Documentary Committee of The Japan Shipping Exchange Inc., Tokyo

Printed by BIMCO's idea

1. Date of Agreement 01 July 2019		THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)	
		STANDARD SHIP MANAGEMENT AGREEMENT	
		CODE NAME: "SHIPMAN 98" Part I	
2. Owners (name, place of registered office and law of registry) (Cl. 1)		3. Managers (name, place of registered office and law of registry) (Cl. 1)	
Name IVS Bulk 3720 Pte., Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763		Name Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	
Place of registered office Singapore		Place of registered office Singapore	
Law of registry Singapore		Law of registry Singapore	
4. Day and year of commencement of Agreement (Cl. 2) 01 July 2019			
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) YES (Via sub-contract)		6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2) YES	
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) NO		8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4) YES	
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) YES		10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6) YES	
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) YES		12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) NO	
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.9) NO		14. Owners' Insurance (state alternative (1), @ or @) of Cl. 6.3 YES – Alternative (ii) of clause 6.3 applies	
15. Annual Management Fee (state annual amount) (Cl. 8.1) USD 120 000.00		16. Severance Costs (state maximum amount) (Cl. 8.4(ii1)) NIL	
17. Day and year of termination of Agreement (Cl. 17) 30 June 2020		18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) (Clause 19.3 English Law and Arbitration in Singapore under SIAC Rules)	
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20) IVS Bulk 3720 Pte., Ltd. 200 Cantonment Road #03-01 Southpoint Singapore, 089763		20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20) Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further..

Signature(s) (Owners)  Stephen William Griffiths	Signature(s) (Managers) 
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**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

01 July 2019

Name of Vessel(s):

IVS OKUDOGO

Particulars of Vessel(s): IMO: NO. 9870874

Bulk Carrier

Singapore registered – Official No. 401751

Port of registry: Singapore

GT / NT: 35,061 t / 20,127 t

LOA: 199.90 m / Beam: 32.26

CALL SIGN: 9V6321

**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Details of Crew:

Numbers	Rank	Nationality
1.	Master	South African
2.	Chief Officer	Filipino
3.	Second Officer	Filipino
4.	Third Officer	Filipino
5.	Bosun	Filipino
6.	AB	Filipino
7.	AB	Filipino
8.	AB	Filipino
9.	OS	Filipino
10.	OS	Filipino
11.	Chief Engineer	Filipino
12.	Second Engineer	Filipino
13.	Third Engineer	Filipino
14.	Fitter	Filipino
15.	Elect.	Filipino
16.	Oiler	Filipino
17.	Wiper	Filipino
18.	Chief Cook	Filipino
19.	Messman	Filipino

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**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Managers' Budget for the first year with effect from the Commencement Date of this Agreement:

**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D"
THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS
AGREEMENT.**

Date of Agreement:

Details of Associated Vessels:

PART II

"SHIPMAN 98" Standard Ship Management Agreement

insured values, deductibles and franchises.	132	6. Insurance Policies	193
3.5 Accounting Services	133	The Owners shall procure, whether by instructing the Managers under sub-clause 3.4 or otherwise, that throughout the period of this Agreement:	194
<i>(only applicable if agreed according to Box 9)</i>	134	6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:	195
The Managers shall:	135	(i) usual hull and machinery marine risks (including crew negligence) and excess liabilities;	196
(i) establish an accounting system which meets the requirements of the Owners and provide regular accounting services, supply regular reports and records,	136	(ii) protection and indemnity risks (including pollution risks and Crew Insurances); and	197
(ii) maintain the records of all costs and expenditure incurred as well as data necessary or proper for the settlement of accounts between the parties.	137	(iii) war risks (Including protection and indemnity and crew risks) in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");	198
	138	6.2 all premiums and calls on the Owners' Insurances are paid promptly by their due date,	199
3.6 Sale or Purchase of the Vessel	142	6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Owners obtaining cover in respect of each of the insurances specified in sub-clause 6.1:	200
<i>(only applicable if agreed according to Box 10)</i>	143	(i) on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances; or	201
The Managers shall, in accordance with the Owners' instructions, supervise the sale or purchase of the Vessel, including the performance of any sale or purchase agreement, but not negotiation of the same.	144	(ii) if reasonably obtainable, on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances; or	202
	145	(iii) on such other terms as may be agreed in writing.	203
	146	<i>Indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left blank then (i) applies.</i>	204
3.7 Provisions <i>(only applicable if agreed according to Box 11)</i>	148	6.4 written evidence is provided, to the reasonable satisfaction of the Managers, of their compliance with their obligations under Clause 6 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.	205
The Managers shall arrange for the supply of provisions.	149		206
3.8 Bunkering <i>(only applicable if agreed according to Box 12)</i>	150	7. Income Collected and Expenses Paid on Behalf of Owners	231
The Managers shall arrange for the provision of bunker fuel of the quality specified by the Owners as required for the Vessel's trade.	151	7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account	232
	152	7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in Clause 8) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owners to the Managers on demand.	233
4. Managers' Obligations	153		234
4.1 The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder.	154		235
Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.	155		236
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4.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, they shall procure that the requirements of the law of the flag of the Vessel are satisfied and they shall in particular be deemed to be the "Company" as defined by the ISM Code, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.	168		249
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5. Owners' Obligations	175	8. Management Fee	242
5.1 The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement	176	8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement an annual management fee as stated in Box 15 which shall be payable by equal monthly instalments in advance, the first instalment being payable on the commencement of this Agreement (see Clause 2 and Box 4) and subsequent instalments being payable every month.	243
5.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, the Owners shall:	177	8.2 The management fee shall be subject to an annual review on the anniversary date of the Agreement and the proposed fee shall be presented in the annual budget referred to in sub-clause 9.1.	244
(i) procure that all officers and ratings supplied by them or on their behalf comply with the requirements of STCW 95;	178		245
(ii) instruct such officers and ratings to obey all reasonable orders of the Managers in connection with the operation of the Managers' safety management system.	179		246
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	184		251
5.3 Where the Managers are not providing Technical Management in accordance with sub-clause 3.2, the Owners shall procure that the requirements of the law of the flag of the Vessel are satisfied and that they, or such other entity as may be appointed by them and identified to the Managers, shall be deemed to be the "Company" as defined by the ISM Code assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.	185		252
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PART II
"SHIPMAN 98" Standard Ship Management Agreement

the Management Services.	260	11.1 Force Majeure - Neither the Owners nor the Managers	326	
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 17 and 18 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee payable to the Managers according to the provisions of sub-clause 8.1, shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause 3.1:	261	shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	327	
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	262		328	
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in Box 16 .	263	11.2 Liability to Owners - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	329	
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	264		330	
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	265		331	
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	282	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1, in which case their liability shall be limited in accordance with the terms of this Clause 11 .	348	
	283		349	
	284		350	
	285	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	351	
9. Budgets and Management of Funds	286		352	
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in Annex "C" hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see Clause 2 and Box 4).	287		353	
9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	288		354	
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. Based thereon, the Managers shall each month request the Owners in writing for the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.	289		355	
9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	290		356	
9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	291		357	
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	302	11.4 "Himalaya" - It is hereby expressly agreed that no employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 11 , every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 11 the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	303	368
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	324	12. Documentation	389	
	325	Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available, upon Owners' request, all documentation and records related	390	
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PART II
"SHIPMAN 98" Standard Ship Management Agreement

to the Safety Management System (SMS) and/or the Crew	394	in the reasonable opinion of the Managers is unduly	457
which the Owners need in order to demonstrate compliance	395	hazardous or improper,	458
with the ISM Code and STCW 95 or to defend a claim against	396	the Managers may give notice of the default to the Owners,	459
a third party.	397	requiring them to remedy it as soon as practically possible.	460
13. General Administration	398	In the event that the Owners fail to remedy it within a	461
13.1 The Managers shall handle and settle all claims arising	399	reasonable time to the satisfaction of the Managers, the	462
out of the Management Services hereunder and keep the Owners	400	Managers shall be entitled to terminate the Agreement	463
informed regarding any incident of which the Managers become	401	with immediate effect by notice in writing.	464
aware which gives or may give rise to claims or disputes involving	402	18.2 Managers' Default	465
third parties.	403	If the Managers fail to meet their obligations under Clauses 3	466
13.2 The Managers shall, as instructed by the Owners, bring	404	and 4 of this Agreement for any reason within the control of the	467
or defend actions, suits or proceedings in connection with matters	405	Managers, the Owners may give notice to the Managers of the	468
entrusted to the Managers according to this Agreement.	406	default, requiring them to remedy it as soon as practically	469
13.3 The Managers shall also have power to obtain legal or	407	possible. In the event that the Managers fail to remedy it within a	470
technical or other outside expert advice in relation to the handling	408	reasonable time to the satisfaction of the Owners, the Owners	471
and settlement of claims and disputes or all other matters	409	shall be entitled to terminate the Agreement with immediate effect	472
affecting the interests of the Owners in respect of the Vessel.	410	by notice in writing.	473
13.4 The Owners shall arrange for the provision of any	411	18.3 Extraordinary Termination	474
necessary guarantee bond or other security.	412	This Agreement shall be deemed to be terminated in the case of	475
13.5 Any costs reasonably incurred by the Managers in	413	the sale of the Vessel or if the Vessel becomes a total loss or is	476
carrying out their obligations according to Clause 13 shall be	414	declared as a constructive or compromised or arranged total	477
reimbursed by the Owners.	415	loss or is requisitioned.	478
14. Auditing	416	18.4 For the purpose of sub-clause 18.3 hereof	479
The Managers shall at all times maintain and keep true and	417	(i) the date upon which the Vessel is to be treated as having	480
correct accounts and shall make the same available for inspection	418	been sold or otherwise disposed of shall be the date on	481
and auditing by the Owners at such times as may be mutually	419	which the Owners cease to be registered as Owners of	482
agreed. On the termination, for whatever reasons, of this	420	the Vessel;	483
Agreement, the Managers shall release to the Owners, if so	421	(ii) the Vessel shall not be deemed to be lost unless either	484
requested, the originals where possible, or otherwise certified	422	she has become an actual total loss or agreement has	485
copies, of all such accounts and all documents specifically relating	423	been reached with her underwriters in respect of her	486
to the Vessel and her operation.	424	constructive, compromised or arranged total loss or if such	487
15. Inspection of Vessel	425	agreement with her underwriters is not reached it is	488
The Owners shall have the right at any time after giving	426	adjudged by a competent tribunal that a constructive loss	489
reasonable notice to the Managers to inspect the Vessel for any	427	of the Vessel has occurred.	490
reason they consider necessary.	428	18.5 This Agreement shall terminate forthwith in the event of	491
16. Compliance with Laws and Regulations	429	an order being made or resolution passed for the winding up,	492
The Managers will not do or permit to be done anything which	430	dissolution, liquidation or bankruptcy of either party (otherwise	493
might cause any breach or infringement of the laws and	431	than for the purpose of reconstruction or amalgamation) or if a	494
regulations of the Vessel's flag, or of the places where she trades.	432	receiver is appointed, or if it suspends payment, ceases to	495
17. Duration of the Agreement	433	carry on business or makes any special arrangement or	496
This Agreement shall come into effect on the day and year stated	434	composition with its creditors.	497
in Box 4 and shall continue until the date stated in Box 17 .	435	18.6 The termination of this Agreement shall be without	498
Thereafter it shall continue until terminated by either party giving	436	prejudice to all rights accrued due between the parties prior to	499
the other notice in writing, in which event the Agreement shall	437	the date of termination.	500
terminate upon the expiration of a period of two months from the	438	19. Law and Arbitration	501
date upon which such notice was given.	439	19.1 This Agreement shall be governed by and construed in	502
18. Termination	440	accordance with English law and any dispute arising out of or	503
18.1 Owners' default	441	in connection with this Agreement shall be referred to arbitration	504
(i) The Managers shall be entitled to terminate the Agreement	442	in London in accordance with the Arbitration Act 1996 or	505
with immediate effect by notice in writing if any moneys	443	any statutory modification or re-enactment thereof save to	506
payable by the Owners under this Agreement and/or the	444	the extent necessary to give effect to the provisions of this	507
owners of any associated vessel, details of which are listed	445	Clause.	508
in Annex "D" , shall not have been received in the Managers'	446	The arbitration shall be conducted in accordance with the	509
nominated account within ten running days of receipt by	447	London Maritime Arbitrators Association (LMAA) Terms	510
the Owners of the Managers written request or if the Vessel	448	current at the time when the arbitration proceedings are	511
is repossessed by the Mortgagees.	449	commenced.	512
(ii) If the Owners:	450	The reference shall be to three arbitrators. A party wishing	513
(a) fail to meet their obligations under sub-clauses 5.2	451	to refer a dispute to arbitration shall appoint its arbitrator	514
and 5.3 of this Agreement for any reason within their	452	and send notice of such appointment in writing to the other	515
control, or	453	party requiring the other party to appoint its own arbitrator	516
(b) proceed with the employment of or continue to employ	454	within 14 calendar days of that notice and stating that it will	517
the Vessel in the carriage of contraband, blockade	455	appoint its arbitrator as sole arbitrator unless the other party	518
running, or in an unlawful trade, or on a voyage which	456	appoints its own arbitrator and gives notice that it has	519
		done so within the 14 days specified. If the other party does	520
		not appoint its own arbitrator and give notice that it has done	521
		so within the 14 days specified, the party referring a dispute to	522
		arbitration may, without the requirement of any further prior	523
		notice to the other party, appoint its arbitrator as sole	524

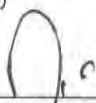
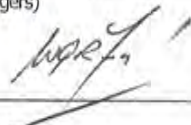
PART II
"SHIPMAN 98" Standard Ship Management Agreement

arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	525	exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	549
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	526		550
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	527		551
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	528	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	552
In cases where neither the claim nor any counterclaim	529	19.4 If Box 18 in Part I is not appropriately filled in, sub-clause 19.1 of this Clause shall apply.	553
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	539	<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in Box 18.</i>	562
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	542	20. Notices	564
	543	20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	565
	544		566
	545	20.2 The address of the Parties for service of such communication shall be as stated in Boxes 19 and 20 .	567
	546		568
	547		569
	548	respectively.	570

Approved by
the International Ship Managers' Association (ISMA)

Approved by
the Documentary Committee of The
Japan Shipping Exchange Inc., Tokyo

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1. Date of Agreement 28 January 2013		THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)	
		STANDARD SHIP MANAGEMENT AGREEMENT	
		CODE NAME: "SHIPMAN 98" Part I	
2. Owners (name, place of registered office and law of registry) (Cl. 1)		3. Managers (name, place of registered office and law of registry) (Cl. 1)	
Name IVS Bulk 609 Pte.Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763		Name Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	
Place of registered office Singapore		Place of registered office Singapore	
Law of registry Singapore		Law of registry Singapore	
4. Day and year of commencement of Agreement (Cl. 2) 01 February 2013			
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1)		6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2)	
YES		YES	
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3)		8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4)	
NO		YES	
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5)		10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6)	
YES		YES	
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7)		12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8)	
YES		NO	
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.9)		14. Owners' Insurance (state alternative (i), @ or @) of Cl. 6.3)	
NO		YES – Alternative (ii) of clause 6.3 applies	
15. Annual Management Fee (state annual amount) (Cl. 8.1)		16. Severance Costs (state maximum amount) (Cl. 8.4(ii))	
USD 120 000.00		NIL	
17. Day and year of termination of Agreement (Cl. 17)		18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) (Clause 19.3 English Law and Arbitration in Singapore under SIAC Rules)	
31 January 2018			
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20)		20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20)	
IVS Bulk 609 Pte.Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763		Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	
Signature(s) (Owners) 		Signature(s) (Managers) 	

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further..

**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

01 February 2013

Name of Vessel(s):

IVS ORCHARD

Particulars of Vessel(s): IMO: NO. 9528029

Bulk Carrier

Singapore registered – Official No. 394834

Port of registry : Singapore

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**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Details of Crew:

Numbers	Rank	Nationality
1	Master	Filipino
2	Chief Officer	Filipino
3	Second Officer	Filipino
4	Third Officer	Filipino
5	Bosun	Filipino
6	AB	Filipino
7	AB	Filipino
8	AB	Filipino
9	OS	Filipino
10	OS	Filipino
11	Chief Engineer	Filipino
12	Second Engineer	Filipino
13	Third Engineer	Filipino
14	Fourth Engineer	Filipino
15	Electrician	Filipino
16	Oiler	Filipino
17	Oiler	Filipino
18	Oiler	Filipino
19	Wiper	Filipino
20	Chief Cook	Filipino
21	Messman	Filipino

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**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Managers' Budget for the first year with effect from the Commencement Date of this Agreement:

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**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D"
THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS
AGREEMENT.**

Date of Agreement:

Details of Associated Vessels:

PART II
"SHIPMAN 98" Standard Ship Management Agreement

1. Definitions	1	for the duties for which they are engaged and are in possession	66
In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.	2	of valid medical certificates issued in accordance with	67
	3	appropriate flag State requirements. In the absence of	68
	4	applicable flag State requirements the medical certificate shall be dated not more than three months prior to the respective	69
<u>"Owners" means the party identified in Box 2.</u>	5	Crew members leaving their country of domicile and	70
<u>"Managers" means the party identified in Box 3.</u>	6	maintained for the duration of their service on board the Vessel;	71
<u>"Vessel" means the vessel or vessels details of which are set out in Annex "A" attached hereto.</u>	7	(iv) ensuring that the Crew shall have a command of the English language of a sufficient standard to enable them to perform	72
<u>"Crew" means the Master, officers and ratings of the numbers, rank and nationally specified in Annex "B" attached hereto.</u>	8	their duties safely;	73
<u>"Crew Support Costs" means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.</u>	9	(v) arranging transportation of the Crew, including repatriation;	74
	10	(vi) training of the Crew and supervising their efficiency;	75
	11	(vii) conducting union negotiations;	76
<u>"Severance Costs" means the costs which the employers are legally obliged to pay to or in respect of the Crew as a result of the early termination of any employment contract for service on the Vessel.</u>	12	(viii) operating the Managers' drug and alcohol policy unless otherwise agreed.	77
	13		78
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	16		81
<u>"Crew Insurances" means insurances against crew risks which shall include but not be limited to death, sickness, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.</u>	17	3.2 Technical Management	82
<u>"Management Services" means the services specified in sub-clauses 3.1 to 3.8 as indicated affirmatively in Boxes 5 to 12.</u>	18	<i>(only applicable if agreed according to Box 6)</i>	83
<u>"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.</u>	19	The Managers shall provide technical management which includes, but is not limited to, the following functions:	84
<u>"STCW 95" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.</u>	20	(i) provision of competent personnel to supervise the maintenance and general efficiency of the Vessel;	85
	21	(ii) arrangement and supervision of dry dockings, repairs, alterations and the upkeep of the Vessel to the standards required by the Owners provided that the Managers shall be entitled to incur the necessary expenditure to ensure that the Vessel will comply with the law of the flag of the Vessel and of the places where she trades, and all requirements and recommendations of the classification society;	86
	22	(iii) arrangement of the supply of necessary stores, spares and lubricating oil;	87
	23	(iv) appointment of surveyors and technical consultants as the Managers may consider from time to time to be necessary;	88
	24	(v) development, implementation and maintenance of a Safety Management System (SMS) in accordance with the ISM Code (see sub-clauses 4.2 and 5.3).	89
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2. Appointment of Managers	36	3.3 Commercial Management	102
With effect from the day and year stated in Box 4 and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.	37	<i>(only applicable if agreed according to Box 7)</i>	103
	38	The Managers shall provide the commercial operation of the Vessel, as required by the Owners, which includes, but is not limited to, the following functions:	104
	39	(i) providing chartering services in accordance with the Owners' instructions which include, but are not limited to, seeking and negotiating employment for the Vessel and the conclusion (including the execution thereof) of charter parties or other contracts relating to the employment of the Vessel. If such a contract exceeds the period stated in Box 13, consent thereto in writing shall first be obtained from the Owners.	105
	40	(ii) arranging of the proper payment to Owners or their nominees of all hire and/or freight revenues or other moneys of whatsoever nature to which Owners may be entitled arising out of the employment of or otherwise in connection with the Vessel.	106
3. Basis of Agreement	41	(iii) providing voyage estimates and accounts and calculating of hire, freights, demurrage and/or despatch moneys due from or due to the charterers of the Vessel;	107
Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice.	42	(iv) issuing of voyage instructions;	108
	43	(v) appointing agents;	109
	44	(vi) appointing stevedores;	110
	45	(vii) arranging surveys associated with the commercial operation of the Vessel.	111
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3.1 Crew Management	50	3.4 Insurance Arrangements'	127
<i>(only applicable if agreed according to Box 5)</i>	51	<i>(only applicable if agreed according to Box 8)</i>	128
The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:	52	The Managers shall arrange insurances in accordance with Clause 6, on such terms and conditions as the Owners shall have instructed or agreed, in particular regarding conditions,	129
(i) selecting and engaging the Vessel's Crew, including payroll arrangements, pension administration, and insurances for the Crew other than those mentioned in Clause 6;	53		130
(ii) ensuring that the applicable requirements of the law of the flag of the Vessel are satisfied in respect of manning levels, rank, qualification and certification of the Crew and employment regulations including Crew's tax, social insurance, discipline and other requirements;	54		131
(iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit	55		132
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PART II

"SHIPMAN 98" Standard Ship Management Agreement

insured values, deductibles and franchises.	132	6. Insurance Policies	193
3.5 Accounting Services	133	The Owners shall procure, whether by instructing the Managers	194
<i>(only applicable if agreed according to Box 9)</i>	134	under sub-clause 3.4 or otherwise, that throughout the period of	195
The Managers shall:	135	this Agreement:	196
(i) establish an accounting system which meets the	136	6.1 at the Owners' expense, the Vessel is insured for not less	197
requirements of the Owners and provide regular accounting	137	than her sound market value or entered for her full gross tonnage,	198
services, supply regular reports and records,	138	as the case may be for:	199
(ii) maintain the records of all costs and expenditure incurred	139	(i) usual hull and machinery marine risks (including crew	200
as well as data necessary or proper for the settlement of	140	negligence) and excess liabilities;	201
accounts between the parties.	141	(ii) protection and indemnity risks (including pollution risks and	202
		Crew Insurances); and	203
		(iii) war risks (including protection and indemnity and crew risks)	204
3.6 Sale or Purchase of the Vessel	142	in accordance with the best practice of prudent owners of	205
<i>(only applicable if agreed according to Box 10)</i>	143	vessels of a similar type to the Vessel, with first class insurance	206
The Managers shall, in accordance with the Owners' instructions,	144	companies, underwriters or associations ("the Owners'	207
supervise the sale or purchase of the Vessel, including the	145	Insurances");	208
performance of any sale or purchase agreement, but not	146	6.2 all premiums and calls on the Owners' Insurances are paid	209
negotiation of the same.	147	promptly by their due date,	210
		6.3 the Owners' Insurances name the Managers and, subject	211
3.7 Provisions <i>(only applicable if agreed according to Box 11)</i>	148	to underwriters' agreement, any third party designated by the	212
The Managers shall arrange for the supply of provisions.	149	Managers as a joint assured, with full cover, with the Owners	213
		obtaining cover in respect of each of the Insurances specified in	214
3.8 Bunkering <i>(only applicable if agreed according to Box 12)</i>	150	sub-clause 6.1;	215
The Managers shall arrange for the provision of bunker fuel of the	151	(i) on terms whereby the Managers and any such third party	216
quality specified by the Owners as required for the Vessel's trade.	152	are liable in respect of premiums or calls arising in connection	217
		with the Owners' Insurances; or	218
4. Managers' Obligations	153	(ii) if reasonably obtainable, on terms such that neither the	219
4.1 The Managers undertake to use their best endeavours to	154	Managers nor any such third party shall be under any	220
provide the agreed Management Services as agents for and on	155	liability in respect of premiums or calls arising in connection	221
behalf of the Owners in accordance with sound ship management	156	with the Owners' Insurances; or	222
practice and to protect and promote the interests of the Owners in	157	(iii) on such other terms as may be agreed in writing.	223
all matters relating to the provision of services hereunder.	158	<i>Indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left</i>	224
Provided, however, that the Managers in the performance of their	159	<i>blank then (i) applies.</i>	225
management responsibilities under this Agreement shall be entitled	160	6.4 written evidence is provided, to the reasonable satisfaction	226
to have regard to their overall responsibility in relation to all vessels	161	of the Managers, of their compliance with their obligations under	227
as may from time to time be entrusted to their management and	162	Clause 6 within a reasonable time of the commencement of	228
in particular, but without prejudice to the generality of the foregoing,	163	the Agreement, and of each renewal date and, if specifically	229
the Managers shall be entitled to allocate available supplies,	164	requested, of each payment date of the Owners' Insurances.	230
manpower and services in such manner as in the prevailing	165		
circumstances the Managers in their absolute discretion consider	166	7. Income Collected and Expenses Paid on Behalf of Owners	231
to be fair and reasonable.	167	7.1 All moneys collected by the Managers under the terms of	232
4.2 Where the Managers are providing Technical Management	168	this Agreement (other than moneys payable by the Owners to	233
in accordance with sub-clause 3.2, they shall procure that the	169	the Managers) and any interest thereon shall be held to the	234
requirements of the law of the flag of the Vessel are satisfied and	170	credit of the Owners in a separate bank account	235
they shall in particular be deemed to be the "Company" as defined	171	7.2 All expenses incurred by the Managers under the terms	236
by the ISM Code, assuming the responsibility for the operation of	172	of this Agreement on behalf of the Owners (including expenses	237
the Vessel and taking over the duties and responsibilities imposed	173	as provided in Clause 8) may be debited against the Owners	238
by the ISM Code when applicable.	174	in the account referred to under sub-clause 7.1 but shall in any	239
		event remain payable by the Owners to the Managers on	240
5. Owners' Obligations	175	demand.	241
5.1 The Owners shall pay all sums due to the Managers punctually	176	8. Management Fee	242
in accordance with the terms of this Agreement	177	8.1 The Owners shall pay to the Managers for their services	243
5.2 Where the Managers are providing Technical Management	178	as Managers under this Agreement an annual management	244
in accordance with sub-clause 3.2, the Owners shall:	179	fee as stated in Box 15 which shall be payable by equal	245
(i) procure that all officers and ratings supplied by them or on	180	monthly instalments in advance, the first instalment being	246
their behalf comply with the requirements of STCW 95;	181	payable on the commencement of this Agreement (see Clause	247
(ii) instruct such officers and ratings to obey all reasonable orders	182	2 and Box 4) and subsequent instalments being payable every	248
of the Managers in connection with the operation of the	183	month.	249
Managers' safety management system.	184	8.2 The management fee shall be subject to an annual review	250
5.3 Where the Managers are not providing Technical Management	185	on the anniversary date of the Agreement and the proposed	251
in accordance with sub-clause 3.2, the Owners shall procure that	186	fee shall be presented in the annual budget referred to in sub-	252
the requirements of the law of the flag of the Vessel are satisfied	187	clause 9.1 .	253
and that they, or such other entity as may be appointed by them	188	8.3 The Managers shall, at no extra cost to the Owners, provide	254
and identified to the Managers, shall be deemed to be the	189	their own office accommodation, office staff, facilities and	255
"Company" as defined by the ISM Code assuming the responsibility	190	stationery. Without limiting the generality of Clause 7 the Owners	256
for the operation of the Vessel and taking over the duties and	191	shall reimburse the Managers for postage and communication	257
responsibilities imposed by the ISM Code when applicable.	192	expenses, travelling expenses, and other out of pocket	258
		expenses properly incurred by the Managers in pursuance of	259

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the Management Services.	260	11.1 Force Majeure - Neither the Owners nor the Managers	326
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 17 and 18 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee payable to the Managers according to the provisions of sub-clause 8.1" shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause 3.1:	261	shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	327
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	262		328
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in <u>Box 16</u> .	263	11.2 Liability to Owners - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	329
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	264		330
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	265		331
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	282	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1, in which case their liability shall be limited in accordance with the terms of this <u>Clause 11</u> .	348
	283		349
	284		350
	285	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	351
9. Budgets and Management of Funds	286		352
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in <u>Annex "C"</u> hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see Clause 2 and Box 4). 9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	287		353
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. Based thereon, the Managers shall each month request the Owners in writing for the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.	288		354
9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	289		355
9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	290		356
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	302	11.4 "Himalaya" - It is hereby expressly agreed that no employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this <u>Clause 11</u> , every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this <u>Clause 11</u> the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	368
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	323	12. Documentation	389
	324	Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available, upon Owners' request, all documentation and records related	390
	325		391
			392
			393

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to the Safety Management System (SMS) and/or the Crew	394	in the reasonable opinion of the Managers is unduly	457
which the Owners need in order to demonstrate compliance	395	hazardous or improper,	458
with the ISM Code and STCW 95 or to defend a claim against	396	the Managers may give notice of the default to the Owners,	459
a third party.	397	requiring them to remedy it as soon as practically possible.	460
13. General Administration	398	In the event that the Owners fail to remedy it within a	461
13.1 The Managers shall handle and settle all claims arising	399	reasonable time to the satisfaction of the Managers, the	462
out of the Management Services hereunder and keep the Owners	400	Managers shall be entitled to terminate the Agreement	463
informed regarding any incident of which the Managers become	401	with immediate effect by notice in writing.	464
aware which gives or may give rise to claims or disputes involving	402	18.2 Managers' Default	465
third parties.	403	If the Managers fail to meet their obligations under <u>Clauses 3</u>	466
13.2 The Managers shall, as instructed by the Owners, bring	404	and 4 of this Agreement for any reason within the control of the	467
or defend actions, suits or proceedings in connection with matters	405	Managers, the Owners may give notice to the Managers of the	468
entrusted to the Managers according to this Agreement.	406	default, requiring them to remedy it as soon as practically	469
13.3 The Managers shall also have power to obtain legal or	407	possible. In the event that the Managers fail to remedy it within a	470
technical or other outside expert advice in relation to the handling	408	reasonable time to the satisfaction of the Owners, the Owners	471
and settlement of claims and disputes or all other matters	409	shall be entitled to terminate the Agreement with immediate effect	472
affecting the interests of the Owners in respect of the Vessel.	410	by notice in writing.	473
13.4 The Owners shall arrange for the provision of any	411	18.3 Extraordinary Termination	474
necessary guarantee bond or other security.	412	This Agreement shall be deemed to be terminated in the case of	475
13.5 Any costs reasonably incurred by the Managers in	413	the sale of the Vessel or if the Vessel becomes a total loss or is	476
carrying out their obligations according to <u>Clause 13</u> shall be	414	declared as a constructive or compromised or arranged total	477
reimbursed by the Owners.	415	loss or is requisitioned.	478
14. Auditing	416	18.4 For the purpose of sub-clause 18.3 hereof	479
The Managers shall at all times maintain and keep true and	417	(i) the date upon which the Vessel is to be treated as having	480
correct accounts and shall make the same available for inspection	418	been sold or otherwise disposed of shall be the date on	481
and auditing by the Owners at such times as may be mutually	419	which the Owners cease to be registered as Owners of	482
agreed. On the termination, for whatever reasons, of this	420	the Vessel;	483
Agreement, the Managers shall release to the Owners, if so	421	(ii) the Vessel shall not be deemed to be lost unless either	484
requested, the originals where possible, or otherwise certified	422	she has become an actual total loss or agreement has	485
copies, of all such accounts and all documents specifically relating	423	been reached with her underwriters in respect of her	486
to the Vessel and her operation.	424	constructive, compromised or arranged total loss or if such	487
15. Inspection of Vessel	425	agreement with her underwriters is not reached it is	488
The Owners shall have the right at any time after giving	426	adjudged by a competent tribunal that a constructive loss	489
reasonable notice to the Managers to inspect the Vessel for any	427	of the Vessel has occurred.	490
reason they consider necessary.	428	18.5 This Agreement shall terminate forthwith in the event of	491
16. Compliance with Laws and Regulations	429	an order being made or resolution passed for the winding up,	492
The Managers will not do or permit to be done anything which	430	dissolution, liquidation or bankruptcy of either party (otherwise	493
might cause any breach or infringement of the laws and	431	than for the purpose of reconstruction or amalgamation) or if a	494
regulations of the Vessel's flag, or of the places where she trades.	432	receiver is appointed, or if it suspends payment, ceases to	495
17. Duration of the Agreement	433	carry on business or makes any special arrangement or	496
This Agreement shall come into effect on the day and year stated	434	composition with its creditors.	497
in <u>Box 4</u> and shall continue until the date stated in <u>Box 17</u> .	435	18.6 The termination of this Agreement shall be without	498
Thereafter it shall continue until terminated by either party giving	436	prejudice to all rights accrued due between the parties prior to	499
to the other notice in writing, in which event the Agreement shall	437	the date of termination.	500
terminate upon the expiration of a period of two months from the	438	19. Law and Arbitration	501
date upon which such notice was given.	439	19.1 This Agreement shall be governed by and construed in	502
18. Termination	440	accordance with English law and any dispute arising out of or	503
18.1 Owners' default	441	in connection with this Agreement shall be referred to arbitration	504
(i) The Managers shall be entitled to terminate the Agreement	442	in London in accordance with the Arbitration Act 1996 or	505
with immediate effect by notice in writing if any moneys	443	any statutory modification or re-enactment thereof save to	506
payable by the Owners under this Agreement and/or the	444	the extent necessary to give effect to the provisions of this	507
owners of any associated vessel, details of which are listed	445	Clause.	508
in <u>Annex "D"</u> , shall not have been received in the Managers'	446	The arbitration shall be conducted in accordance with the	509
nominated account within ten running days of receipt by	447	London Maritime Arbitrators Association (LMAA) Terms	510
the Owners of the Managers written request or if the Vessel	448	current at the time when the arbitration proceedings are	511
is repossessed by the Mortgagees.	449	commenced.	512
(ii) If the Owners:	450	The reference shall be to three arbitrators. A party wishing	513
(a) fail to meet their obligations under sub-clauses 5.2	451	to refer a dispute to arbitration shall appoint its arbitrator	514
and 5.3 of this Agreement for any reason within their	452	and send notice of such appointment in writing to the other	515
control, or	453	party requiring the other party to appoint its own arbitrator	516
(b) proceed with the employment of or continue to employ	454	within 14 calendar days of that notice and stating that it will	517
the Vessel in the carriage of contraband, blockade	455	appoint its arbitrator as sole arbitrator unless the other party	518
running, or in an unlawful trade, or on a voyage which	456	appoints its own arbitrator and gives notice that it has	519
		done so within the 14 days specified. If the other party does	520
		not appoint its own arbitrator and give notice that it has done	521
		so within the 14 days specified, the party referring a dispute to	522
		arbitration may, without the requirement of any further prior	523
		notice to the other party, appoint its arbitrator as sole	524

PART II
"SHIPMAN 98" Standard Ship Management Agreement

arbitrator and shall advise the other party accordingly. The	525	exceeds the sum of USD50,000 (or such other sum as the	549
award of a sole arbitrator shall be binding on both parties	526	parties may agree) the arbitration shall be conducted in	550
as if he had been appointed by agreement.	527	accordance with the Shortened Arbitration Procedure of the	551
Nothing herein shall prevent the parties agreeing in	528	Society of Maritime Arbitrators, Inc. current at the time when	552
writing to vary these provisions to provide for the	529	the arbitration proceedings are commenced.	553
appointment of a sole arbitrator.	530	19.3 This Agreement shall be governed by and construed	554
In cases where neither the claim nor any counterclaim	531	in accordance with the laws of the place mutually agreed by	555
exceeds the sum of USD50,000 (or such other sum as the	532	the parties and any dispute arising out of or in connection	556
parties may agree) the arbitration shall be conducted in	533	with this Agreement shall be referred to arbitration at a	557
accordance with the LMAA Small Claims Procedure current	534	mutually agreed place, subject to the procedures applicable	558
at the time when the arbitration proceedings are commenced.	535	there.	559
19.2 This Agreement shall be governed by and construed	536	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-	560
in accordance with Title 9 of the United States Code and	537	clause 19.1 of this Clause shall apply.	561
the Maritime Law of the United States and any dispute	538		
arising out of or in connection with this Agreement shall be	539	<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate</i>	562
referred to three persons at New York, one to be	540	<i>alternative agreed in Box 18.</i>	563
appointed by each of the parties hereto, and the third by	541		
the two so chosen; their decision or that of any two of	542	20. Notices	564
them shall be final, and for the purposes of enforcing	543	20.1 Any notice to be given by either party to the other	565
any award, judgement may be entered on an award by	544	party shall be in writing and may be sent by fax, telex,	566
any court of competent jurisdiction. The proceedings shall	545	registered or recorded mail or by personal service.	567
be conducted in accordance with the rules of the Society of	546	20.2 The address of the Parties for service of such	568
Maritime Arbitrators, Inc.	547	communication shall be as stated in <u>Boxes 19</u> and <u>20</u> ,	569
In cases where neither the claim nor any counterclaim	548	respectively.	570



Approved by the International Ship Managers' Association (ISMA)

1. Date of Agreement
 12 December 2013

THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
 STANDARD SHIP MANAGEMENT AGREEMENT
 CODE NAME "SHIPMAN 98"
 Part I

Approved by the Documentary Committee of The Japan Shipping Exchange Inc., Tokyo

2. Owners (name, place of registered office and law of registry) (Cl. 1)

Name
 IVS Bulk 543 Pte. Ltd.

Place of registered office
 Singapore

Law of registry
 Singapore

3. Managers (name, place of registered office and law of registry) (Cl. 1)

Name
 Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089763

Place of registered office
 Singapore

Law of registry
 Singapore

4. Day and year of commencement of Agreement (Cl. 2)
 Date of Agreement as per Box 1

5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1)
 Yes (via sub-contract)

6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2)
 Yes

7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3)
 No

8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4)
 No

9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5)
 Yes

10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6)
 Yes

11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7)
 Yes

12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8)
 No

13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.3(i))
 No

14. Owners' Insurance (state alternative (i), (ii) or (iii) of Cl. 6.3)
 Yes - Alternative (ii) of Clause 6.3 applies

15. Annual Management Fee (state annual amount) (Cl. 8.1)
 USD 125,000.00 commencing one month prior to delivery of the Vessel.

16. Severance Costs (state maximum amount) (Cl. 8.4(ii))
 USD 75,000

17. Day and year of termination of Agreement (Cl. 17)
 One year from the delivery of the Vessel.

18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19)
 London Clause 19.1

19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20)
 IVS Bulk 543 Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089703
 Tel: +65 632 300 48 Fax: +65 632 300 46

20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20)
 Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089703
 Tel: +65 632 300 48 Fax: +65 632 300 46

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It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further..

Signature(s) (Owners)

Signature(s) (Managers)

This document is a computer generated SHIPMAN 98 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the pre-printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.

**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement
December 2013

Name of Vessel(s):
Hull No. 543

Particulars of Vessel(s):
D.W. 37,400 M.T. Type Log and Cargo Ship

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**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:
December 2013

Details of Crew:

Numbers	Rank	Nationality
1	Master	Filipino
2	Chief Officer	Filipino
3	Second Officer	Filipino
4	Third Officer	Filipino
5	Bosun	Filipino
6	AB	Filipino
7	AB	Filipino
8	AB	Filipino
9	OS	Filipino
10	OS	Filipino
11	Chief Engineer	Filipino
12	Second Engineer	Filipino
13	Third Engineer	Filipino
14	Fourth Engineer	Filipino
15	Electrician	Filipino
16	Oiler	Filipino
17	Oiler	Filipino
18	Oiler	Filipino
19	Wiper	Filipino
20	Chief Cook	Filipino
21	Messman	Filipino

N.G.
C. A. Q.

**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement

December 2013

Managers' Budget for the first year with effect from the Commencement Date of this Agreement scheduled date of delivery of the Vessel:

As appended

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Handwritten signature in black ink, consisting of two lines of cursive script. The top line appears to be 'A.C.' and the bottom line is a more complex signature, possibly 'C.A.Q.'.

STEELCO
 DIVISION:
 SUBSIDIARY:
 SHIP NAME:
 BUDGETED PERIOD:

STEELCO
 Summary

First year of operating

Delivery
 Completion of 1st Year

CURRENCY : USD

	01/07/2014 30/06/2015 37 400 DWT	01/10/2015 31/12/2015 37 400 DWT	01/07/2014 30/04/2015 33 000 DWT	01/10/2015 30/09/2016 37 400 DWT	01/12/2014 30/11/2015 33 200 DWT	01/07/2015 30/06/2016 30 000 DWT	01/10/2015 30/09/2016 58 000 DWT
	KANDA 543 Q3'14	KANDA 545 Q1'15	KANDA 541 Q2'14	KANDA 554 Q4'15	SKDY 5855 Q4'14	ONO 750 Q3'15	SKDY1 5858 Q3'15
Repairs and Maintenance	97 484	126 028	87 983	131 650	125 776	130 122	139 905
Manning	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256
Stores	106 800	104 000	92 133	108 625	100 833	127 058	130 537
Lube Oil	138 000	140 000	123 667	120 333	136 333	190 000	155 000
Insurance	146 945	148 446	146 111	155 282	149 029	170 000	170 000
Admin	156 660	156 660	156 660	156 660	156 660	156 580	156 580
Management Fee	125 000	125 000	125 000	125 000	125 000	125 000	125 000
SHIP OPERATING EXPENSES	1 805 155	1 835 390	1 765 810	1 830 806	1 827 888	1 933 016	1 941 318
Unplanned Expenses	20 000	20 000	20 000	20 000	20 000	20 000	20 000
TOTAL SHIP OPERATING EXPENSES	1 825 155	1 855 390	1 785 810	1 850 806	1 847 888	1 953 016	1 961 318
Commercial Expenses	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Cadets	4 500	4 500	4 500	4 500	4 500	4 500	4 500
Owners Costs	921 168	921 168	851 340	921 168	900 336	1 094 832	1 094 832
Depreciation							
Dry docking Amortisation							
SHIP RUNNING COSTS	2 765 823	2 796 058	2 656 350	2 791 474	2 767 724	3 067 348	3 070 478
No of operating days	365	365	365	366	365	366	366
Costs per day	4 946	5 000	4 838	5 000	5 008	5 281	5 304
- Ship operating expenses pd	55	55	55	55	55	55	55
- Unplanned expenses pd							
- Total ship operating expenses pd	5 000	5 083	4 893	5 057	5 063	5 336	5 359

26

**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D"
THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS
AGREEMENT.**

Date of Agreement

Details of Associated Vessels:
N/A

PART II
"SHIPMAN 98" Standard Ship Management Agreement

1. Definitions	1		
In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.	2 3 4		
"Owners" means the party identified in <u>Box 2</u> .	5		
"Managers" means the party identified in <u>Box 3</u> .	6		
"Vessel" means the vessel or vessels details of which are set out in <u>Annex "A"</u> , attached hereto.	7 8		
"Crew" means the Master, officers and ratings of the numbers, rank and nationality specified in <u>Annex "B"</u> attached hereto.	9 10		
"Crew Support Costs" means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.	11 12 13 14 15 16 17 18		
"Severance Costs" means the costs which the employers are legally obliged to pay to or in respect of the Crew as a result of the early termination of any employment contract for service on the Vessel.	19 20 21 22		
"Crew Insurances" means insurances against crew risks which shall include but not be limited to death, sickness, permanent disability , repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.	23 24 25 26		
"Management Services" means the services specified in sub-clauses 3.1 to 3.8 as indicated affirmatively in Boxes 5 to 12.	27 28		
"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.	29 30 31 32		
"STCW 95" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.	33 34 35		
"Flag State" means the State whose flag the Vessel is flying.	36		
"Company" (with reference to the ISM Code and the ISPS Code) means the organisation identified in <u>Box 5</u> or any replacement organisation appointed by the Owners from time to time.	37 38 39 40		
"ISPS Code" means the International Code for the Security of Ships and Port Facilities and the relevant amendments to Chapter XI of SOLAS and any amendment thereto or substitution thereof.	41 42 43 44 45 46 47 48 49		
"SMS" means the Safety Management System (as defined by the ISM Code).	50		
2. Appointment of Managers	51		
With effect from the day and year stated in <u>Box 4</u> and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.	52 53 54 55 56 57		
3. Basis of Agreement	58		
Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice, including compliance with all relevant rules and regulations.	59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80		
3.1 Crew Management <i>(only applicable if agreed according to <u>Box 5</u>)</i>	81		
The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:	82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101		
(i) selecting and engaging the Vessel's Crew, including payroll arrangements, pension administration, tax, social security contributions and other mandatory dues related to their employment payable in each crew member's country of domicile and insurances for the Crew other than those mentioned in <u>Clause 6</u> ;	102 103 104 105 106 107 108 109 110 111 112 113		
(ii) ensuring that the applicable requirements of the law of the Flag State flag of the Vessel are satisfied in respect of manning levels,			
rank, qualification and certification of the Crew and employment regulations including Crew's tax, social insurance, discipline and other requirements;			
(iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate Flag State requirements. In the absence of applicable Flag State requirements the medical certificate shall be dated not more than three months prior to the respective Crew members leaving their country of domicile and maintained for the duration of their service on board the Vessel;			
(iv) ensuring that the Crew shall have a command of the English language of a sufficient standard to enable them to perform their duties safely;			
(v) arranging transportation of the Crew, including repatriation;			
(vi) training of the Crew and supervising their efficiency;			
(vii) conducting union negotiations;			
(viii) operating the Managers' drug and alcohol policy unless otherwise agreed; -			
(ix) ensuring that the crew, on joining the Vessel, are given proper familiarisation with their duties in relation to the Vessel's SMS and that instructions which are essential to the SMS are identified, documented and given to the Crew prior to sailing.			
3.2 Technical Management	81		
<i>(only applicable if agreed according to <u>Box 6</u>)</i>	82		
The Managers shall provide technical management which includes, but is not limited to, the following functions:	83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101		
(i) provision of competent personnel to supervise the maintenance and general efficiency of the Vessel;			
(ii) arrangement and supervision of dry dockings, repairs, alterations and the upkeep of the Vessel to the standards required by the Owners provided that the Managers shall be entitled to incur the necessary expenditure to ensure that the Vessel will comply with the law of the Flag State flag of the Vessel and of the places where she trades, and all requirements and recommendations of the classification society;			
(iii) arrangement of the supply of necessary stores, spares and lubricating oil;			
(iv) appointment of surveyors and technical consultants as the Managers may consider from time to time to be necessary;			
(v) development, implementation and maintenance of a Safety Management System (SMS) in accordance with the ISM Code (see sub-clauses <u>4.2</u> and <u>5.3</u>).			
(vi) ensuring compliance with the ISM Code;			
(vii) ensuring compliance with the ISPS Code;			
(viii) monitoring construction and delivery of the Vessel including liaising with builder, seller and construction supervisor as necessary.			
3.3 Commercial Management	102		
<i>(only applicable if agreed according to <u>Box 7</u>)</i>	103		
The Managers shall provide the commercial operation of the Vessel, as required by the Owners, which includes, but is not limited to, the following functions:	104 105 106 107 108 109 110 111 112 113		
(i) providing chartering services in accordance with the Owners' instructions which include, but are not limited to, seeking and negotiating employment for the Vessel and the conclusion (including the execution thereof) of charter parties or other contracts relating to the employment of the Vessel. If such a contract exceeds the period stated in <u>Box 13</u> , consent thereto in writing shall first be obtained from the Owners.			

PART II
"SHIPMAN 98" Standard Ship Management Agreement

(ii) arranging of the proper payment to Owners or their nominees of all hire and/or freight revenues or other moneys of whatsoever nature to which Owners may be entitled arising out of the employment of or otherwise in connection with the Vessel.	114 115 116 117 118	by the ISM Code when applicable. The Managers shall report to the Flag State administration details of the Managers, as the Company, as required to comply with the ISM and ISPS Code.	174
(iii) providing voyage estimates and accounts and calculating of hire, freights, demurrage and/or despatch moneys due from or due to the charterers of the Vessel;	119 120 121	5. Owners' Obligations	175
(iv) issuing of voyage instructions;	122	5.1 The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement.	176 177
(v) appointing agents;	123	5.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, the Owners shall:	178 179
(vi) appointing stevedores;	124	(i) procure that all officers and ratings supplied by them or on their behalf comply with the requirements of STCW95;	180 181
(vii) arranging surveys associated with the commercial operation of the Vessel.	125 126	(ii) instruct such officers and ratings to obey all reasonable orders of the Managers in connection with the operation of the Managers' safety management system.	182 183 184
3.4 Insurance Arrangements'	127	5.3 Where the Managers are not providing Technical Management in accordance with sub-clause 3.2, the Owners shall procure that the requirements of the law of the Flag State flag of the Vessel are satisfied	185 186 187
<i>(only applicable if agreed according to Box 8)</i>	128	and that they, or such other entity as may be appointed by them and identified to the Managers, shall be deemed to be the "Company" as defined by the ISM Code assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.	188 189 190 191 192
The Managers shall arrange insurances in accordance with Clause 6, on such terms and conditions as the Owners shall have instructed or agreed, in particular regarding conditions, insured values, deductibles and franchises.	129 130 131 132	6. Insurance Policies	193
3.5 Accounting Services	133	The Owners shall procure, whether by instructing the Managers under sub-clause 3.4 or otherwise, that throughout the period of this Agreement:	194 195 196
<i>(only applicable if agreed according to Box 9)</i>	134	6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:	197 198 199
The Managers shall:	135	(i) usual hull and machinery marine risks (including crew negligence) and excess liabilities;	200 201
(i) establish an accounting system which meets the requirements of the Owners and provide regular accounting services, supply regular reports and records, relating to the technical operation of the Vessel ;	136 137 138	(ii) protection and indemnity risks (including, but not limited to , pollution risks, diversion expenses and Crew Insurances); and	202 203
(ii) maintain the records of all costs and expenditure incurred as well as data necessary or proper for the settlement of accounts between the parties.	139 140 141	(iii) war risks (including protection and indemnity and crew risks) in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");	204 205 206 207 208
3.6 Sale or Purchase of the Vessel	142	6.2 all premiums and calls on the Owners' Insurances are paid promptly by their due date.	209
<i>(only applicable if agreed according to Box 10)</i>	143	6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Owners obtaining cover in respect of each of the insurances specified in sub-clause 6.1;	210 211 212 213 214 215
The Managers shall, in accordance with the Owners' instructions, supervise the sale or purchase of the Vessel, including the performance of any sale or purchase agreement, but not negotiation of the same.	144 145 146 147	(i) on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances; or	216 217 218
3.7 Provisions (only applicable if agreed according to Box 11)	148	(ii) if reasonably obtainable, on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances; or	219 220 221 222
The Managers shall arrange for the supply of provisions.	149	(iii) on such other terms as may be agreed in writing.	223
3.8 Bunkering (only applicable if agreed according to Box 12)	150	<i>Indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left blank then (i) applies.</i>	224
The Managers shall arrange for the provision of bunker fuel of the quality specified by the Owners as required for the Vessel's trade.	151 152	6.4 written evidence is provided, to the reasonable satisfaction of the Managers, of their compliance with their obligations under Clause 6 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.	225 226 227 228 229 230
4. Managers' Obligations	153	7. Income Collected and Expenses Paid on Behalf of Owners	231
4.1 The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.	154 155 156 157 158 159 160 161 162 163 164 165 166 167	7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account.	232 233 234 235
4.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, they shall procure that the requirements of the law of the Flag State flag of the Vessel are satisfied and they shall in particular be deemed to be the "Company" as defined by the ISM Code, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed	168 169 170 171 172 173		

PART II
"SHIPMAN 98" Standard Ship Management Agreement

7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in <u>Clause 8</u>) may be debited against the Owners in the account referred to under sub-clause <u>7.1</u> but shall in any event remain payable by the Owners to the Managers on demand.	236 237 238 239 240 241	each month request the Owners in writing for the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.	302 303 304 305 306 307 308 309
8. Management Fee	242		
8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement an annual management fee as stated in <u>Box 15</u> which shall be payable by equal monthly instalments in advance, the first instalment being payable on the commencement of this Agreement (see <u>Clause 2</u> and <u>Box 4</u>) and subsequent instalments being payable every month.	243 244 245 246 247 248 249	9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	310 311 312 313
8.2 The management fee shall be subject to an annual review on the anniversary date of the Agreement and the proposed fee shall be presented in the annual budget referred to in sub-clause <u>9.1</u> .	250 251 252 253	9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	314 315 316 317
8.3 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of <u>Clause 7</u> the Owners shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in pursuance of the Management Services.	254 255 256 257 258 259 260	10. Managers' Right to Sub-Contract	318
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of <u>Clauses 17</u> and <u>18</u> other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee" payable to the Managers according to the provisions of sub-clause <u>8.1</u> , shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause <u>3.1</u> :	261 262 263 264 265 266 267 268 269 270	The Managers shall not have the right to sub-contract any of their obligations hereunder, including those mentioned in sub-clause <u>3.1</u> , without the prior written consent of the Owners which shall not be unreasonably withheld. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement. The Owner hereby consents to the Manager subcontracting all or some aspects of crew management.	319 320 321 322 323 324
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	271	11. Responsibilities	325
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in <u>Box 16</u> . The Managers shall use their reasonable endeavours to minimise such Severance Costs.	272 273 274 275	11.1 Force Majeure - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	326 327 328 329
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	276 277 278 279 280 281	11.2 Liability to Owners - (i) Without prejudice to sub-clause <u>11.1</u> , the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	282 283 284	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause <u>3.1</u> , in which case their liability shall be limited in accordance with the terms of this <u>Clause 11</u> .	348 349 350 351 352 353 354 355
9. Budgets and Management of Funds	285	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause <u>11.2</u> , the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	356 357 358 359 360 361 362 363 364 365 366 367
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in <u>Annex "C"</u> hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see <u>Clause 2</u> and <u>Box 4</u>).	286 287 288 289 290 291 292 293	11.4 "Himalaya" - It is hereby expressly agreed that no	368
9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	294 295 296 297		
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. Based thereon, the Managers shall	298 299 300 301		

PART II
"SHIPMAN 98" Standard Ship Management Agreement

employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this <u>Clause 11</u> , every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this <u>Clause 11</u> the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388	regulations of the Vessel's flag, or of the places where she trades.	432
12. Documentation	389		
Where the Managers are providing Technical Management in accordance with sub-clause <u>3.2</u> and/or Crew Management in accordance with sub-clause <u>3.1</u> , they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW 95 or to defend a claim against a third party.	390 391 392 393 394 395 396 397		
13. General Administration	398		
13.1 The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties.	399 400 401 402 403		
13.2 The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.	404 405 406		
13.3 The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.	407 408 409 410		
13.4 The Owners shall arrange for the provision of any necessary guarantee bond or other security.	411 412		
13.5 Any costs reasonably incurred by the Managers in carrying out their obligations according to <u>Clause 13</u> shall be reimbursed by the Owners.	413 414 415		
14. Auditing	416		
The Managers shall at all times maintain and keep true and correct accounts and shall make the same available for inspection and auditing by the Owners at such times as may be mutually agreed. On the termination, for whatever reasons, of this Agreement, the Managers shall release to the Owners, if so requested, the originals where possible, or otherwise certified copies, of all such accounts and all documents specifically relating to the Vessel and her operation.	417 418 419 420 421 422 423 424		
15. Inspection of Vessel	425		
The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary.	426 427 428		
16. Compliance with Laws and Regulations	429		
The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and	430 431		
		17. Duration of the Agreement	433
		This Agreement shall come into effect on the day and year stated in <u>Box 4</u> and shall continue until the date stated in <u>Box 17</u> .	434 435
		Thereafter it shall continue until terminated by either party giving to the other notice in writing, in which event the Agreement shall terminate upon the expiration of a period of two months from the date upon which such notice was given.	436 437 438 439
		18. Termination	440
		18.1 Owners' default	441
		(i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement and/or the owners of any associated vessel, details of which are listed in <u>Annex "D"</u> , shall not have been received in the Managers' nominated account within ten running days of receipt by the Owners of the Managers' written request or if the Vessel is repossessed by the Mortgagees.	442 443 444 445 446 447 448 449
		(ii) If the Owners:	450
		(a) fail to meet their obligations under sub-clauses <u>5.2</u> and <u>5.3</u> of this Agreement for any reason within their control, or	451 452 453
		(b) proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper,	454 455 456 457 458
		the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible.	459 460
		In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.	461 462 463 464
		18.2 Managers' Default	465
		If the Managers fail to meet their obligations under <u>Clauses 3</u> and <u>4</u> of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.	466 467 468 469 470 471 472 473
		18.3 Extraordinary Termination	474
		This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.	475 476 477 478
		18.4 For the purpose of sub-clause <u>18.3</u> hereof	479
		(i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel;	480 481 482 483
		(ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.	484 485 486 487 488 489 490
		18.5 This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.	491 492 493 494 495 496 497
		18.6 The termination of this Agreement shall be without	498

PART II
“SHIPMAN 98” Standard Ship Management Agreement

prejudice to all rights accrued due between the parties prior to the date of termination.	499 500	parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	550 551 552 553
19. Law and Arbitration	501	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	554 555 556 557 558 559
19.1 This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	502 503 504 505 506 507 508	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-clause <u>19.1</u> of this Clause shall apply.	560 561
The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	509 510 511 512	<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in Box 18.</i>	562 563
The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	513 514 515 516 517 518 519 520 521 522 523 524 525 526 527	20. Notices	564 565 566 567 568 569 570
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	528 529 530	20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	565 566 567
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	531 532 533 534 535	20.2 The address of the Parties for service of such communication shall be as stated in <u>Boxes 19</u> and <u>20</u> , respectively.	568 569 570
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	536 537 538 539 540 541 542 543 544 545 546 547	Additional Clause(s)	
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the	548 549	21. Trading Restrictions	
		The Managers agree that they shall comply with all Applicable US Laws (as defined below) that apply to the operations and trading of the Vessel with respect to the performance of this Agreement and that the Managers shall not take any action, or direct that any actions are taken, that will cause the Owner to violate or be subject to penalty under such laws.	
		“Applicable US Laws” means and includes all applicable United States laws, regulations, rules and executive orders including: the United States Foreign Corrupt Practices Act (the FCPA); export control and sanctions laws and regulations including the Trading with the Enemy Act of 1917 (50 U.S.C. 1-44), the International Emergency Economic Powers Act (50 U.S.C. 1701-1706), the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901-1908, 8 U.S.C. 1182), the Export Administration Regulations (15 C.F.R. Parts 730 et seq.), the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130), Section 999 of the Internal Revenue Code, the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note), as amended by the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (PL 111-195); and the regulations, rules, and executive orders administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC).	

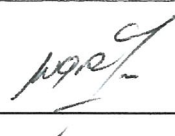

Approved by the International Ship Managers' Association (ISMA)

Approved by the Documentary Committee of The Japan Shipping Exchange Inc., Tokyo

Printed by BIMCO's idea

1. Date of Agreement 01 Sept. 2019		THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)	
		STANDARD SHIP MANAGEMENT AGREEMENT	
		CODE NAME: "SHIPMAN 98" Part I	
2. Owners (name, place of registered office and law of registry) (Cl. 1)		3. Managers (name, place of registered office and law of registry) (Cl. 1)	
Name IVS Bulk 3708 Pte., Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763		Name Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	
Place of registered office Singapore		Place of registered office Singapore	
Law of registry Singapore		Law of registry Singapore	
4. Day and year of commencement of Agreement (Cl. 2) 01 Sept. 2019			
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) YES (Via sub-contract)		6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2) YES	
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) NO		8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4) YES	
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) YES		10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6) YES	
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) YES		12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) NO	
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 6.3) NO		14. Owners' Insurance (state alternative (i), @ or @) of Cl. 6.3 YES – Alternative (ii) of clause 6.3 applies	
15. Annual Management Fee (state annual amount) (Cl. 8.1) USD 120 000.00		16. Severance Costs (state maximum amount) (Cl. 8.4(ii)) NIL	
17. Day and year of termination of Agreement (Cl. 17) 30 Sept. 2020		18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) (Clause 19.3 English Law and Arbitration in Singapore under SIAC Rules)	
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20) IVS Bulk 3708 Pte., Ltd. 200 Cantonment Road #03-01 Southpoint Singapore, 089763		20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20) Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	

It is mutually agreed between the party stated in [Box 2](#) and the party stated in [Box 3](#) that this Agreement consisting of [PART I](#) and [PART II](#) as well as [Annexes "A"](#) (Details of Vessel), ["B"](#) (Details of Crew), ["C"](#) (Budget) and ["D"](#) (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of [PART I](#) and [Annexes "A", "B", "C" and "D"](#) shall prevail over those of [PART II](#) to the extent of such conflict but no further..

Signature(s) (Owners) Stephen William Griffiths	Signature(s) (Managers) 	
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**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

01 Sept. 2019

Name of Vessel(s):

IVS PRESTWICK

Particulars of Vessel(s): IMO: NO. 9870886

Bulk Carrier

Singapore registered – Official No. 401752

Port of registry: Singapore

GT / NT: 35,061 t / 20,127 t

LOA: 199.90 m / Beam: 32.26

CALL SIGN: 9V6323

**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Details of Crew:

Numbers	Rank	Nationality
1.	Master	South African
2.	Chief Officer	Filipino
3.	Second Officer	Filipino
4.	Third Officer	Filipino
5.	Bosun	Filipino
6.	AB	Filipino
7.	AB	Filipino
8.	AB	Filipino
9.	OS	Filipino
10.	OS	Filipino
11.	Chief Engineer	Filipino
12.	Second Engineer	Filipino
13.	Third Engineer	Filipino
14.	Fitter	Filipino
15.	Elect.	Filipino
16.	Oiler	Filipino
17.	Wiper	Filipino
18.	Chief Cook	Filipino
19.	Messman	Filipino

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**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Managers' Budget for the first year with effect from the Commencement Date of this Agreement:

**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D"
THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS
AGREEMENT.**

Date of Agreement:

Details of Associated Vessels:

PART II
"SHIPMAN 98" Standard Ship Management Agreement

1. Definitions	1	for the duties for which they are engaged and are in possession	66
In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.	2	of valid medical certificates issued in accordance with	67
	3	appropriate flag State requirements. In the absence of	68
	4	applicable flag State requirements the medical certificate shall	69
	5	be dated not more than three months prior to the respective	70
<u>"Owners" means the party identified in Box 2.</u>	5	Crew members leaving their country of domicile and	71
<u>"Managers" means the party identified in Box 3.</u>	6	maintained for the duration of their service on board the Vessel;	72
<u>"Vessel" means the vessel or vessels details of which are set out in Annex "A" attached hereto.</u>	7	(iv) ensuring that the Crew shall have a command of the English	73
	8	language of a sufficient standard to enable them to perform	74
	9	their duties safely;	75
<u>"Crew" means the Master, officers and ratings of the numbers, rank and nationality specified in Annex "B" attached hereto.</u>	10	(v) arranging transportation of the Crew, including repatriation;	76
	11	(vi) training of the Crew and supervising their efficiency;	77
<u>"Crew Support Costs" means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.</u>	12	(vii) conducting union negotiations;	78
	13	(viii) operating the Managers' drug and alcohol policy unless	79
	14	otherwise agreed.	80
	15		
	16		
	17	3.2 Technical Management	81
	18	<i>(only applicable if agreed according to Box 6)</i>	82
<u>"Severance Costs" means the costs which the employers are legally obliged to pay to or in respect of the Crew as a result of the early termination of any employment contract for service on the Vessel.</u>	19	The Managers shall provide technical management which	83
	20	includes, but is not limited to, the following functions:	84
	21	(i) provision of competent personnel to supervise the	85
	22	maintenance and general efficiency of the Vessel;	86
<u>"Crew Insurances" means insurances against crew risks which shall include but not be limited to death, sickness, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.</u>	23	(ii) arrangement and supervision of dry dockings, repairs,	87
	24	alterations and the upkeep of the Vessel to the standards	88
	25	required by the Owners provided that the Managers shall	89
	26	be entitled to incur the necessary expenditure to ensure	90
<u>"Management Services" means the services specified in sub-clauses 3.1 to 3.8 as indicated affirmatively in Boxes 5 to 12.</u>	27	that the Vessel will comply with the law of the flag of the	91
	28	Vessel and of the places where she trades, and all	92
<u>"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.</u>	29	requirements and recommendations of the classification	93
	30	society;	94
	31	(iii) arrangement of the supply of necessary stores, spares and	95
	32	lubricating oil;	96
<u>"STCW 95" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.</u>	33	(iv) appointment of surveyors and technical consultants as the	97
	34	Managers may consider from time to time to be necessary;	98
	35	(v) development, implementation and maintenance of a Safety	99
		Management System (SMS) in accordance with the ISM	100
		Code (see sub-clauses 4.2 and 5.3).	101
2. Appointment of Managers	36	3.3 Commercial Management	102
With effect from the day and year stated in Box 4 and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.	37	<i>(only applicable if agreed according to Box 7)</i>	103
	38	The Managers shall provide the commercial operation of the	104
	39	Vessel, as required by the Owners, which includes, but is not	105
	40	limited to, the following functions:	106
	41	(i) providing chartering services in accordance with the Owners'	107
3. Basis of Agreement	42	instructions which include, but are not limited to, seeking	108
Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice.	43	and negotiating employment for the Vessel and the conclusion	109
	44	(including the execution thereof) of charter parties or other	110
	45	contracts relating to the employment of the Vessel. If such a	111
	46	contract exceeds the period stated in Box 13, consent thereto	112
	47	in writing shall first be obtained from the Owners.	113
	48	(ii) arranging of the proper payment to Owners or their nominees	114
	49	of all hire and/or freight revenues or other moneys of	115
		whatsoever nature to which Owners may be entitled arising	116
		out of the employment of or otherwise in connection with the	117
3.1 Crew Management	50	Vessel.	118
<i>(only applicable if agreed according to Box 5)</i>	51	(iii) providing voyage estimates and accounts and calculating of	119
The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:	52	hire, freights, demurrage and/or despatch moneys due from	120
	53	or due to the charterers of the Vessel;	121
	54	(iv) issuing of voyage instructions;	122
	55	(v) appointing agents;	123
(i) selecting and engaging the Vessel's Crew, including payroll arrangements, pension administration, and insurances for the Crew other than those mentioned in Clause 6;	56	(vi) appointing stevedores;	124
	57	(vii) arranging surveys associated with the commercial operation	125
	58	of the Vessel.	126
(ii) ensuring that the applicable requirements of the law of the flag of the Vessel are satisfied in respect of manning levels, rank, qualification and certification of the Crew and employment regulations including Crew's tax, social insurance, discipline and other requirements;	59		
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	62	3.4 Insurance Arrangements'	127
(iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit	63	<i>(only applicable if agreed according to Box 8)</i>	128
	64	The Managers shall arrange insurances in accordance with	129
	65	Clause 6, on such terms and conditions as the Owners shall	130
		have instructed or agreed, in particular regarding conditions,	131

PART II

"SHIPMAN 98" Standard Ship Management Agreement

insured values, deductibles and franchises.	132	6. Insurance Policies	193
3.5 Accounting Services	133	The Owners shall procure, whether by instructing the Managers under sub-clause 3.4 or otherwise, that throughout the period of this Agreement:	194
<i>(only applicable if agreed according to Box 9)</i>	134	6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:	195
The Managers shall:	135	(i) usual hull and machinery marine risks (including crew negligence) and excess liabilities;	196
(i) establish an accounting system which meets the requirements of the Owners and provide regular accounting services, supply regular reports and records,	136	(ii) protection and indemnity risks (including pollution risks and Crew Insurances); and	197
(ii) maintain the records of all costs and expenditure incurred as well as data necessary or proper for the settlement of accounts between the parties.	137	(iii) war risks (including protection and indemnity and crew risks) in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");	198
	138	6.2 all premiums and calls on the Owners' Insurances are paid promptly by their due date,	199
	139	6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Owners obtaining cover in respect of each of the insurances specified in sub-clause 6.1:	200
	140	(i) on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances; or	201
	141	(ii) if reasonably obtainable, on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances; or	202
3.6 Sale or Purchase of the Vessel	142	(iii) on such other terms as may be agreed in writing.	203
<i>(only applicable if agreed according to Box 10)</i>	143	<i>Indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left blank then (i) applies.</i>	204
The Managers shall, in accordance with the Owners' instructions, supervise the sale or purchase of the Vessel, including the performance of any sale or purchase agreement, but not negotiation of the same.	144	6.4 written evidence is provided, to the reasonable satisfaction of the Managers, of their compliance with their obligations under Clause 6 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.	205
	145		206
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3.7 Provisions <i>(only applicable if agreed according to Box 11)</i>	148	7. Income Collected and Expenses Paid on Behalf of Owners	231
The Managers shall arrange for the supply of provisions.	149	7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account	232
3.8 Bunkering <i>(only applicable if agreed according to Box 12)</i>	150	7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in Clause 8) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owners to the Managers on demand.	233
The Managers shall arrange for the provision of bunker fuel of the quality specified by the Owners as required for the Vessel's trade.	151		234
	152		235
4. Managers' Obligations	153		236
4.1 The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.	154		237
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5. Owners' Obligations	175		258
5.1 The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement	176		259
5.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, the Owners shall:	177		242
(i) procure that all officers and ratings supplied by them or on their behalf comply with the requirements of STCW 95;	178	8. Management Fee	242
(ii) instruct such officers and ratings to obey all reasonable orders of the Managers in connection with the operation of the Managers' safety management system.	179	8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement an annual management fee as stated in Box 15 which shall be payable by equal monthly instalments in advance, the first instalment being payable on the commencement of this Agreement (see Clause 2 and Box 4) and subsequent instalments being payable every month.	243
5.3 Where the Managers are not providing Technical Management in accordance with sub-clause 3.2, the Owners shall procure that the requirements of the law of the flag of the Vessel are satisfied and that they, or such other entity as may be appointed by them and identified to the Managers, shall be deemed to be the "Company" as defined by the ISM Code assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.	180	8.2 The management fee shall be subject to an annual review on the anniversary date of the Agreement and the proposed fee shall be presented in the annual budget referred to in sub-clause 9.1.	244
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PART II
"SHIPMAN 98" Standard Ship Management Agreement

the Management Services.	260	11.1 Force Majeure - Neither the Owners nor the Managers	326
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 17 and 18 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee payable to the Managers according to the provisions of sub-clause 8.1, shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause 3.1:	261	shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	327
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	262		328
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in Box 16.	263	11.2 Liability to Owners - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	329
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	264		330
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	265		331
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PART II
"SHIPMAN 98" Standard Ship Management Agreement

to the Safety Management System (SMS) and/or the Crew	394	in the reasonable opinion of the Managers is unduly	457
which the Owners need in order to demonstrate compliance	395	hazardous or improper,	458
with the ISM Code and STCW 95 or to defend a claim against	396	the Managers may give notice of the default to the Owners,	459
a third party.	397	requiring them to remedy it as soon as practically possible.	460
13. General Administration	398	In the event that the Owners fail to remedy it within a	461
13.1 The Managers shall handle and settle all claims arising	399	reasonable time to the satisfaction of the Managers, the	462
out of the Management Services hereunder and keep the Owners	400	Managers shall be entitled to terminate the Agreement	463
informed regarding any incident of which the Managers become	401	with immediate effect by notice in writing.	464
aware which gives or may give rise to claims or disputes involving	402	18.2 Managers' Default	465
third parties.	403	If the Managers fail to meet their obligations under Clauses 3	466
13.2 The Managers shall, as instructed by the Owners, bring	404	and 4 of this Agreement for any reason within the control of the	467
or defend actions, suits or proceedings in connection with matters	405	Managers, the Owners may give notice to the Managers of the	468
entrusted to the Managers according to this Agreement.	406	default, requiring them to remedy it as soon as practically	469
13.3 The Managers shall also have power to obtain legal or	407	possible. In the event that the Managers fail to remedy it within a	470
technical or other outside expert advice in relation to the handling	408	reasonable time to the satisfaction of the Owners, the Owners	471
and settlement of claims and disputes or all other matters	409	shall be entitled to terminate the Agreement with immediate effect	472
affecting the interests of the Owners in respect of the Vessel.	410	by notice in writing.	473
13.4 The Owners shall arrange for the provision of any	411	18.3 Extraordinary Termination	474
necessary guarantee bond or other security.	412	This Agreement shall be deemed to be terminated in the case of	475
13.5 Any costs reasonably incurred by the Managers in	413	the sale of the Vessel or if the Vessel becomes a total loss or is	476
carrying out their obligations according to Clause 13 shall be	414	declared as a constructive or compromised or arranged total	477
reimbursed by the Owners.	415	loss or is requisitioned.	478
14. Auditing	416	18.4 For the purpose of sub-clause 18.3 hereof	479
The Managers shall at all times maintain and keep true and	417	(i) the date upon which the Vessel is to be treated as having	480
correct accounts and shall make the same available for inspection	418	been sold or otherwise disposed of shall be the date on	481
and auditing by the Owners at such times as may be mutually	419	which the Owners cease to be registered as Owners of	482
agreed. On the termination, for whatever reasons, of this	420	the Vessel;	483
Agreement, the Managers shall release to the Owners, if so	421	(ii) the Vessel shall not be deemed to be lost unless either	484
requested, the originals where possible, or otherwise certified	422	she has become an actual total loss or agreement has	485
copies, of all such accounts and all documents specifically relating	423	been reached with her underwriters in respect of her	486
to the Vessel and her operation.	424	constructive, compromised or arranged total loss or if such	487
15. Inspection of Vessel	425	agreement with her underwriters is not reached it is	488
The Owners shall have the right at any time after giving	426	adjudged by a competent tribunal that a constructive loss	489
reasonable notice to the Managers to inspect the Vessel for any	427	of the Vessel has occurred.	490
reason they consider necessary.	428	18.5 This Agreement shall terminate forthwith in the event of	491
16. Compliance with Laws and Regulations	429	an order being made or resolution passed for the winding up,	492
The Managers will not do or permit to be done anything which	430	dissolution, liquidation or bankruptcy of either party (otherwise	493
might cause any breach or infringement of the laws and	431	than for the purpose of reconstruction or amalgamation) or if a	494
regulations of the Vessel's flag, or of the places where she trades.	432	receiver is appointed, or if it suspends payment, ceases to	495
17. Duration of the Agreement	433	carry on business or makes any special arrangement or	496
This Agreement shall come into effect on the day and year stated	434	composition with its creditors.	497
in Box 4 and shall continue until the date stated in Box 17 .	435	18.6 The termination of this Agreement shall be without	498
Thereafter it shall continue until terminated by either party giving	436	prejudice to all rights accrued due between the parties prior to	499
to the other notice in writing, in which event the Agreement shall	437	the date of termination.	500
terminate upon the expiration of a period of two months from the	438	19. Law and Arbitration	501
date upon which such notice was given.	439	19.1 This Agreement shall be governed by and construed in	502
18. Termination	440	accordance with English law and any dispute arising out of or	503
18.1 Owners' default	441	in connection with this Agreement shall be referred to arbitration	504
(i) The Managers shall be entitled to terminate the Agreement	442	in London in accordance with the Arbitration Act 1996 or	505
with immediate effect by notice in writing if any moneys	443	any statutory modification or re-enactment thereof save to	506
payable by the Owners under this Agreement and/or the	444	the extent necessary to give effect to the provisions of this	507
owners of any associated vessel, details of which are listed	445	Clause.	508
in Annex "D" , shall not have been received in the Managers'	446	The arbitration shall be conducted in accordance with the	509
nominated account within ten running days of receipt by	447	London Maritime Arbitrators Association (LMAA) Terms	510
the Owners of the Managers written request or if the Vessel	448	current at the time when the arbitration proceedings are	511
is repossessed by the Mortgagees.	449	commenced.	512
(ii) If the Owners:	450	The reference shall be to three arbitrators. A party wishing	513
(a) fail to meet their obligations under sub-clauses 5.2	451	to refer a dispute to arbitration shall appoint its arbitrator	514
and 5.3 of this Agreement for any reason within their	452	and send notice of such appointment in writing to the other	515
control, or	453	party requiring the other party to appoint its own arbitrator	516
(b) proceed with the employment of or continue to employ	454	within 14 calendar days of that notice and stating that it will	517
the Vessel in the carriage of contraband, blockade	455	appoint its arbitrator as sole arbitrator unless the other party	518
running, or in an unlawful trade, or on a voyage which	456	appoints its own arbitrator and gives notice that it has	519
		done so within the 14 days specified. If the other party does	520
		not appoint its own arbitrator and give notice that it has done	521
		so within the 14 days specified, the party referring a dispute to	522
		arbitration may, without the requirement of any further prior	523
		notice to the other party, appoint its arbitrator as sole	524

PART II
"SHIPMAN 98" Standard Ship Management Agreement

arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	525 526 527		549 550 551
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	528 529 530	exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	552 553 554
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	531 532 533 534 535	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	555 556 557 558 559
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	536 537 538 539 540 541 542 543 544 545 546 547	19.4 If Box 18 in Part I is not appropriately filled in, sub-clause 19.1 of this Clause shall apply.	560 561
In cases where neither the claim nor any counterclaim	548	<hr/> <i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in Box 18.</i> <hr/>	562 563
		20. Notices	564
		20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	565 566 567
		20.2 The address of the Parties for service of such communication shall be as stated in Boxes 19 and 20 , respectively.	568 569 570

Approved by
the International Ship Managers' Association (ISMA)

1. Date of Agreement 28 January 2013	THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO) STANDARD SHIP MANAGEMENT AGREEMENT CODE NAME: "SHIPMAN 98" Part I
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2. Owners (name, place of registered office and law of registry) (Cl. 1)	3. Managers (name, place of registered office and law of registry) (Cl. 1)
Name IVS Bulk 612 Pte., Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	Name Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763
Place of registered office Singapore	Place of registered office Singapore
Law of registry Singapore	Law of registry Singapore

4. Day and year of commencement of Agreement (Cl. 2)
01 February 2013

Approved by
the Documentary Committee of The
Japan Shipping Exchange Inc., Tokyo

5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1)	6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2)
NO	YES
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3)	8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4)
NO	YES

Printed by BIMCO's idea

9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5)	10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6)
YES	YES
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7)	12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8)
YES	NO

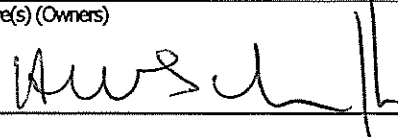
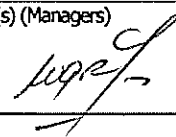
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.9)	14. Owners' Insurance (state alternative (i), @ or @) of Cl. 6.3)
NO	YES – Alternative (ii) of clause 6.3 applies

15. Annual Management Fee (state annual amount) (Cl. 8.1)	16. Severance Costs (state maximum amount) (Cl. 8.4(ii.1))
USD 120 000.00	NIL

17. Day and year of termination of Agreement (Cl. 17)	18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) (Clause 19.3 English Law and Arbitration in Singapore under STAC Rules)
31 January 2018	

19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20)	20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20)
IVS Bulk 612 Pte., Ltd. 200 Cantonment Road #03-01 Southpoint Singapore, 089763	Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further..

Signature(s) (Owners) 	Signature(s) (Managers) 
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**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

01 February 2013

Name of Vessel(s):

IVS RAFFLES

Particulars of Vessel(s): IMO: NO. 9620138

Bulk Carrier

Singapore registered – Official No. 397927

Port of registry : Singapore

GT / NT : 20,477 t / 11,786 t

LOA : 179.9 m / Beam : 28.40

CALL SIGN : S6LP4

**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Details of Crew:

Numbers	Rank	Nationality
1.	Master	Filipino
2.	Chief Officer	Filipino
3.	Second Officer	Filipino
4.	Third Officer	Filipino
5.	Bosun	Filipino
6.	AB	Filipino
7.	AB	Filipino
8.	AB	Filipino
9.	OS	Filipino
10.	OS	Filipino
11.	Chief Engineer	Filipino
12.	Second Engineer	Filipino
13.	Third Engineer	Filipino
14.	Fourth Engineer	Filipino
15.	Electrician	Filipino
16.	Oiler	Filipino
17.	Oiler	Filipino
18.	Oiler	Filipino
19.	Wiper	Filipino
20.	Chief Cook	Filipino
21.	Messman	Filipino

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**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Managers' Budget for the first year with effect from the Commencement Date of this Agreement:

Printed by BIMCO's idea

**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D" THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS AGREEMENT.

Date of Agreement:

Details of Associated Vessels:

PART II
"SHIPMAN 98" Standard Ship Management Agreement

1. Definitions	1	for the duties for which they are engaged and are in possession	66
In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.	2	of valid medical certificates issued in accordance with	67
	3	appropriate flag State requirements. In the absence of	68
	4	applicable flag State requirements the medical certificate shall	69
<u>"Owners" means the party identified in Box 2.</u>	5	be dated not more than three months prior to the respective	70
<u>"Managers" means the party identified in Box 3.</u>	6	Crew members leaving their country of domicile and	71
<u>"Vessel" means the vessel or vessels details of which are set out in Annex "A" attached hereto.</u>	7	maintained for the duration of their service on board the Vessel;	72
<u>"Crew" means the Master, officers and ratings of the numbers, rank and nationality specified in Annex "B" attached hereto.</u>	8	(iv) ensuring that the Crew shall have a command of the English	73
	9	language of a sufficient standard to enable them to perform	74
	10	their duties safely;	75
<u>"Crew Support Costs" means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.</u>	11	(v) arranging transportation of the Crew, including repatriation;	76
	12	(vi) training of the Crew and supervising their efficiency;	77
	13	(vii) conducting union negotiations;	78
<u>"Severance Costs" means the costs which the employers are legally obliged to pay to or in respect of the Crew as a result of the early termination of any employment contract for service on the Vessel.</u>	14	(viii) operating the Managers' drug and alcohol policy unless	79
	15	otherwise agreed.	80
<u>"Crew Insurances" means insurances against crew risks which shall include but not be limited to death, sickness, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.</u>	16		
	17		
<u>"Management Services" means the services specified in sub-clauses 3.1 to 3.8 as indicated affirmatively in Boxes 5 to 12.</u>	18	3.2 Technical Management	81
<u>"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.</u>	19	<u>(only applicable if agreed according to Box 6)</u>	82
<u>"STCW 95" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.</u>	20	The Managers shall provide technical management which	83
	21	includes, but is not limited to, the following functions:	84
	22	(i) provision of competent personnel to supervise the	85
	23	maintenance and general efficiency of the Vessel;	86
	24	(ii) arrangement and supervision of dry dockings, repairs,	87
	25	alterations and the upkeep of the Vessel to the standards	88
	26	required by the Owners provided that the Managers shall	89
	27	be entitled to incur the necessary expenditure to ensure	90
	28	that the Vessel will comply with the law of the flag of the	91
	29	Vessel and of the places where she trades, and all	92
	30	requirements and recommendations of the classification	93
	31	society;	94
	32	(iii) arrangement of the supply of necessary stores, spares and	95
	33	lubricating oil;	96
	34	(iv) appointment of surveyors and technical consultants as the	97
	35	Managers may consider from time to time to be necessary;	98
		(v) development, implementation and maintenance of a Safety	99
		Management System (SMS) in accordance with the ISM	100
		Code (see sub-clauses 4.2 and 5.3).	101
2. Appointment of Managers	36		
<u>With effect from the day and year stated in Box 4 and continuing</u>	37	3.3 Commercial Management	102
<u>unless and until terminated as provided herein, the Owners</u>	38	<u>(only applicable if agreed according to Box 7)</u>	103
<u>hereby appoint the Managers and the Managers hereby agree</u>	39	The Managers shall provide the commercial operation of the	104
<u>to act as the Managers of the Vessel.</u>	40	Vessel, as required by the Owners, which includes, but is not	105
		limited to, the following functions:	106
3. Basis of Agreement	41	(i) providing chartering services in accordance with the Owners'	107
Subject to the terms and conditions herein provided, during the	42	instructions which include, but are not limited to, seeking	108
period of this Agreement, the Managers shall carry out	43	and negotiating employment for the Vessel and the conclusion	109
Management Services in respect of the Vessel as agents for	44	(including the execution thereof) of charter parties or other	110
and on behalf of the Owners. The Managers shall have authority	45	contracts relating to the employment of the Vessel. If such a	111
to take such actions as they may from time to time in their absolute	46	contract exceeds the period stated in Box 13, consent thereto	112
discretion consider to be necessary to enable them to perform	47	<u>in writing shall first be obtained from the Owners.</u>	113
this Agreement in accordance with sound ship management	48	(ii) arranging of the proper payment to Owners or their nominees	114
practice.	49	of all hire and/or freight revenues or other moneys of	115
		whatsoever nature to which Owners may be entitled arising	116
		out of the employment of or otherwise in connection with the	117
		Vessel.	118
3.1 Crew Management	50	(iii) providing voyage estimates and accounts and calculating of	119
<u>(only applicable if agreed according to Box 5)</u>	51	hire, freights, demurrage and/or despatch moneys due from	120
The Managers shall provide suitably qualified Crew for the Vessel	52	or due to the charterers of the Vessel;	121
as required by the Owners in accordance with the STCW 95	53	(iv) issuing of voyage instructions;	122
requirements, provision of which includes but is not limited to	54	(v) appointing agents;	123
the following functions:	55	(vi) appointing stevedores;	124
(i) selecting and engaging the Vessel's Crew, including payroll	56	(vii) arranging surveys associated with the commercial operation	125
arrangements, pension administration, and insurances for	57	of the Vessel.	126
the Crew other than those mentioned in Clause 6;	58		
(ii) ensuring that the applicable requirements of the law of the	59	3.4 Insurance Arrangements'	127
flag of the Vessel are satisfied in respect of manning levels,	60	<u>(only applicable if agreed according to Box 8)</u>	128
rank, qualification and certification of the Crew and	61	The Managers shall arrange insurances in accordance with	129
employment regulations including Crew's tax, social	62	Clause 6, on such terms and conditions as the Owners shall	130
insurance, discipline and other requirements;	63	have instructed or agreed, in particular regarding conditions,	131
(iii) ensuring that all members of the Crew have passed a medical	64		
examination with a qualified doctor certifying that they are fit	65		

PART II
"SHIPMAN 98" Standard Ship Management Agreement

insured values, deductibles and franchises.	132	6. Insurance Policies	193
3.5 Accounting Services	133	The Owners shall procure, whether by instructing the Managers under sub-clause 3.4 or otherwise, that throughout the period of this Agreement:	194
<i>(only applicable if agreed according to Box 9)</i>	134	6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:	195
The Managers shall:	135	(i) usual hull and machinery marine risks (including crew negligence) and excess liabilities;	196
(i) establish an accounting system which meets the requirements of the Owners and provide regular accounting services, supply regular reports and records,	136	(ii) protection and indemnity risks (including pollution risks and Crew Insurances); and	197
(ii) maintain the records of all costs and expenditure incurred as well as data necessary or proper for the settlement of accounts between the parties.	137	(iii) war risks (including protection and indemnity and crew risks)	198
	138	In accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");	199
3.6 Sale or Purchase of the Vessel	142	6.2 all premiums and calls on the Owners' Insurances are paid promptly by their due date,	200
<i>(only applicable if agreed according to Box 10)</i>	143	6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Owners obtaining cover in respect of each of the insurances specified in sub-clause 6.1:	201
The Managers shall, in accordance with the Owners' instructions, supervise the sale or purchase of the Vessel, including the performance of any sale or purchase agreement, but not negotiation of the same.	144	(i) on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances; or	202
	145	(ii) if reasonably obtainable, on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances; or	203
	146	(iii) on such other terms as may be agreed in writing.	204
	147	<i>Indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left blank then (i) applies.</i>	205
3.7 Provisions <i>(only applicable if agreed according to Box 11)</i>	148	6.4 written evidence is provided, to the reasonable satisfaction of the Managers, of their compliance with their obligations under <u>Clause 6</u> within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.	206
The Managers shall arrange for the supply of provisions.	149		207
3.8 Bunkering <i>(only applicable if agreed according to Box 12)</i>	150	7. Income Collected and Expenses Paid on Behalf of Owners	231
The Managers shall arrange for the provision of bunker fuel of the quality specified by the Owners as required for the Vessel's trade.	151	7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account	232
	152	7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in <u>Clause 8</u>) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owners to the Managers on demand.	233
4. Managers' Obligations	153		234
4.1 The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder.	154		235
Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.	155		236
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5. Owners' Obligations	175	8. Management Fee	242
5.1 The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement	176	8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement an annual management fee as stated in <u>Box 15</u> which shall be payable by equal monthly instalments in advance, the first instalment being payable on the commencement of this Agreement (see <u>Clause 2</u> and <u>Box 4</u>) and subsequent instalments being payable every month.	243
5.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, the Owners shall:	177	8.2 The management fee shall be subject to an annual review on the anniversary date of the Agreement and the proposed fee shall be presented in the annual budget referred to in sub-clause 9.1.	244
(i) procure that all officers and ratings supplied by them or on their behalf comply with the requirements of STCW 95;	178		245
(ii) instruct such officers and ratings to obey all reasonable orders of the Managers in connection with the operation of the Managers' safety management system.	179		246
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		8.3 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of <u>Clause 7</u> the Owners shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in pursuance of	254
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PART II
"SHIPMAN 98" Standard Ship Management Agreement

the Management Services.	260	11.1 Force Majeure - Neither the Owners nor the Managers	326
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 17 and 18 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee payable to the Managers according to the provisions of sub-clause 8.1, shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause 3.1:	261	shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	327
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	262		328
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in Box 16.	263	11.2 Liability to Owners - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	329
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	264		330
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	265		331
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9. Budgets and Management of Funds			351
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in Annex "C" hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see Clause 2 and Box 4). 9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	285	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1, in which case their liability shall be limited in accordance with the terms of this Clause 11.	352
	286	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	353
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	323	12. Documentation	389
	324	Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available,	390
	325	upon Owners' request, all documentation and records related	391
11. Responsibilities			392
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PART II
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to the Safety Management System (SMS) and/or the Crew	394	in the reasonable opinion of the Managers is unduly	457
which the Owners need in order to demonstrate compliance	395	hazardous or improper,	458
with the ISM Code and STCW 95 or to defend a claim against	396	the Managers may give notice of the default to the Owners,	459
a third party.	397	requiring them to remedy it as soon as practically possible.	460
13. General Administration	398	In the event that the Owners fail to remedy it within a	461
13.1 The Managers shall handle and settle all claims arising	399	reasonable time to the satisfaction of the Managers, the	462
out of the Management Services hereunder and keep the Owners	400	Managers shall be entitled to terminate the Agreement	463
informed regarding any incident of which the Managers become	401	with immediate effect by notice in writing.	464
aware which gives or may give rise to claims or disputes involving	402	18.2 Managers' Default	465
third parties.	403	If the Managers fail to meet their obligations under <u>Cl</u> auses 3	466
13.2 The Managers shall, as instructed by the Owners, bring	404	and 4 of this Agreement for any reason within the control of the	467
or defend actions, suits or proceedings in connection with matters	405	Managers, the Owners may give notice to the Managers of the	468
entrusted to the Managers according to this Agreement.	406	default, requiring them to remedy it as soon as practically	469
13.3 The Managers shall also have power to obtain legal or	407	possible. In the event that the Managers fail to remedy it within a	470
technical or other outside expert advice in relation to the handling	408	reasonable time to the satisfaction of the Owners, the Owners	471
and settlement of claims and disputes or all other matters	409	shall be entitled to terminate the Agreement with immediate effect	472
affecting the interests of the Owners in respect of the Vessel.	410	by notice in writing.	473
13.4 The Owners shall arrange for the provision of any	411	18.3 Extraordinary Termination	474
necessary guarantee bond or other security.	412	This Agreement shall be deemed to be terminated in the case of	475
13.5 Any costs reasonably incurred by the Managers in	413	the sale of the Vessel or if the Vessel becomes a total loss or is	476
<u>carrying out their obligations according to Clause 13 shall be</u>	414	declared as a constructive or compromised or arranged total	477
<u>reimbursed by the Owners.</u>	415	loss or is requisitioned.	478
14. Auditing	416	18.4 For the purpose of sub-clause 18.3 hereof	479
The Managers shall at all times maintain and keep true and	417	(i) the date upon which the Vessel is to be treated as having	480
correct accounts and shall make the same available for inspection	418	been sold or otherwise disposed of shall be the date on	481
and auditing by the Owners at such times as may be mutually	419	which the Owners cease to be registered as Owners of	482
agreed. On the termination, for whatever reasons, of this	420	the Vessel;	483
Agreement, the Managers shall release to the Owners, if so	421	(ii) the Vessel shall not be deemed to be lost unless either	484
requested, the originals where possible, or otherwise certified	422	she has become an actual total loss or agreement has	485
copies, of all such accounts and all documents specifically relating	423	been reached with her underwriters in respect of her	486
to the Vessel and her operation.	424	constructive, compromised or arranged total loss or if such	487
15. Inspection of Vessel	425	agreement with her underwriters is not reached it is	488
The Owners shall have the right at any time after giving	426	adjudged by a competent tribunal that a constructive loss	489
reasonable notice to the Managers to inspect the Vessel for any	427	of the Vessel has occurred.	490
reason they consider necessary.	428	18.5 This Agreement shall terminate forthwith in the event of	491
16. Compliance with Laws and Regulations	429	an order being made or resolution passed for the winding up,	492
The Managers will not do or permit to be done anything which	430	dissolution, liquidation or bankruptcy of either party (otherwise	493
might cause any breach or infringement of the laws and	431	than for the purpose of reconstruction or amalgamation) or if a	494
regulations of the Vessel's flag, or of the places where she trades.	432	receiver is appointed, or if it suspends payment, ceases to	495
17. Duration of the Agreement	433	carry on business or makes any special arrangement or	496
This Agreement shall come into effect on the day and year stated	434	composition with its creditors.	497
in <u>Box 4</u> and shall continue until the date stated in <u>Box 17</u> .	435	18.6 The termination of this Agreement shall be without	498
Thereafter it shall continue until terminated by either party giving	436	prejudice to all rights accrued due between the parties prior to	499
the other notice in writing, in which event the Agreement shall	437	the date of termination.	500
terminate upon the expiration of a period of two months from the	438	19. Law and Arbitration	501
date upon which such notice was given.	439	19.1 This Agreement shall be governed by and construed in	502
18. Termination	440	accordance with English law and any dispute arising out of or	503
18.1 Owners' default	441	in connection with this Agreement shall be referred to arbitration	504
(i) The Managers shall be entitled to terminate the Agreement	442	in London in accordance with the Arbitration Act 1996 or	505
with immediate effect by notice in writing if any moneys	443	any statutory modification or re-enactment thereof save to	506
payable by the Owners under this Agreement and/or the	444	the extent necessary to give effect to the provisions of this	507
owners of any associated vessel, details of which are listed	445	Clause.	508
<u>in Annex "D", shall not have been received in the Managers'</u>	446	The arbitration shall be conducted in accordance with the	509
<u>nominated account within ten running days of receipt by</u>	447	London Maritime Arbitrators Association (LMAA) Terms	510
<u>the Owners of the Managers written request or if the Vessel</u>	448	current at the time when the arbitration proceedings are	511
<u>is repossessed by the Mortgagees.</u>	449	commenced.	512
(ii) If the Owners:	450	The reference shall be to three arbitrators. A party wishing	513
(a) fail to meet their obligations under sub-clauses 5.2	451	to refer a dispute to arbitration shall appoint its arbitrator	514
and 5.3 of this Agreement for any reason within their	452	and send notice of such appointment in writing to the other	515
control, or	453	party requiring the other party to appoint its own arbitrator	516
(b) proceed with the employment of or continue to employ	454	within 14 calendar days of that notice and stating that it will	517
the Vessel in the carriage of contraband, blockade	455	appoint its arbitrator as sole arbitrator unless the other party	518
running, or in an unlawful trade, or on a voyage which	456	appoints its own arbitrator and gives notice that it has	519
		done so within the 14 days specified. If the other party does	520
		not appoint its own arbitrator and give notice that it has done	521
		so within the 14 days specified, the party referring a dispute to	522
		arbitration may, without the requirement of any further prior	523
		notice to the other party, appoint its arbitrator as sole	524



PART II
"SHIPMAN 98" Standard Ship Management Agreement

arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	525	exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	549
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	526	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	550
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	527	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-clause 19.1 of this Clause shall apply.	551
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	528	<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in <u>Box 18</u>.</i>	552
In cases where neither the claim nor any counterclaim	529		553
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		20. Notices	564
		20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	565
		20.2 The address of the Parties for service of such communication shall be as stated in <u>Boxes 19</u> and <u>20</u> , respectively.	566

Approved by
the International Ship Managers' Association (ISMA)

Approved by
the Documentary Committee of The
Japan Shipping Exchange Inc., Tokyo

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1. Date of Agreement 28 January 2013		THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)	
		STANDARD SHIP MANAGEMENT AGREEMENT	
		CODE NAME: "SHIPMAN 98" Part I	
2. Owners (name, place of registered office and law of registry) (Cl. 1)		3. Managers (name, place of registered office and law of registry) (Cl. 1)	
Name IVS Bulk 603 Pte.Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763		Name Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	
Place of registered office Singapore		Place of registered office Singapore	
Law of registry Singapore		Law of registry Singapore	
4. Day and year of commencement of Agreement (Cl. 2) 01 February 2013			
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) YES		6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2) YES	
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) NO		8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4) YES	
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) YES		10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6) YES	
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) YES		12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) NO	
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.9) NO		14. Owners' Insurance (state alternative (1), @ or @@ of Cl. 6.3) YES – Alternative (ii) of clause 6.3 applies	
15. Annual Management Fee (state annual amount) (Cl. 8.1) USD 120 000.00		16. Severance Costs (state maximum amount) (Cl. 8.4(ii1)) NIL	
17. Day and year of termination of Agreement (Cl. 17) 31 January 2018		18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) (Clause 19.3 English Law and Arbitration in Singapore under SIAC Rules)	
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20) IVS Bulk 603 Pte.Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763		20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20) Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	
It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further..			
Signature(s) (Owners) 		Signature(s) (Managers) 	

**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

01 February 2013

Name of Vessel(s):

IVS SENTOSA

Particulars of Vessel(s): IMO: NO. 9528005

Bulk Carrier

Singapore registered – Official No. 394832

Port of registry : Singapore

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**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Details of Crew:

Numbers	Rank	Nationality
1	Master	Filipino
2	Chief Officer	Filipino
3	Second Officer	Filipino
4	Third Officer	Filipino
5	Bosun	Filipino
6	AB	Filipino
7	AB	Filipino
8	AB	Filipino
9	OS	Filipino
10	OS	Filipino
11	Chief Engineer	Filipino
12	Second Engineer	Filipino
13	Third Engineer	Filipino
14	Fourth Engineer	Filipino
15	Electrician	Filipino
16	Oiler	Filipino
17	Oiler	Filipino
18	Oiler	Filipino
19	Wiper	Filipino
20	Chief Cook	Filipino
21	Messman	Filipino

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**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Managers' Budget for the first year with effect from the Commencement Date of this Agreement:

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**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D" THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS AGREEMENT.

Date of Agreement:

Details of Associated Vessels:

PART II
"SHIPMAN 98" Standard Ship Management Agreement

1. Definitions	1		66
In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.	2	for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate flag State requirements. In the absence of applicable flag State requirements the medical certificate shall be dated not more than three months prior to the respective Crew members leaving their country of domicile and maintained for the duration of their service on board the Vessel;	67 68 69 70 71 72
<u>"Owners" means the party identified in Box 2.</u>	5		
<u>"Managers" means the party identified in Box 3.</u>	6		
<u>"Vessel" means the vessel or vessels details of which are set out in Annex "A" attached hereto.</u>	7	(iv) ensuring that the Crew shall have a command of the English language of a sufficient standard to enable them to perform their duties safely;	73 74
<u>"Crew" means the Master, officers and ratings of the numbers, rank and nationality specified in Annex "B" attached hereto.</u>	9	(v) arranging transportation of the Crew, including repatriation;	75 76
<u>"Crew Support Costs" means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.</u>	11	(vi) training of the Crew and supervising their efficiency;	77
<u>"Severance Costs" means the costs which the employers are legally obliged to pay to or in respect of the Crew as a result of the early termination of any employment contract for service on the Vessel.</u>	12	(vii) conducting union negotiations;	78
<u>"Crew Insurances" means insurances against crew risks which shall include but not be limited to death, sickness, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.</u>	13	(viii) operating the Managers' drug and alcohol policy unless otherwise agreed.	79 80
<u>"Management Services" means the services specified in sub-clauses 3.1 to 3.8 as indicated affirmatively in Boxes 5 to 12.</u>	14		
<u>"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.</u>	15		
<u>"STCW 95" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.</u>	16		
	17	3.2 Technical Management	81
	18	<u>(only applicable if agreed according to Box 6)</u>	82
	19	The Managers shall provide technical management which includes, but is not limited to, the following functions:	83
	20	(i) provision of competent personnel to supervise the maintenance and general efficiency of the Vessel;	84 85 86
	21	(ii) arrangement and supervision of dry dockings, repairs, alterations and the upkeep of the Vessel to the standards required by the Owners provided that the Managers shall be entitled to incur the necessary expenditure to ensure that the Vessel will comply with the law of the flag of the Vessel and of the places where she trades, and all requirements and recommendations of the classification society;	87 88 89 90 91 92 93 94
	22	(iii) arrangement of the supply of necessary stores, spares and lubricating oil;	95 96
	23	(iv) appointment of surveyors and technical consultants as the Managers may consider from time to time to be necessary;	97 98
	24	(v) development, implementation and maintenance of a Safety Management System (SMS) in accordance with the ISM Code (see sub-clauses 4.2 and 5.3).	99 100 101
	25		
	26	3.3 Commercial Management	102
	27	<u>(only applicable if agreed according to Box 7)</u>	103
	28	The Managers shall provide the commercial operation of the Vessel, as required by the Owners, which includes, but is not limited to, the following functions:	104 105 106
	29	(i) providing chartering services in accordance with the Owners' instructions which include, but are not limited to, seeking and negotiating employment for the Vessel and the conclusion (including the execution thereof) of charter parties or other contracts relating to the employment of the Vessel. If such a contract exceeds the period stated in Box 13, consent thereto in writing shall first be obtained from the Owners.	107 108 109 110 111 112 113
	30	(ii) arranging of the proper payment to Owners or their nominees of all hire and/or freight revenues or other moneys of whatsoever nature to which Owners may be entitled arising out of the employment of or otherwise in connection with the Vessel.	114 115 116 117 118
	31	(iii) providing voyage estimates and accounts and calculating of hire, freights, demurrage and/or despatch moneys due from or due to the charterers of the Vessel;	119 120 121
	32	(iv) issuing of voyage instructions;	122
	33	(v) appointing agents;	123
	34	(vi) appointing stevedores;	124
	35	(vii) arranging surveys associated with the commercial operation of the Vessel.	125 126
	36	3.4 Insurance Arrangements'	127
	37	<u>(only applicable if agreed according to Box 8)</u>	128
	38	The Managers shall arrange insurances in accordance with Clause 6, on such terms and conditions as the Owners shall have instructed or agreed, in particular regarding conditions,	129 130 131
	39		
2. Appointment of Managers	36		
With effect from the day and year stated in Box 4 and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.	37 38 39 40		
3. Basis of Agreement	41		
Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice.	42 43 44 45 46 47 48 49		
3.1 Crew Management	50		
<u>(only applicable if agreed according to Box 5)</u>	51		
The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:	52		
(i) selecting and engaging the Vessel's Crew, including payroll arrangements, pension administration, and insurances for the Crew other than those mentioned in Clause 6;	53 54 55 56 57 58		
(ii) ensuring that the applicable requirements of the law of the flag of the Vessel are satisfied in respect of manning levels, rank, qualification and certification of the Crew and employment regulations including Crew's tax, social insurance, discipline and other requirements;	59 60 61 62 63		
(iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit	64 65		

PART II
"SHIPMAN 98" Standard Ship Management Agreement

insured values, deductibles and franchises.	132	6. Insurance Policies	193
3.5 Accounting Services	133	The Owners shall procure, whether by instructing the Managers	194
<i>(only applicable if agreed according to Box 9)</i>	134	under sub-clause 3.4 or otherwise, that throughout the period of	195
The Managers shall:	135	this Agreement:	196
(i) establish an accounting system which meets the	136	6.1 at the Owners' expense, the Vessel is insured for not less	197
requirements of the Owners and provide regular accounting	137	than her sound market value or entered for her full gross tonnage,	198
services, supply regular reports and records,	138	as the case may be for:	199
(ii) maintain the records of all costs and expenditure incurred	139	(i) usual hull and machinery marine risks (including crew	200
as well as data necessary or proper for the settlement of	140	negligence) and excess liabilities;	201
accounts between the parties.	141	(ii) protection and indemnity risks (including pollution risks and	202
		Crew Insurances); and	203
		(iii) war risks (including protection and indemnity and crew risks)	204
3.6 Sale or Purchase of the Vessel	142	in accordance with the best practice of prudent owners of	205
<i>(only applicable if agreed according to Box 10)</i>	143	vessels of a similar type to the Vessel, with first class insurance	206
The Managers shall, in accordance with the Owners' instructions,	144	companies, underwriters or associations ("the Owners'	207
supervise the sale or purchase of the Vessel, including the	145	Insurances");	208
performance of any sale or purchase agreement, but not	146	6.2 all premiums and calls on the Owners' Insurances are paid	209
negotiation of the same.	147	promptly by their due date,	210
		6.3 the Owners' Insurances name the Managers and, subject	211
3.7 Provisions <i>(only applicable if agreed according to Box 11)</i>	148	to underwriters' agreement, any third party designated by the	212
The Managers shall arrange for the supply of provisions.	149	Managers as a joint assured, with full cover, with the Owners	213
		obtaining cover in respect of each of the insurances specified in	214
3.8 Bunkering <i>(only applicable if agreed according to Box 12)</i>	150	sub-clause 6.1:	215
The Managers shall arrange for the provision of bunker fuel of the	151	(i) on terms whereby the Managers and any such third party	216
quality specified by the Owners as required for the Vessel's trade.	152	are liable in respect of premiums or calls arising in connection	217
		with the Owners' Insurances; or	218
4. Managers' Obligations	153	(ii) if reasonably obtainable, on terms such that neither the	219
4.1 The Managers undertake to use their best endeavours to	154	Managers nor any such third party shall be under any	220
provide the agreed Management Services as agents for and on	155	liability in respect of premiums or calls arising in connection	221
behalf of the Owners in accordance with sound ship management	156	with the Owners' Insurances; or	222
practice and to protect and promote the interests of the Owners in	157	(iii) on such other terms as may be agreed in writing.	223
all matters relating to the provision of services hereunder.	158	<i>Indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left</i>	224
Provided, however, that the Managers in the performance of their	159	<i>blank then (i) applies.</i>	225
management responsibilities under this Agreement shall be entitled	160	6.4 written evidence is provided, to the reasonable satisfaction	226
to have regard to their overall responsibility in relation to all vessels	161	of the Managers, of their compliance with their obligations under	227
as may from time to time be entrusted to their management and	162	<u>Clause 6</u> within a reasonable time of the commencement of	228
in particular, but without prejudice to the generality of the foregoing,	163	the Agreement, and of each renewal date and, if specifically	229
the Managers shall be entitled to allocate available supplies,	164	requested, of each payment date of the Owners' Insurances.	230
manpower and services in such manner as in the prevailing	165		
circumstances the Managers in their absolute discretion consider	166	7. Income Collected and Expenses Paid on Behalf of Owners	231
to be fair and reasonable.	167	7.1 All moneys collected by the Managers under the terms of	232
4.2 Where the Managers are providing Technical Management	168	this Agreement (other than moneys payable by the Owners to	233
in accordance with sub-clause 3.2, they shall procure that the	169	the Managers) and any interest thereon shall be held to the	234
requirements of the law of the flag of the Vessel are satisfied and	170	credit of the Owners in a separate bank account	235
they shall in particular be deemed to be the "Company" as defined	171	7.2 All expenses incurred by the Managers under the terms	236
by the ISM Code, assuming the responsibility for the operation of	172	of this Agreement on behalf of the Owners (including expenses	237
the Vessel and taking over the duties and responsibilities imposed	173	as provided in <u>Clause 8</u>) may be debited against the Owners	238
by the ISM Code when applicable.	174	in the account referred to under sub-clause 7.1 but shall in any	239
		event remain payable by the Owners to the Managers on	240
5. Owners' Obligations	175	demand.	241
5.1 The Owners shall pay all sums due to the Managers punctually	176	8. Management Fee	242
in accordance with the terms of this Agreement	177	8.1 The Owners shall pay to the Managers for their services	243
5.2 Where the Managers are providing Technical Management	178	as Managers under this Agreement an annual management	244
in accordance with sub-clause 3.2, the Owners shall:	179	fee as stated in <u>Box 15</u> which shall be payable by equal	245
(i) procure that all officers and ratings supplied by them or on	180	monthly instalments in advance, the first instalment being	246
their behalf comply with the requirements of STCW 95;	181	payable on the commencement of this Agreement (see <u>Clause</u>	247
(ii) instruct such officers and ratings to obey all reasonable orders	182	<u>2</u> and <u>Box 4</u>) and subsequent instalments being payable every	248
of the Managers in connection with the operation of the	183	month.	249
Managers' safety management system.	184	8.2 The management fee shall be subject to an annual review	250
5.3 Where the Managers are not providing Technical Management	185	on the anniversary date of the Agreement and the proposed	251
in accordance with sub-clause 3.2, the Owners shall procure that	186	fee shall be presented in the annual budget referred to in sub-	252
the requirements of the law of the flag of the Vessel are satisfied	187	<u>clause 9.1</u> .	253
and that they, or such other entity as may be appointed by them	188	8.3 The Managers shall, at no extra cost to the Owners, provide	254
and identified to the Managers, shall be deemed to be the	189	their own office accommodation, office staff, facilities and	255
"Company" as defined by the ISM Code assuming the responsibility	190	stationery. Without limiting the generality of <u>Clause 7</u> the Owners	256
for the operation of the Vessel and taking over the duties and	191	shall reimburse the Managers for postage and communication	257
responsibilities imposed by the ISM Code when applicable.	192	expenses, travelling expenses, and other out of pocket	258
		expenses properly incurred by the Managers in pursuance of	259

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"SHIPMAN 98" Standard Ship Management Agreement

the Management Services.	260	11.1 Force Majeure - Neither the Owners nor the Managers	326
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 17 and 18 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee payable to the Managers according to the provisions of sub-clause 8.1, shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause 3.1:	261	shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	327
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	262		328
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in <u>Box 16</u> .	263	11.2 Liability to Owners - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	329
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	264		330
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	265		331
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	282	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1, in which case their liability shall be limited in accordance with the terms of this <u>Clause 11</u> .	348
	283		349
	284		350
	285	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	351
9. Budgets and Management of Funds	286		352
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in <u>Annex 'C'</u> hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see Clause 2 and Box 4). 9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	287		353
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. Based thereon, the Managers shall each month request the Owners in writing for the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.	288		354
9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	289		355
9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	290		356
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PART II
"SHIPMAN 98" Standard Ship Management Agreement

to the Safety Management System (SMS) and/or the Crew	394	in the reasonable opinion of the Managers is unduly	457
which the Owners need in order to demonstrate compliance	395	hazardous or improper,	458
with the ISM Code and STCW 95 or to defend a claim against	396	the Managers may give notice of the default to the Owners,	459
a third party.	397	requiring them to remedy it as soon as practically possible.	460
13. General Administration	398	In the event that the Owners fail to remedy it within a	461
13.1 The Managers shall handle and settle all claims arising	399	reasonable time to the satisfaction of the Managers, the	462
out of the Management Services hereunder and keep the Owners	400	Managers shall be entitled to terminate the Agreement	463
informed regarding any incident of which the Managers become	401	with immediate effect by notice in writing.	464
aware which gives or may give rise to claims or disputes involving	402	18.2 Managers' Default	465
third parties.	403	If the Managers fail to meet their obligations under <u>Clauses 3</u>	466
13.2 The Managers shall, as instructed by the Owners, bring	404	and 4 of this Agreement for any reason within the control of the	467
or defend actions, suits or proceedings in connection with matters	405	Managers, the Owners may give notice to the Managers of the	468
entrusted to the Managers according to this Agreement.	406	default, requiring them to remedy it as soon as practically	469
13.3 The Managers shall also have power to obtain legal or	407	possible. In the event that the Managers fail to remedy it within a	470
technical or other outside expert advice in relation to the handling	408	reasonable time to the satisfaction of the Owners, the Owners	471
and settlement of claims and disputes or all other matters	409	shall be entitled to terminate the Agreement with immediate effect	472
affecting the interests of the Owners in respect of the Vessel.	410	by notice in writing.	473
13.4 The Owners shall arrange for the provision of any	411	18.3 Extraordinary Termination	474
necessary guarantee bond or other security.	412	This Agreement shall be deemed to be terminated in the case of	475
13.5 Any costs reasonably incurred by the Managers in	413	the sale of the Vessel or if the Vessel becomes a total loss or is	476
carrying out their obligations according to <u>Clause 13</u> shall be	414	declared as a constructive or compromised or arranged total	477
reimbursed by the Owners.	415	loss or is requisitioned.	478
14. Auditing	416	18.4 For the purpose of sub-clause 18.3 hereof	479
The Managers shall at all times maintain and keep true and	417	(i) the date upon which the Vessel is to be treated as having	480
correct accounts and shall make the same available for inspection	418	been sold or otherwise disposed of shall be the date on	481
and auditing by the Owners at such times as may be mutually	419	which the Owners cease to be registered as Owners of	482
agreed. On the termination, for whatever reasons, of this	420	the Vessel;	483
Agreement, the Managers shall release to the Owners, if so	421	(ii) the Vessel shall not be deemed to be lost unless either	484
requested, the originals where possible, or otherwise certified	422	she has become an actual total loss or agreement has	485
copies, of all such accounts and all documents specifically relating	423	been reached with her underwriters in respect of her	486
to the Vessel and her operation.	424	constructive, compromised or arranged total loss or if such	487
15. Inspection of Vessel	425	agreement with her underwriters is not reached it is	488
The Owners shall have the right at any time after giving	426	adjudged by a competent tribunal that a constructive loss	489
reasonable notice to the Managers to inspect the Vessel for any	427	of the Vessel has occurred.	490
reason they consider necessary.	428	18.5 This Agreement shall terminate forthwith in the event of	491
16. Compliance with Laws and Regulations	429	an order being made or resolution passed for the winding up,	492
The Managers will not do or permit to be done anything which	430	dissolution, liquidation or bankruptcy of either party (otherwise	493
might cause any breach or infringement of the laws and	431	than for the purpose of reconstruction or amalgamation) or if a	494
regulations of the Vessel's flag, or of the places where she trades.	432	receiver is appointed, or if it suspends payment, ceases to	495
17. Duration of the Agreement	433	carry on business or makes any special arrangement or	496
This Agreement shall come into effect on the day and year stated	434	composition with its creditors.	497
in <u>Box 4</u> and shall continue until the date stated in <u>Box 17</u> .	435	18.6 The termination of this Agreement shall be without	498
Thereafter it shall continue until terminated by either party giving	436	prejudice to all rights accrued due between the parties prior to	499
to the other notice in writing, in which event the Agreement shall	437	the date of termination.	500
terminate upon the expiration of a period of two months from the	438	19. Law and Arbitration	501
date upon which such notice was given.	439	19.1 This Agreement shall be governed by and construed in	502
18. Termination	440	accordance with English law and any dispute arising out of or	503
18.1 Owners' default	441	in connection with this Agreement shall be referred to arbitration	504
(i) The Managers shall be entitled to terminate the Agreement	442	in London in accordance with the Arbitration Act 1996 or	505
with immediate effect by notice in writing if any moneys	443	any statutory modification or re-enactment thereof save to	506
payable by the Owners under this Agreement and/or the	444	the extent necessary to give effect to the provisions of this	507
owners of any associated vessel, details of which are listed	445	Clause.	508
in <u>Annex "D"</u> , shall not have been received in the Managers'	446	The arbitration shall be conducted in accordance with the	509
nominated account within ten running days of receipt by	447	London Maritime Arbitrators Association (LMAA) Terms	510
the Owners of the Managers written request or if the Vessel	448	current at the time when the arbitration proceedings are	511
is repossessed by the Mortgagees.	449	commenced.	512
(ii) If the Owners:	450	The reference shall be to three arbitrators. A party wishing	513
(a) fail to meet their obligations under sub-clauses 5.2	451	to refer a dispute to arbitration shall appoint its arbitrator	514
and 5.3 of this Agreement for any reason within their	452	and send notice of such appointment in writing to the other	515
control, or	453	party requiring the other party to appoint its own arbitrator	516
(b) proceed with the employment of or continue to employ	454	within 14 calendar days of that notice and stating that it will	517
the Vessel in the carriage of contraband, blockade	455	appoint its arbitrator as sole arbitrator unless the other party	518
running, or in an unlawful trade, or on a voyage which	456	appoints its own arbitrator and gives notice that it has	519
		done so within the 14 days specified. If the other party does	520
		not appoint its own arbitrator and give notice that it has done	521
		so within the 14 days specified, the party referring a dispute to	522
		arbitration may, without the requirement of any further prior	523
		notice to the other party, appoint its arbitrator as sole	524

PART II
"SHIPMAN 98" Standard Ship Management Agreement

arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	525 526 527	exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	549 550 551
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	528 529 530	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	552 553 554
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	531 532 533 534 535	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-clause <u>19.1</u> of this Clause shall apply.	555 556 557 558 559
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	536 537 538 539 540 541 542 543 544 545 546 547	<hr/> <i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in Box 18.</i> <hr/>	560 561 562 563
In cases where neither the claim nor any counterclaim	548	20. Notices 20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service. 20.2 The address of the Parties for service of such communication shall be as stated in <u>Boxes 19</u> and <u>20</u> , respectively.	564 565 566 567 568 569 570



THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
 STANDARD SHIP MANAGEMENT AGREEMENT
 CODE NAME: "SHIPMAN 98"

Part I

Approved by
 the International Ship Managers' Association (ISMA)

1. Date of Agreement 12 December 2013
2. Owners (name, place of registered office and law of registry) (Cl. 1)
Name IVS Bulk 5855 Pte. Ltd.
Place of registered office Singapore
Law of registry Singapore

3. Managers (name, place of registered office and law of registry) (Cl. 1)
Name Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089763
Place of registered office Singapore
Law of registry Singapore

Approved by
 the Documentary Committee of The
 Japan Shipping Exchange Inc., Tokyo

4. Day and year of commencement of Agreement (Cl. 2) Date of Agreement as per Box 1

5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) Yes (via sub-contract)

6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2) Yes

7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) No

8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4) No

9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) Yes

10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6) Yes

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11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) Yes

12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) No

13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.3(ii)) No

14. Owners' Insurance (state alternative (i), (ii) or (iii) of Cl. 6.3) Yes - Alternative (ii) of Clause 6.3 applies

15. Annual Management Fee (state annual amount) (Cl. 8.1) USD 125,000.00 commencing one month prior to delivery of the Vessel.

16. Severance Costs (state maximum amount) (Cl. 8.4(ii)) USD 75,000

17. Day and year of termination of Agreement (Cl. 17) One year from the delivery of the Vessel.

18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) London Clause 19.1

19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20) IVS Bulk 5855 Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089703 Tel: +65 632 300 48 Fax: +65 632 300 46

20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20) Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089703 Tel: +65 632 300 48 Fax: +65 632 300 46

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further.

Signature(s) (Owners) 	Signature(s) (Managers)
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**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement
December 2013

Name of Vessel(s):
Shin Kurushima Hull No. 5855

Particulars of Vessel(s):
33,200 DWT Open Hatch Bulk Carrier

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**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement
December 2013

Details of Crew:

Numbers	Rank	Nationality
1	Master	Filipino
2	Chief Officer	Filipino
3	Second Officer	Filipino
4	Third Officer	Filipino
5	Bosun	Filipino
6	AB	Filipino
7	AB	Filipino
8	AB	Filipino
9	OS	Filipino
10	OS	Filipino
11	Chief Engineer	Filipino
12	Second Engineer	Filipino
13	Third Engineer	Filipino
14	Fourth Engineer	Filipino
15	Electrician	Filipino
16	Oiler	Filipino
17	Oiler	Filipino
18	Oiler	Filipino
19	Wiper	Filipino
20	Chief Cook	Filipino
21	Messman	Filipino



**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement

December 2013

Managers' Budget for the first year with effect from the Commencement Date of this Agreement scheduled date of delivery of the Vessel:

As appended

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N.G.
E. A. Q.

STEELCO

DIVISION: STEELCO
 SUBSIDIARY: Summary

SHIP NAME:

BUDGETED PERIOD: First year of operating

CURRENCY : USD

	01/07/2014		01/01/2015		01/05/2014		01/07/2015		01/12/2014		01/07/2015		01/10/2015	
	400 DWT	37 400 DWT	37 400 DWT	37 400 DWT	33 000 DWT	37 400 DWT	37 400 DWT	37 400 DWT	33 200 DWT	30/11/2015	30/11/2015	30/06/2016	30/09/2016	58 000 DWT
	KANDA 543 Q3'14	KANDA 545 Q1'15	KANDA 541 Q2'14	KANDA 554 Q3'15	KANDA 5855 Q4'14	CINO 703 Q3'15	SKDY 5858 Q3'15							
Repairs and Maintenance	5,494	126 028	87 983	130 650	125 776	130 742	139 905							
Manning	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256							
Stores	106 800	104 000	12 133	108 625	100 833	127 058	130 537							
Lube Oil	138 000	140 000	121 667	120 333	136 333	190 000	185 000							
Insurance	148 945	149 446	146 111	155 282	149 029	170 000	170 000							
Admin	156 660	156 660	156 660	156 660	156 660	156 580	156 620							
Management Fee	125 000	125 000	125 000	125 000	125 000	125 000	125 000							
SHIP OPERATING EXPENSES	1 805 155	1 835 390	1 765 810	1 830 806	1 827 888	1 933 016	1 941 318							
Unplanned Expenses	20 000	20 000	20 000	20 000	20 000	20 000	20 000							
TOTAL SHIP OPERATING EXPENSES	1 825 155	1 855 390	1 785 810	1 850 806	1 847 888	1 953 016	1 961 318							
Commercial Expenses	15 000	15 000	15 000	15 000	15 000	15 000	15 000							
Cadets	4 500	4 500	4 500	4 500	4 500	4 500	4 500							
Owners Costs	21 168	921 168	851 340	921 168	900 336	1 091 332	1 089 660							
Depreciation														
Dry docking Amortisation														
SHIP RUNNING COSTS	2 765 833	2 796 058	2 636 650	2 791 474	2 767 724	3 067 348	3 070 478							
No of operating days	365	365	365	366	365	366	366							
Costs per day	4 946	5 028	4 838	5 002	5 008	5 281	5 304							
- Ship operating expenses pd	55	55	55	55	55	55	55							
- Unplanned expenses pd	5 000	5 083	4 893	5 057	5 063	5 336	5 339							
- Total ship operating expenses pd														

(Handwritten signature)

**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D"
THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS
AGREEMENT.**

Date of Agreement

Details of Associated Vessels:
N/A

PART II
"SHIPMAN 98" Standard Ship Management Agreement

(ii) arranging of the proper payment to Owners or their nominees of all hire and/or freight revenues or other moneys of whatsoever nature to which Owners may be entitled arising out of the employment of or otherwise in connection with the Vessel.	114 115 116 117 118	by the ISM Code when applicable. The Managers shall report to the Flag State administration details of the Managers, as the Company, as required to comply with the ISM and ISPS Code.	174
(iii) providing voyage estimates and accounts and calculating of hire, freights, demurrage and/or despatch moneys due from or due to the charterers of the Vessel;	119 120 121	5. Owners' Obligations	175
(iv) issuing of voyage instructions;	122	5.1 The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement.	176 177
(v) appointing agents;	123	5.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, the Owners shall:	178 179
(vi) appointing stevedores;	124	(i) procure that all officers and ratings supplied by them or on their behalf comply with the requirements of STCW95;	180 181
(vii) arranging surveys associated with the commercial operation of the Vessel.	125 126	(ii) instruct such officers and ratings to obey all reasonable orders of the Managers in connection with the operation of the Managers' safety management system.	182 183 184
3.4 Insurance Arrangements'	127	5.3 Where the Managers are not providing Technical Management in accordance with sub-clause 3.2, the Owners shall procure that the requirements of the law of the Flag State flag of the Vessel are satisfied	185 186 187
<i>(only applicable if agreed according to Box 8)</i>	128	and that they, or such other entity as may be appointed by them and identified to the Managers, shall be deemed to be the "Company" as defined by the ISM Code assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.	188 189 190 191 192
The Managers shall arrange insurances in accordance with Clause 6, on such terms and conditions as the Owners shall have instructed or agreed, in particular regarding conditions, insured values, deductibles and franchises.	129 130 131 132	6. Insurance Policies	193
3.5 Accounting Services	133	The Owners shall procure, whether by instructing the Managers under sub-clause 3.4 or otherwise, that throughout the period of this Agreement:	194 195 196
<i>(only applicable if agreed according to Box 9)</i>	134	6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:	197 198 199
The Managers shall:	135	(i) usual hull and machinery marine risks (including crew negligence) and excess liabilities;	200 201
(i) establish an accounting system which meets the requirements of the Owners and provide regular accounting services, supply regular reports and records, relating to the technical operation of the Vessel;	136 137 138	(ii) protection and indemnity risks (including, but not limited to , pollution risks, diversion expenses and Crew Insurances); and	202 203
(ii) maintain the records of all costs and expenditure incurred as well as data necessary or proper for the settlement of accounts between the parties.	139 140 141	(iii) war risks (including protection and indemnity and crew risks) in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");	204 205 206 207 208
3.6 Sale or Purchase of the Vessel	142	6.2 all premiums and calls on the Owners' Insurances are paid promptly by their due date.	209
<i>(only applicable if agreed according to Box 10)</i>	143	6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Owners obtaining cover in respect of each of the insurances specified in sub-clause 6.1:	210 211 212 213 214 215
The Managers shall, in accordance with the Owners' instructions, supervise the sale or purchase of the Vessel, including the performance of any sale or purchase agreement, but not negotiation of the same.	144 145 146 147	(i) on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances; or	216 217 218
3.7 Provisions (only applicable if agreed according to Box 11)	148	(ii) if reasonably obtainable, on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances; or	219 220 221 222
The Managers shall arrange for the supply of provisions.	149	(iii) on such other terms as may be agreed in writing.	223
3.8 Bunkering (only applicable if agreed according to Box 12)	150	<i>Indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left blank then (i) applies.</i>	224 225
The Managers shall arrange for the provision of bunker fuel of the quality specified by the Owners as required for the Vessel's trade.	151 152	6.4 written evidence is provided, to the reasonable satisfaction of the Managers, of their compliance with their obligations under <u>Clause 6</u> within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.	226 227 228 229 230
4. Managers' Obligations	153	7. Income Collected and Expenses Paid on Behalf of Owners	231
4.1 The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.	154 155 156 157 158 159 160 161 162 163 164 165 166 167	7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account.	232 233 234 235
4.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, they shall procure that the requirements of the law of the Flag State flag of the Vessel are satisfied and they shall in particular be deemed to be the "Company" as defined by the ISM Code, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed	168 169 170 171 172 173		

PART II
"SHIPMAN 98" Standard Ship Management Agreement

7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in <u>Clause 8</u>) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owners to the Managers on demand.	236 237 238 239 240 241	each month request the Owners in writing for the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.	302 303 304 305 306 307 308 309
8. Management Fee	242	9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	310 311 312 313
8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement an annual management fee as stated in <u>Box 15</u> which shall be payable by equal monthly instalments in advance, the first instalment being payable on the commencement of this Agreement (see <u>Clause 2</u> and <u>Box 4</u>) and subsequent instalments being payable every month.	243 244 245 246 247 248 249	9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	314 315 316 317
8.2 The management fee shall be subject to an annual review on the anniversary date of the Agreement and the proposed fee shall be presented in the annual budget referred to in sub-clause 9.1.	250 251 252 253	10. Managers' Right to Sub-Contract	318
8.3 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of <u>Clause 7</u> the Owners shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in pursuance of the Management Services.	254 255 256 257 258 259 260	The Managers shall not have the right to sub-contract any of their obligations hereunder, including those mentioned in sub-clause 3.1, without the prior written consent of the Owners which shall not be unreasonably withheld. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement. The Owner hereby consents to the Manager subcontracting all or some aspects of crew management.	319 320 321 322 323 324
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of <u>Clauses 17</u> and <u>18</u> other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee" payable to the Managers according to the provisions of sub-clause 8.1, shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause 3.1:	261 262 263 264 265 266 267 268 269 270	11. Responsibilities	325
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	271 272	11.1 Force Majeure - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	326 327 328 329
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in <u>Box 16</u> . The Managers shall use their reasonable endeavours to minimise such Severance Costs.	273 274 275	11.2 Liability to Owners - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	276 277 278 279 280 281	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Manager to discharge their obligations under sub-clause 3.1, in which case their liability shall be limited in accordance with the terms of this <u>Clause 11</u> .	348 349 350 351 352 353 354
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	282 283 284	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	355 356 357 358 359 360 361 362 363 364 365 366 367
9. Budgets and Management of Funds	285	11.4 "Himalaya" - It is hereby expressly agreed that no	368
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in <u>Annex "C"</u> hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see <u>Clause 2</u> and <u>Box 4</u>).	286 287 288 289 290 291 292		
9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	293 294 295 296 297		
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. Based thereon, the Managers shall	298 299 300 301		

PART II
"SHIPMAN 98" Standard Ship Management Agreement

employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this <u>Clause 11</u> , every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this <u>Clause 11</u> the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388	regulations of the Vessel's flag, or of the places where she trades.	432
12. Documentation	389	17. Duration of the Agreement	433
Where the Managers are providing Technical Management in accordance with sub-clause <u>3.2</u> and/or Crew Management in accordance with sub-clause <u>3.1</u> , they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW 95 or to defend a claim against a third party.	390 391 392 393 394 395 396 397	This Agreement shall come into effect on the day and year stated in <u>Box 4</u> and shall continue until the date stated in <u>Box 17</u> . Thereafter it shall continue until terminated by either party giving to the other notice in writing, in which event the Agreement shall terminate upon the expiration of a period of two months from the date upon which such notice was given.	434 435 436 437 438 439
13. General Administration	398	18. Termination	440
13.1 The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties.	399 400 401 402 403	18.1 Owners' default	441
13.2 The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.	404 405 406	(i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement and/or the owners of any associated vessel, details of which are listed in <u>Annex "D"</u> , shall not have been received in the Managers' nominated account within ten running days of receipt by the Owners of the Managers written request or if the Vessel is repossessed by the Mortgagees.	442 443 444 445 446 447 448 449
13.3 The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.	407 408 409 410	(ii) If the Owners:	450
13.4 The Owners shall arrange for the provision of any necessary guarantee bond or other security.	411 412	(a) fail to meet their obligations under sub-clauses <u>5.2</u> and <u>5.3</u> of this Agreement for any reason within their control, or	451 452
13.5 Any costs reasonably incurred by the Managers in carrying out their obligations according to <u>Clause 13</u> shall be reimbursed by the Owners.	413 414 415	(b) proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper, the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.	453 454 455 456 457 458 459 460 461 462 463 464
14. Auditing	416	18.2 Managers' Default	465
The Managers shall at all times maintain and keep true and correct accounts and shall make the same available for inspection and auditing by the Owners at such times as may be mutually agreed. On the termination, for whatever reasons, of this Agreement, the Managers shall release to the Owners, if so requested, the originals where possible, or otherwise certified copies, of all such accounts and all documents specifically relating to the Vessel and her operation.	417 418 419 420 421 422 423 424	If the Managers fail to meet their obligations under <u>Clauses 3</u> and <u>4</u> of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.	466 467 468 469 470 471 472 473
15. Inspection of Vessel	425	18.3 Extraordinary Termination	474
The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary.	426 427 428	This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.	475 476 477 478
16. Compliance with Laws and Regulations	429	18.4 For the purpose of sub-clause <u>18.3</u> hereof	479
The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and	430 431	(i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel;	480 481 482 483
		(ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.	484 485 486 487 488 489 490
		18.5 This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.	491 492 493 494 495 496 497
		18.6 The termination of this Agreement shall be without	498

PART II
“SHIPMAN 98” Standard Ship Management Agreement

prejudice to all rights accrued due between the parties prior to the date of termination.	499 500	parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	550 551 552 553
19. Law and Arbitration	501	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	554 555 556 557 558 559
19.1 This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	502 503 504 505 506 507 508	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-clause <u>19.1</u> of this Clause shall apply.	560 561
The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	509 510 511 512	<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in <u>Box 18</u>.</i>	562 563
The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	513 514 515 516 517 518 519 520 521 522 523 524 525 526	20. Notices	564 565 566 567 568 569 570
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	527 528 529 530	20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	565 566 567 568
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	531 532 533 534 535	20.2 The address of the Parties for service of such communication shall be as stated in <u>Boxes 19</u> and <u>20</u> , respectively.	569 570
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	536 537 538 539 540 541 542 543 544 545 546 547	Additional Clause(s)	
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the	548 549	21. Trading Restrictions	
		The Managers agree that they shall comply with all Applicable US Laws (as defined below) that apply to the operations and trading of the Vessel with respect to the performance of this Agreement and that the Managers shall not take any action, or direct that any actions are taken, that will cause the Owner to violate or be subject to penalty under such laws.	
		“Applicable US Laws” means and includes all applicable United States laws, regulations, rules and executive orders including: the United States Foreign Corrupt Practices Act (the FCPA); export control and sanctions laws and regulations including the Trading with the Enemy Act of 1917 (50 U.S.C. 1-44), the International Emergency Economic Powers Act (50 U.S.C. 1701-1706), the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901-1908, 8 U.S.C. 1182), the Export Administration Regulations (15 C.F.R. Parts 730 et seq.), the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130), Section 999 of the Internal Revenue Code, the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note), as amended by the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (PL 111-195); and the regulations, rules, and executive orders administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC).	



THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT
CODE NAME: "SHIPMAN 98"

Part I

Approved by
the International Ship Managers' Association (ISMA)

Approved by
the Documentary Committee of The
Japan Shipping Exchange Inc., Tokyo

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1. Date of Agreement 13 FEBRUARY 2014		3. Managers (name, place of registered office and law of registry) (Cl. 1)	
2. Owners (name, place of registered office and law of registry) (Cl. 1)		3. Managers (name, place of registered office and law of registry) (Cl. 1)	
Name IVS BULK 7297 Pte. Ltd.		Name Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road, # 03-01 Southpoint, Singapore, 089763	
Place of registered office Singapore		Place of registered office Singapore	
Law of registry Singapore		Law of registry Singapore	
4. Day and year of commencement of Agreement (Cl. 2) Date of Agreement as per Box 1.			
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) Yes (via sub-contract)		6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2) Yes	
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) No		8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4) No	
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) Yes		10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6) Yes	
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) Yes		12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) No	
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.3(ii)) No		14. Owners' Insurance (state alternative (i), (ii) or (iii) of Cl. 6.3) Yes - Alternative (ii) of Clause 6.3 applies	
15. Annual Management Fee (state annual amount) (Cl. 8.1) USD 125 000.00 commencing one month prior to delivery of Vessel.		16. Severance Costs (state maximum amount) (Cl. 8.4(ii)) USD 75,000	
17. Day and year of termination of Agreement (Cl. 17) One year from the delivery of the Vessel.		18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) London Clause 19.1	
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20) IVS BULK 7297 Pte. Ltd. 200 Cantonment Road, # 03-01 Southpoint, Singapore, 089763 Tel : +65 632 300 48 // Fax : +65 632 300 46		20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20) Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road, # 03-01 Southpoint, Singapore, 089763 Tel : + 65 632 300 48 // Fax: +65 632 300 46	

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further..

Signature(s) (Owners) 	Signature(s) (Managers)
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**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

13 February 2014

Name of Vessel(s):

Shin Kurushima - Hull No.7297

Particulars of Vessel(s):

Deadweight : 33,000 mt

Type: Log fitted Bulk Carrier.

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CA
WWS

IVS Bulk Pte Ltd

SHIP NAME:

PERIOD:

SKDY 7297 (33dwt) Nov '15

Year 1 from Delivery

CURRENCY : USD

Repairs and Maintenance

Manning

Stores

Lube Oil

Insurance

Admin

Management Fee

SHIP OPERATING EXPENSES

Unplanned Expenses

TOTAL SHIP OPERATING EXPENSES

No of operating days

Costs per day

Ship operating expenses pd

Unplanned expenses pd

Total ship operating expenses pd

YEAR 1	
	136,883
	1,040,324
	109,542
	133,444
	156,578
	156,660
	125,000
	1,858,431
	20,000
	1,878,431

366

5,078

55

5,132

CA.

RWS

**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

13 February 2014

Details of Crew:

Numbers	Rank	Nationality
1	Master	Filipino
2	Chief Officer	Filipino
3	Second Mate	Filipino
4	Third Mate	Filipino
5	Bosun	Filipino
6	AB	Filipino
7	AB	Filipino
8	AB	Filipino
9	OS	Filipino
10	OS	Filipino
11	Chief Engineer	Filipino
12	Second Engineer	Filipino
13	Third Engineer	Filipino
14	Fourth Engineer	Filipino
15	Electrician	Filipino
16	Oiler	Filipino
17	Oiler	Filipino
18	Oiler	Filipino
19	Wiper	Filipino
20	Chief Cook	Filipino
21	Messman	Filipino

CA

RWS

**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

13 February 2014

Managers' Budget for the first year with effect from the **scheduled date of delivery of the Vessel.**

~~Commencement Date of this Agreement:~~

Manager's Form (Attached)

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RWS

**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D"
THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS
AGREEMENT.**

Date of Agreement:

Details of Associated Vessels:

N/A

CA
NWS

PART II
"SHIPMAN 98" Standard Ship Management Agreement

7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in <u>Clause 8</u>) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owners to the Managers on demand.	236 237 238 239 240 241	each month request the Owners in writing for the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.	302 303 304 305 306 307 308 309
8. Management Fee	242		
8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement an annual management fee as stated in <u>Box 15</u> which shall be payable by equal monthly instalments in advance, the first instalment being payable on the commencement of this Agreement (see <u>Clause 2</u> and <u>Box 4</u>) and subsequent instalments being payable every month.	243 244 245 246 247 248 249	9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	310 311 312 313
8.2 The management fee shall be subject to an annual review on the anniversary date of the Agreement and the proposed fee shall be presented in the annual budget referred to in sub-clause 9.1.	250 251 252 253	9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	314 315 316 317
8.3 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of <u>Clause 7</u> the Owners shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in pursuance of the Management Services.	254 255 256 257 258 259 260	10. Managers' Right to Sub-Contract	318
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of <u>Clauses 17</u> and <u>18</u> other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee" payable to the Managers according to the provisions of sub-clause 8.1, shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause 3.1:	261 262 263 264 265 266 267 268 269 270	The Managers shall not have the right to sub-contract any of their obligations hereunder, including those mentioned in sub-clause 3.1, without the prior written consent of the Owners which shall not be unreasonably withheld. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement. The Owner hereby consents to the Manager subcontracting all or some aspects of crew management.	319 320 321 322 323 324
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	271 272	11. Responsibilities	325
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in <u>Box 16</u> . The Managers shall use their reasonable endeavours to minimise such Severance Costs.	273 274 275	11.1 Force Majeure - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	326 327 328 329
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	276 277 278 279 280 281	11.2 Liability to Owners - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	282 283 284	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1, in which case their liability shall be limited in accordance with the terms of this <u>Clause 11</u> .	348 349 350 351 352 353 354
9. Budgets and Management of Funds	285	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	355 356 357 358 359 360 361 362 363 364 365 366 367
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in <u>Annex "C"</u> hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see <u>Clause 2</u> and <u>Box 4</u>).	286 287 288 289 290 291 292		
9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	293 294 295 296 297		
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. Based thereon, the Managers shall	298 299 300 301		

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PART II
"SHIPMAN 98" Standard Ship Management Agreement

11.4 "Himalaya" - It is hereby expressly agreed that no employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 11, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 11 the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388	regulations of the Vessel's flag, or of the places where she trades.	432 433
12. Documentation	389		
Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW 95 or to defend a claim against a third party.	390 391 392 393 394 395 396 397		
13. General Administration	398		
13.1 The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties.	399 400 401 402 403		
13.2 The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.	404 405 406		
13.3 The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.	407 408 409 410		
13.4 The Owners shall arrange for the provision of any necessary guarantee bond or other security.	411 412		
13.5 Any costs reasonably incurred by the Managers in carrying out their obligations according to Clause 13 shall be reimbursed by the Owners.	413 414 415		
14. Auditing	416		
The Managers shall at all times maintain and keep true and correct accounts and shall make the same available for inspection and auditing by the Owners at such times as may be mutually agreed. On the termination, for whatever reasons, of this Agreement, the Managers shall release to the Owners, if so requested, the originals where possible, or otherwise certified copies, of all such accounts and all documents specifically relating to the Vessel and her operation.	417 418 419 420 421 422 423 424		
15. Inspection of Vessel	425		
The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary.	426 427 428		
16. Compliance with Laws and Regulations	429		
The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and	430 431		
17. Duration of the Agreement	432		
This Agreement shall come into effect on the day and year stated in Box 4 and shall continue until the date stated in Box 17. Thereafter it shall continue until terminated by either party giving to the other notice in writing, in which event the Agreement shall terminate upon the expiration of a period of two months from the date upon which such notice was given.	433 434 435 436 437 438 439		
18. Termination	440		
18.1 Owners' default	441		
(i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement and/or the owners of any associated vessel, details of which are listed in Annex "D", shall not have been received in the Managers' nominated account within ten running days of receipt by the Owners of the Managers written request or if the Vessel is repossessed by the Mortgagees.	442 443 444 445 446 447 448 449		
(ii) If the Owners:	450		
(a) fail to meet their obligations under sub-clauses 5.2 and 5.3 of this Agreement for any reason within their control, or	451 452 453		
(b) proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper,	454 455 456 457 458		
the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.	459 460 461 462 463 464		
18.2 Managers' Default	465		
If the Managers fail to meet their obligations under Clauses 3 and 4 of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.	466 467 468 469 470 471 472 473		
18.3 Extraordinary Termination	474		
This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.	475 476 477 478		
18.4 For the purpose of sub-clause 18.3 hereof	479		
(i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel;	480 481 482 483		
(ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.	484 485 486 487 488 489 490		
18.5 This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.	491 492 493 494 495 496 497		
18.6 The termination of this Agreement shall be without	498		

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PART II
"SHIPMAN 98" Standard Ship Management Agreement

prejudice to all rights accrued due between the parties prior to the date of termination.	499 500	In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	548 549 550 551 552 553
19. Law and Arbitration	501	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	554 555 556 557 558 559
19.1 This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	502 503 504 505 506 507 508	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-clause <u>19.1</u> of this Clause shall apply.	560 561
The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	509 510 511 512	<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in Box 18.</i>	562 563
The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	513 514 515 516 517 518 519 520 521 522 523 524 525 526 527	20. Notices	564
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	528 529 530	20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	565 566 567
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	531 532 533 534 535	20.2 The address of the Parties for service of such communication shall be as stated in <u>Boxes 19</u> and <u>20</u> , respectively.	568 569 570
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	536 537 538 539 540 541 542 543 544 545 546 547	Additional Clause(s)	
		21. Trading Restrictions	
		the Managers agree that they shall comply with all Applicable US Laws (as defined below) that apply to the operations and trading of the Vessel with respect to the performance of this Agreement and that the Managers shall not take any action, or direct that any actions are taken, that will cause the Owner to violate or be subject to penalty under such laws.	
		"Applicable US Laws" means and includes all applicable United States laws, regulations, rules and executive orders including: the United States Foreign Corrupt Practices Act (the FCPA); export control and sanctions laws and regulations including the Trading with the Enemy Act of 1917 (50 U.S.C. 1 – 44), the International Emergency Economic Powers Act (50 U.S.C. 17011706), the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901-1908, 8 U.S.C. 1182), the Export Administration Regulations (15 C.F.R. Parts 730 et seq.), the International Traffic In Arms Regulations (22 C.F.R. Parts 120-130), Section 999 of the Internal Revenue Code, the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note), as amended by the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (PL 111-195); and the regulations, rules, and executive orders administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC).	

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THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT
CODENAME: "SHIPMAN 98"

Part I

Approved by
the International Ship Managers' Association (ISMA)

Approved by
the Documentary Committee of The
Japan Shipping Exchange Inc., Tokyo

Printed by BIMCO's Idea

1. Date of Agreement 24 FEBRUARY 2014		3. Managers (name, place of registered office and law of registry) (Cl. 1) Name Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road, # 03-01 Southpoint, Singapore, 089763 Place of registered office Singapore Law of registry Singapore	
2. Owners (name, place of registered office and law of registry) (Cl. 1) Name IVS BULK SAN601 Pte. Ltd. Place of registered office Singapore Law of registry Singapore		4. Day and year of commencement of Agreement (Cl. 2) Date of Agreement as per Box 1.	
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) Yes (via sub-contract)		6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2) Yes	
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) No		8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4) No	
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) Yes		10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6) Yes	
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) Yes		12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) No	
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.3(ii)) No		14. Owners' Insurance (state alternative (i), (ii) or (iii) of Cl. 6.3) Yes - Alternative (ii) of Clause 6.3 applies	
15. Annual Management Fee (state annual amount) (Cl. 8.1) USD 125 000.00 commencing one month prior to delivery of Vessel.		16. Severance Costs (state maximum amount) (Cl. 8.4(ii)) USD 75,000	
17. Day and year of termination of Agreement (Cl. 17) One year from the delivery of the Vessel.		18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) London Clause 19.1	
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20) IVS BULK SAN601 Pte. Ltd. 200 Cantonment Road, # 03-01 Southpoint, Singapore, 089763 Tel : +65 632 300 48 // Fax : +65 632 300 46		20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20) Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road, # 03-01 Southpoint, Singapore, 089763 Tel : +65 632 300 48 // Fax: +65 632 300 46	

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further..

Signature(s) (Owners) 	Signature(s) (Managers)
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**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

24 February 2014

Name of Vessel(s):

SANOYAS HULL 1345

Particulars of Vessel(s):

Deadweight : 60,000 mt

Type: Bulk Carrier.

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IVS Bulk Pte Ltd

SHIP NAME:

PERIOD:

Sanoyas 1345 (60dwt) Oct '16

Year 1 from delivery

CURRENCY : USD

Repairs and Maintenance

Manning

Stores

Lube Oil

Insurance

Admin

Management Fee

SHIP OPERATING EXPENSES

Unplanned Expenses

TOTAL SHIP OPERATING EXPENSES

No of operating days

Costs per day

Ship operating expenses pd

Unplanned expenses pd

Total ship operating expenses pd

YEAR 1
130,000
1,035,000
130,000
185,000
170,000
155,000
125,000
1,930,000
20,000
1,950,000

365

5,288

55

5,342

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**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

24 February 2014

Details of Crew:

Numbers	Rank	Nationality
1	Master	Filipino
2	Chief Officer	Filipino
3	Second Mate	Filipino
4	Third Mate	Filipino
5	Bosun	Filipino
6	AB	Filipino
7	AB	Filipino
8	AB	Filipino
9	OS	Filipino
10	OS	Filipino
11	Chief Engineer	Filipino
12	Second Engineer	Filipino
13	Third Engineer	Filipino
14	Fourth Engineer	Filipino
15	Electrician	Filipino
16	Oiler	Filipino
17	Oiler	Filipino
18	Oiler	Filipino
19	Wiper	Filipino
20	Chief Cook	Filipino
21	Messman	Filipino

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**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

24 February 2014

Managers' Budget for the first year with effect from the **scheduled date of delivery of the Vessel.**

~~Commencement Date of this Agreement:~~

Manager's Form (Attached)

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**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D"
THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS
AGREEMENT.**

Date of Agreement:

Details of Associated Vessels:

N/A

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PART II
"SHIPMAN 98" Standard Ship Management Agreement

1. Definitions	1		
In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.	2 3 4		
"Owners" means the party identified in Box 2 .	5		
"Managers" means the party identified in Box 3 .	6		
"Vessel" means the vessel or vessels details of which are set out in Annex "A" attached hereto.	7 8		
"Crew" means the Master, officers and ratings of the numbers, rank and nationality specified in Annex "B" attached hereto.	9 10		
"Crew Support Costs" means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.	11 12 13 14 15 16 17 18		
"Severance Costs" means the costs which the employers are legally obliged to pay to or in respect of the Crew as a result of the early termination of any employment contract for service on the Vessel.	19 20 21 22		
"Crew Insurances" means insurances against crew risks which shall include but not be limited to death, sickness, permanent disability , repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.	23 24 25 26		
"Management Services" means the services specified in sub-clauses 3.1 to 3.8 as indicated affirmatively in Boxes 5 to 12 .	27 28		
"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.	29 30 31 32		
"STCW 95" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.	33 34 35		
"Flag State" means the State whose flag the Vessel is flying.			
"Company" (with reference to the ISM Code and the ISPS Code) means the organisation identified in Box 5 or any replacement organisation appointed by the Owners from time to time.			
"ISPS Code" means the International Code for the Security of Ships and Port Facilities and the relevant amendments to Chapter XI of SOLAS and any amendment thereto or substitution thereof.			
"SMS" means the Safety Management System (as defined by the ISM Code).			
2. Appointment of Managers	36		
With effect from the day and year stated in Box 4 and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.	37 38 39 40		
3. Basis of Agreement	41		
Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice, including compliance with all relevant rules and regulations .	42 43 44 45 46 47 48 49		
3.1 Crew Management	50		
(only applicable if agreed according to Box 5)	51		
The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:	52 53 54 55		
(i) selecting and engaging the Vessel's Crew, including payroll arrangements, pension administration, tax, social security	56 57		
			contributions and other mandatory dues related to their employment payable in each crew member's country of domicile and insurances for
			the Crew other than those mentioned in Clause 6 ;
			(ii) ensuring that the applicable requirements of the law of the Flag State flag of the Vessel are satisfied in respect of manning levels,
			rank, qualification and certification of the Crew and employment regulations including Crew's tax, social insurance, discipline and other requirements;
			(iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate Flag State requirements. In the absence of applicable Flag State requirements the medical certificate shall be dated not more than three months prior to the respective Crew members leaving their country of domicile and maintained for the duration of their service on board the Vessel;
			(iv) ensuring that the Crew shall have a command of the English language of a sufficient standard to enable them to perform their duties safely;
			(v) arranging transportation of the Crew, including repatriation;
			(vi) training of the Crew and supervising their efficiency;
			(vii) conducting union negotiations;
			(viii) operating the Managers' drug and alcohol policy unless otherwise agreed.
			(ix) ensuring that the crew, on joining the Vessel, are given proper familiarisation with their duties in relation to the Vessel's SMS and that instructions which are essential to the SMS are identified, documented and given to the Crew prior to sailing.
			3.2 Technical Management
			(only applicable if agreed according to Box 6)
			The Managers shall provide technical management which includes, but is not limited to, the following functions:
			(i) provision of competent personnel to supervise the maintenance and general efficiency of the Vessel;
			(ii) arrangement and supervision of dry dockings, repairs, alterations and the upkeep of the Vessel to the standards required by the Owners provided that the Managers shall be entitled to incur the necessary expenditure to ensure that the Vessel will comply with the law of the Flag State flag of the Vessel and of the places where she trades, and all requirements and recommendations of the classification society;
			(iii) arrangement of the supply of necessary stores, spares and lubricating oil;
			(iv) appointment of surveyors and technical consultants as the Managers may consider from time to time to be necessary;
			(v) development, implementation and maintenance of a Safety Management System (SMS) - in accordance with the ISM Code (see sub-clauses 4.2 and 5.3).
			(vi) ensuring compliance with the ISM Code;
			(vii) ensuring compliance with the ISPS Code;
			(viii) monitoring construction and delivery of the Vessel including liaising with builder, seller and construction supervisor as necessary.
			3.3 Commercial Management
			(only applicable if agreed according to Box 7)
			The Managers shall provide the commercial operation of the Vessel, as required by the Owners, which includes, but is not limited to, the following functions:
			(i) providing chartering services in accordance with the Owners' instructions which include, but are not limited to, seeking and negotiating employment for the Vessel and the conclusion (including the execution thereof) of charter parties or other contracts relating to the employment of the Vessel. If such a contract exceeds the period stated in Box 13 , consent thereto in writing shall first be obtained from the Owners.

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PART II
"SHIPMAN 98" Standard Ship Management Agreement

7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in Clause 8) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owner to the Manager on demand.	236 237 238 239 240 241	each month request the Owners in writing for the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.	302 303 304 305 306 307 308 309
8. Management Fee	242	9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	310 311 312 313
8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement an annual management fee as stated in Box 15 which shall be payable by equal monthly instalments in advance, the first instalment being payable on the commencement of this Agreement (see Clause 2 and Box 4) and subsequent instalments being payable every month.	243 244 245 246 247 248 249	9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	314 315 316 317
8.2 The management fee shall be subject to an annual review on the anniversary date of the Agreement and the proposed fee shall be presented in the annual budget referred to in sub-clause 9.1 .	250 251 252 253	10. Managers' Right to Sub-Contract	318
8.3 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of Clause 7 the Owners shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in pursuance of the Management Services.	254 255 256 257 258 259 260	The Managers shall not have the right to sub-contract any of their obligations hereunder, including those mentioned in sub-clause 3.1 , without the prior written consent of the Owners which shall not be unreasonably withheld. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement. The Owner hereby consents to the Manager subcontracting all or some aspects of crew management.	319 320 321 322 323 324
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of Clauses 17 and 18 other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee" payable to the Managers according to the provisions of sub-clause 8.1 , shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause 3.1 :	261 262 263 264 265 266 267 268 269	11. Responsibilities	325
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	270 271 272	11.1 Force Majeure - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	326 327 328 329
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in Box 16 . The Managers shall use their reasonable endeavours to minimise such Severance Costs.	273 274 275	11.2 Liability to Owners - (i) Without prejudice to sub-clause 11.1 , the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	276 277 278 279 280 281	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Manager to discharge their obligations under sub-clause 3.1 , in which case their liability shall be limited in accordance with the terms of this Clause 11 .	348 349 350 351 352 353 354
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	282 283 284	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2 , the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	355 356 357 358 359 360 361 362 363 364 365 366 367
9. Budgets and Management of Funds	285		
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in Annex "C" hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see Clause 2 and Box 4).	286 287 288 289 290 291 292		
9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	293 294 295 296 297		
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. Based thereon, the Managers shall	298 299 300 301		

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PART II
"SHIPMAN 98" Standard Ship Management Agreement

11.4 "Himalaya" - It is hereby expressly agreed that no employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 11, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 11 the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388	regulations of the Vessel's flag, or of the places where she trades.	432
12. Documentation	389		
Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW95 or to defend a claim against a third party.	390 391 392 393 394 395 396 397		
13. General Administration	398		
13.1 The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties.	399 400 401 402 403		
13.2 The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.	404 405 406		
13.3 The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.	407 408 409 410		
13.4 The Owners shall arrange for the provision of any necessary guarantee bond or other security.	411 412		
13.5 Any costs reasonably incurred by the Managers in carrying out their obligations according to Clause 13 shall be reimbursed by the Owners.	413 414 415		
14. Auditing	416		
The Managers shall at all times maintain and keep true and correct accounts and shall make the same available for inspection and auditing by the Owners at such times as may be mutually agreed. On the termination, for whatever reasons, of this Agreement, the Managers shall release to the Owners, if so requested, the originals where possible, or otherwise certified copies, of all such accounts and all documents specifically relating to the Vessel and her operation.	417 418 419 420 421 422 423 424		
15. Inspection of Vessel	425		
The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary.	426 427 428		
16. Compliance with Laws and Regulations	429		
The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and	430 431		
17. Duration of the Agreement	433		
This Agreement shall come into effect on the day and year stated in Box 4 and shall continue until the date stated in Box 17. Thereafter it shall continue until terminated by either party giving to the other notice in writing, in which event the Agreement shall terminate upon the expiration of a period of two months from the date upon which such notice was given.	434 435 436 437 438 439		
18. Termination	440		
18.1 Owners' default	441		
(i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement and/or the owners of any associated vessel, details of which are listed in Annex "D", shall not have been received in the Managers' nominated account within ten running days of receipt by the Owners of the Managers written request or if the Vessel is repossessed by the Mortgagees.	442 443 444 445 446 447 448 449		
(ii) If the Owners:	450		
(a) fail to meet their obligations under sub-clauses 5.2 and 5.3 of this Agreement for any reason within their control, or	451 452 453		
(b) proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper,	454 455 456 457 458		
the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.	459 460 461 462 463 464		
18.2 Managers' Default	465		
If the Managers fail to meet their obligations under Clauses 3 and 4 of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.	466 467 468 469 470 471 472 473		
18.3 Extraordinary Termination	474		
This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.	475 476 477 478		
18.4 For the purpose of sub-clause 18.3 hereof	479		
(i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel;	480 481 482 483		
(ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.	484 485 486 487 488 489 490		
18.5 This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.	491 492 493 494 495 496 497		
18.6 The termination of this Agreement shall be without	498		

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PART II
"SHIPMAN 98" Standard Ship Management Agreement

prejudice to all rights accrued due between the parties prior to the date of termination.	499 500	In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	548 549 550 551 552 553
19. Law and Arbitration	501	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	554 555 556 557 558 559
19.1 This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	502 503 504 505 506 507 508	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-clause <u>19.1</u> of this Clause shall apply.	560 561
The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	509 510 511 512	<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in <u>Box 18</u>.</i>	562 563
The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	513 514 515 516 517 518 519 520 521 522 523	20. Notices	564 565 566 567
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	524 525 526 527	20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	568 569
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	528 529 530 531 532 533 534	20.2 The address of the Parties for service of such communication shall be as stated in <u>Boxes 19</u> and <u>20</u> , respectively.	570 571
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	535 536 537 538 539 540 541 542 543 544 545 546 547	Additional Clause(s)	
		21. Trading Restrictions	
		the Managers agree that they shall comply with all Applicable US Laws (as defined below) that apply to the operations and trading of the Vessel with respect to the performance of this Agreement and that the Managers shall not take any action, or direct that any actions are taken, that will cause the Owner to violate or be subject to penalty under such laws.	
		"Applicable US Laws" means and includes all applicable United States laws, regulations, rules and executive orders including: the United States Foreign Corrupt Practices Act (the FCPA); export control and sanctions laws and regulations including the Trading with the Enemy Act of 1917 (50 U.S.C. 1 - 44), the International Emergency Economic Powers Act (50 U.S.C. 17011706), the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901-1908, 8 U.S.C. 1182), the Export Administration Regulations (15 C.F.R. Parts 730 et seq.), the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130), Section 999 of the Internal Revenue Code, the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note), as amended by the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (PL 111-195); and the regulations, rules, and executive orders administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC).	

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THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)

STANDARD SHIP MANAGEMENT AGREEMENT

CODE NAME "SHIPMAN 98"

Part I

Approved by
the International Ship Managers' Association (ISMA)

1. Date of Agreement 12 December 2013
2. Owners (name, place of registered office and law of registry) (Cl. 1)
Name IVS Bulk 554 Pte. Ltd.
Place of registered office Singapore
Law of registry Singapore

3. Managers (name, place of registered office and law of registry) (Cl. 1)
Name Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089763
Place of registered office Singapore
Law of registry Singapore

Approved by
the Documentary Committee of The
Japan Shipping Exchange Inc., Tokyo

4. Day and year of commencement of Agreement (Cl. 2) Date of Agreement as per Box 1

5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) Yes (via sub-contract)

6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2) Yes

7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) No

8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4) No

9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) Yes

10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6) Yes

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11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) Yes

12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) No

13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.3(i)) No

14. Owners' Insurance (state alternative (i), (ii) or (iii) of Cl. 6.3) Yes - Alternative (ii) of Clause 6.3 applies

15. Annual Management Fee (state annual amount) (Cl. 8.1) USD 125,000.00 commencing one month prior to delivery of the Vessel.

16. Severance Costs (state maximum amount) (Cl. 8.4(ii)) USD 75,000

17. Day and year of termination of Agreement (Cl. 17) One year from the delivery of the Vessel.

18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) London Clause 19.1

19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20) IVS Bulk 554 Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089703 Tel: +65 632 300 48 Fax: +65 632 300 46

20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20) Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089703 Tel: +65 632 300 40 Fax: +65 632 300 46

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further.

Signature(s) (Owners) 	Signature(s) (Managers)
---------------------------	-----------------------------

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**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement
December 2013

Name of Vessel(s):
Hull No. 554

Particulars of Vessel(s):
D.W. 37,400 M.T. Type Log and Cargo Ship

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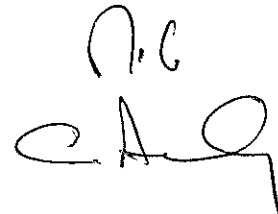
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**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement
December 2013

Details of Crew:

Numbers	Rank	Nationality
1	Master	Filipino
2	Chief Officer	Filipino
3	Second Officer	Filipino
4	Third Officer	Filipino
5	Bosun	Filipino
6	AB	Filipino
7	AB	Filipino
8	AB	Filipino
9	OS	Filipino
10	OS	Filipino
11	Chief Engineer	Filipino
12	Second Engineer	Filipino
13	Third Engineer	Filipino
14	Fourth Engineer	Filipino
15	Electrician	Filipino
16	Oiler	Filipino
17	Oiler	Filipino
18	Oiler	Filipino
19	Wiper	Filipino
20	Chief Cook	Filipino
21	Messman	Filipino



**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

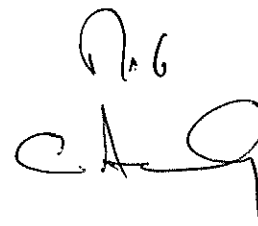
Date of Agreement

December 2013

Managers' Budget for the first year with effect from the Commencement Date of this Agreement scheduled date of delivery of the Vessel:

As appended

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A handwritten signature in black ink, consisting of a stylized 'NAG' above a cursive signature.

STEELCO
 DIVISION:
 SUBSIDIARY:
 SHIP NAME:
 BUDGETED PERIOD:

STEELCO
 Summary

First year of operating

	01/07/2014	01/10/2014	01/05/2014	01/10/2015	01/12/2014	01/07/2015	01/10/2015
Completion of 1st Year	30/06/2015	31/12/2015	30/04/2015	30/09/2016	30/11/2015	30/08/2016	30/09/2016
Delivery	37 00 DWT	37 400 DWT	33 000 DWT	37 400 DWT	33 200 DWT	60 L DWT	58 000 DWT
	KANDA 545 Q3'14	KANDA 545 Q1'15	KANDA 541 Q2'15	KANDA 554 Q4'15	SKDY 5855 Q4'15	ONO 705 Q3'15	SKDY1 5858 Q3'15
Repairs and Maintenance	97 264	126 028	87 983	130 650	125 776	130 127	139 905
Manning	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256
Stores	106 800	104 000	135 133	108 825	100 833	127 058	130 537
Lube Oil	138 000	140 000	123 167	120 333	136 333	190 000	185 000
Insurance	146 945	149 446	146 945	155 282	155 650	170 000	170 000
Admin	156 660	156 660	156 660	156 660	156 660	156 660	156 660
Management Fee	125 000	125 000	125 000	125 000	125 000	125 000	125 000
SHIP OPERATING EXPENSES	1 805 155	1 815 390	1 765 810	1 830 806	1 827 888	1 933 016	1 943 318
Unplanned Expenses	20 000	20 000	20 000	20 000	20 000	20 000	20 000
TOTAL SHIP OPERATING EXPENSES	1 825 155	1 835 390	1 785 810	1 850 806	1 847 888	1 953 016	1 961 318
Commercial Expenses	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Cadets	4 500	4 500	4 500	4 500	4 500	4 500	4 500
Owners Costs	1 168	921 168	851 340	921 168	900 336	1 054 832	1 089 650
Depreciation							
Dry docking Amortisation							
SHIP RUNNING COSTS	2 765 803	2 796 068	2 756 650	2 791 474	2 767 724	3 067 348	3 070 478
No of operating days	365	365	365	366	365	366	366
Costs per day	4 946	5 028	4 832	5 002	5 118	5 281	5 304
- Ship operating expenses pd	55	55	55	55	55	55	55
- Unplanned expenses pd	5 000	5 083	4 893	5 057	5 061	5 336	5 359
- Total ship operating expenses pd							

(Handwritten signature and initials)

**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D"
THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS
AGREEMENT.**

Date of Agreement

Details of Associated Vessels:
N/A

PART II
"SHIPMAN 98" Standard Ship Management Agreement

1. Definitions	1		
In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.	2		
	3		
	4		
"Owners" means the party identified in <u>Box 2</u> .	5		
"Managers" means the party identified in <u>Box 3</u> .	6		
"Vessel" means the vessel or vessels details of which are set out in <u>Annex "A"</u> attached hereto.	7		
"Crew" means the Master, officers and ratings of the numbers, rank and nationality specified in <u>Annex "B"</u> attached hereto.	8		
"Crew Support Costs" means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.	9		
"Severance Costs" means the costs which the employers are legally obliged to pay to or in respect of the Crew as a result of the early termination of any employment contract for service on the Vessel.	10		
"Crew Insurances" means insurances against crew risks which shall include but not be limited to death, sickness, permanent disability, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.	11		
"Management Services" means the services specified in sub-clauses 3.1 to 3.8 as indicated affirmatively in Boxes 5 to 12.	12		
"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.	13		
"STCW 95" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.	14		
"Flag State" means the State whose flag the Vessel is flying.	15		
"Company" (with reference to the ISM Code and the ISPS Code) means the organisation identified in <u>Box 5</u> or any replacement organisation appointed by the Owners from time to time.	16		
"ISPS Code" means the International Code for the Security of Ships and Port Facilities and the relevant amendments to Chapter XI of SOLAS and any amendment thereto or substitution thereof.	17		
"SMS" means the Safety Management System (as defined by the ISM Code).	18		
2. Appointment of Managers	19		
With effect from the day and year stated in <u>Box 4</u> and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.	20		
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3. Basis of Agreement	42		
Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice, including compliance with all relevant rules and regulations.-	43		
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3.1 Crew Management	51		
(only applicable if agreed according to <u>Box 5</u>)	52		
The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:	53		
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(i) selecting and engaging the Vessel's Crew, including payroll arrangements, pension administration, tax, social security	55		
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"SHIPMAN 98" Standard Ship Management Agreement

(ii) arranging of the proper payment to Owners or their nominees of all hire and/or freight revenues or other moneys of whatsoever nature to which Owners may be entitled arising out of the employment of or otherwise in connection with the Vessel.	114 115 116 117 118	by the ISM Code when applicable. The Managers shall report to the Flag State administration details of the Managers, as the Company, as required to comply with the ISM and ISPS Code.	174
(iii) providing voyage estimates and accounts and calculating of hire, freights, demurrage and/or despatch moneys due from or due to the charterers of the Vessel;	119 120 121	5. Owners' Obligations	175
(iv) issuing of voyage instructions;	122	5.1 The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement.	176 177
(v) appointing agents;	123	5.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, the Owners shall:	178
(vi) appointing stevedores;	124	(i) procure that all officers and ratings supplied by them or on their behalf comply with the requirements of STCW 95;	179 180 181
(vii) arranging surveys associated with the commercial operation of the Vessel.	125 126	(ii) instruct such officers and ratings to obey all reasonable orders of the Managers in connection with the operation of the Managers' safety management system.	182 183 184
3.4 Insurance Arrangements¹	127	5.3 Where the Managers are not providing Technical Management in accordance with sub-clause 3.2, the Owners shall procure that the requirements of the law of the Flag State flag of the Vessel are satisfied	185 186 187
<i>(only applicable if agreed according to Box 8)</i>	128	and that they, or such other entity as may be appointed by them and identified to the Managers, shall be deemed to be the "Company" as defined by the ISM Code assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.	188 189 190 191 192
The Managers shall arrange insurances in accordance with Clause 6, on such terms and conditions as the Owners shall have instructed or agreed, in particular regarding conditions, insured values, deductibles and franchises.	129 130 131 132	6. Insurance Policies	193
3.5 Accounting Services	133	The Owners shall procure, whether by instructing the Managers under sub-clause 3.4 or otherwise, that throughout the period of this Agreement:	194 195 196
<i>(only applicable if agreed according to Box 9)</i>	134	6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:	197 198 199
The Managers shall:	135	(i) usual hull and machinery marine risks (including crew negligence) and excess liabilities;	200 201
(i) establish an accounting system which meets the requirements of the Owners and provide regular accounting services, supply regular reports and records, relating to the technical operation of the Vessel;	136 137 138	(ii) protection and indemnity risks (including, but not limited to , pollution risks, diversion expenses and Crew Insurances); and	202 203
(ii) maintain the records of all costs and expenditure incurred as well as data necessary or proper for the settlement of accounts between the parties.	139 140 141	(iii) war risks (including protection and indemnity and crew risks) in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");	204 205 206 207 208
3.6 Sale or Purchase of the Vessel	142	6.2 all premiums and calls on the Owners' Insurances are paid promptly by their due date,	209 210
<i>(only applicable if agreed according to Box 10)</i>	143	6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Owners obtaining cover in respect of each of the insurances specified in sub-clause 6.1:	211 212 213 214 215
The Managers shall, in accordance with the Owners' instructions, supervise the sale or purchase of the Vessel, including the performance of any sale or purchase agreement, but not negotiation of the same.	144 145 146 147	(i) on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances; or	216 217 218
3.7 Provisions <i>(only applicable if agreed according to Box 11)</i>	148	(ii) if reasonably obtainable, on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances; or	219 220 221 222
The Managers shall arrange for the supply of provisions.	149	(iii) on such other terms as may be agreed in writing. <i>Indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left blank then (i) applies.</i>	223 224 225
3.8 Bunkering <i>(only applicable if agreed according to Box 12)</i>	150	6.4 written evidence is provided, to the reasonable satisfaction of the Managers, of their compliance with their obligations under Clause 6 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.	226 227 228 229 230
The Managers shall arrange for the provision of bunker fuel of the quality specified by the Owners as required for the Vessel's trade.	151 152	7. Income Collected and Expenses Paid on Behalf of Owners	231
4. Managers' Obligations	153	7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account.	232 233 234 235
4.1 The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.	154 155 156 157 158 159 160 161 162 163 164 165 166 167		
4.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, they shall procure that the requirements of the law of the Flag State flag of the Vessel are satisfied and they shall in particular be deemed to be the "Company" as defined by the ISM Code, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed	168 169 170 171 172 173		

PART II
"SHIPMAN 98" Standard Ship Management Agreement

7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in <u>Clause 8</u>) may be debited against the Owners in the account referred to under sub-clause <u>7.1</u> but shall in any event remain payable by the Owners to the Managers on demand.	236 237 238 239 240 241	each month request the Owners in writing for the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.	302 303 304 305 306 307 308 309
8. Management Fee	242	9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	310 311 312 313
8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement an annual management fee as stated in <u>Box 15</u> which shall be payable by equal monthly instalments in advance, the first instalment being payable on the commencement of this Agreement (see <u>Clause 2</u> and <u>Box 4</u>) and subsequent instalments being payable every month.	243 244 245 246 247 248 249	9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	314 315 316 317
8.2 The management fee shall be subject to an annual review on the anniversary date of the Agreement and the proposed fee shall be presented in the annual budget referred to in sub-clause <u>9.1</u> .	250 251 252 253		
8.3 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of <u>Clause 7</u> the Owners shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in pursuance of the Management Services.	254 255 256 257 258 259 260	10. Managers' Right to Sub-Contract	318
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of <u>Clauses 17</u> and <u>18</u> other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee" payable to the Managers according to the provisions of sub-clause <u>8.1</u> , shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause <u>3.1</u> :	261 262 263 264 265 266 267 268 269 270	The Managers shall not have the right to sub-contract any of their obligations hereunder, including those mentioned in sub-clause <u>3.1</u> , without the prior written consent of the Owners which shall not be unreasonably withheld. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement. The Owner hereby consents to the Manager subcontracting all or some aspects of crew management.	319 320 321 322 323 324
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	271 272	11. Responsibilities	325
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in <u>Box 16</u> . The Managers shall use their reasonable endeavours to minimise such Severance Costs.	273 274 275	11.1 Force Majeure - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	326 327 328 329
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	276 277 278 279 280 281	11.2 Liability to Owners - (i) Without prejudice to sub-clause <u>11.1</u> , the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	282 283 284	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause <u>3.1</u> , in which case their liability shall be limited in accordance with the terms of this <u>Clause 11</u> .	348 349 350 351 352 353 354
9. Budgets and Management of Funds	285	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause <u>11.2</u> , the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	355 356 357 358 359 360 361 362 363 364 365 366 367
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in <u>Annex "C"</u> , hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see <u>Clause 2</u> and <u>Box 4</u>).	286 287 288 289 290 291 292	11.4 "Himalaya" - It is hereby expressly agreed that no	367 368
9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	293 294 295 296 297		
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. Based thereon, the Managers shall	298 299 300 301		

PART II
"SHIPMAN 98" Standard Ship Management Agreement

employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this <u>Clause 11</u> , every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this <u>Clause 11</u> the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388	regulations of the Vessel's flag, or of the places where she trades	432
12. Documentation Where the Managers are providing Technical Management in accordance with sub-clause <u>3.2</u> and/or Crew Management in accordance with sub-clause <u>3.1</u> , they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW95 or to defend a claim against a third party.	389 390 391 392 393 394 395 396 397		
13. General Administration 13.1 The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties. 13.2 The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement. 13.3 The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel. 13.4 The Owners shall arrange for the provision of any necessary guarantee bond or other security. 13.5 Any costs reasonably incurred by the Managers in carrying out their obligations according to <u>Clause 13</u> shall be reimbursed by the Owners.	388 389 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415		
14. Auditing The Managers shall at all times maintain and keep true and correct accounts and shall make the same available for inspection and auditing by the Owners at such times as may be mutually agreed. On the termination, for whatever reasons, of this Agreement, the Managers shall release to the Owners, if so requested, the originals where possible, or otherwise certified copies, of all such accounts and all documents specifically relating to the Vessel and her operation.	416 417 418 419 420 421 422 423 424		
15. Inspection of Vessel The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary.	425 426 427 428		
16. Compliance with Laws and Regulations The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and	429 430 431		
17. Duration of the Agreement This Agreement shall come into effect on the day and year stated in <u>Box 4</u> and shall continue until the date stated in <u>Box 17</u> . Thereafter it shall continue until terminated by either party giving to the other notice in writing, in which event the Agreement shall terminate upon the expiration of a period of two months from the date upon which such notice was given.	433 434 435 436 437 438 439		
18. Termination 18.1 Owners' default (i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement and/or the owners of any associated vessel, details of which are listed in <u>Annex "D"</u> , shall not have been received in the Managers' nominated account within ten running days of receipt by the Owners of the Managers written request or if the Vessel is repossessed by the Mortgagee. (ii) If the Owners (a) fail to meet their obligations under sub-clauses <u>5.2</u> and <u>5.3</u> of this Agreement for any reason within their control, or (b) proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper, the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.	440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464		
18.2 Managers' Default If the Managers fail to meet their obligations under <u>Clauses 3</u> and <u>4</u> of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.	465 466 467 468 469 470 471 472 473		
18.3 Extraordinary Termination This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.	474 475 476 477 478		
18.4 For the purpose of sub-clause <u>18.3</u> hereof (i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel; (ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.	479 480 481 482 483 484 485 486 487 488 489 490		
18.5 This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.	491 492 493 494 495 496 497		
18.6 The termination of this Agreement shall be without	498		

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PART II
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prejudice to all rights accrued due between the parties prior to the date of termination.	499	parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	550
19. Law and Arbitration	501	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	554
19.1 This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	502	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-clause <u>19.1</u> of this Clause shall apply.	560
The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	503	<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in <u>Box 18</u>.</i>	562
The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	504	20. Notices	564
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	505	20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	565
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	506	20.2 The address of the Parties for service of such communication shall be as stated in <u>Boxes 19</u> and <u>20</u> , respectively.	566
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	507	Additional Clause(s)	
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the	508	21. Trading Restrictions	
	509	The Managers agree that they shall comply with all Applicable US Laws (as defined below) that apply to the operations and trading of the Vessel with respect to the performance of this Agreement and that the Managers shall not take any action, or direct that any actions are taken, that will cause the Owner to violate or be subject to penalty under such laws.	
	510	“Applicable US Laws” means and includes all applicable United States laws, regulations, rules and executive orders including: the United States Foreign Corrupt Practices Act (the FCPA); export control and sanctions laws and regulations including the Trading with the Enemy Act of 1917 (50 U.S.C. 1-44), the International Emergency Economic Powers Act (50 U.S.C. 1701-1706), the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901-1908, 8 U.S.C. 1182), the Export Administration Regulations (15 C.F.R. Parts 730 et seq.), the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130), Section 999 of the Internal Revenue Code, the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note), as amended by the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (PL 111-195); and the regulations, rules, and executive orders administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC).	



THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
 STANDARD SHIP MANAGEMENT AGREEMENT
 CODE NAME "SHIPMAN 98"

Part I

Approved by
 the International Ship Managers' Association (ISMA)

1. Date of Agreement 12 December 2013
2. Owners (name, place of registered office and law of registry) (Cl. 1)
Name IVS Bulk 545 Pte. Ltd.
Place of registered office Singapore
Law of registry Singapore

3. Managers (name, place of registered office and law of registry) (Cl. 1)
Name Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089763
Place of registered office Singapore
Law of registry Singapore

Approved by
 the Documentary Committee of The
 Japan Shipping Exchange Inc., Tokyo

4. Day and year of commencement of Agreement (Cl. 2) Date of Agreement as per Box 1

5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) Yes (via sub-contract)

6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2) Yes

7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) No

8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4) No

9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) Yes

10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6) Yes

11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) Yes

12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) No

13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.3(ii)) No

14. Owners' Insurance (state alternative (i), (ii) or (iii) of Cl. 6.3) Yes - Alternative (ii) of Clause 6.3 applies

15. Annual Management Fee (state annual amount) (Cl. 8.1) USD 125,000.00 commencing one month prior to delivery of the Vessel.

16. Severance Costs (state maximum amount) (Cl. 8.4(ii)) USD 75,000

17. Day and year of termination of Agreement (Cl. 17) One year from the delivery of the Vessel.

18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) London Clause 19.1

19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20) IVS Bulk 545 Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089703 Tel: +65 632 300 48 Fax: +65 632 300 46

20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20) Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089703 Tel: +65 632 300 48 Fax: +65 632 300 46

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It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further.

Signature(s) (Owners)

Signature(s) (Managers)

**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement
December 2013

Name of Vessel(s):
Hull No. 545

Particulars of Vessel(s):
D.W. 37,400 M.T. Type Log and Cargo Ship

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**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement
December 2013

Details of Crew:

Numbers	Rank	Nationality
1	Master	Filipino
2	Chief Officer	Filipino
3	Second Officer	Filipino
4	Third Officer	Filipino
5	Bosun	Filipino
6	AB	Filipino
7	AB	Filipino
8	AB	Filipino
9	OS	Filipino
10	OS	Filipino
11	Chief Engineer	Filipino
12	Second Engineer	Filipino
13	Third Engineer	Filipino
14	Fourth Engineer	Filipino
15	Electrician	Filipino
16	Oiler	Filipino
17	Oiler	Filipino
18	Oiler	Filipino
19	Wiper	Filipino
20	Chief Cook	Filipino
21	Messman	Filipino

N.G.
C.A.Q.

**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

December 2013

Managers' Budget for the first year with effect from the ~~Commencement Date of this Agreement~~ scheduled date of delivery of the Vessel:

As appended

Printed by BIMCO's idea

A.6
C.A.Q.

STEELCO

DIVISION: STEELCO
 SUBSIDIARY: Summary

SHIP NAME:

BUDGETED PERIOD:

First year of operating

Delivery Completion of 1st Year

CURRENCY : USD

Repairs and Maintenance
 Manning
 Stores
 Lube Oil
 Insurance
 Admin
 Management Fee

SHIP OPERATING EXPENSES
 Unplanned Expenses

TOTAL SHIP OPERATING EXPENSES

Commercial Expenses
 Cadets
 Owners Costs
 Depreciation
 Dry docking Amortisation

SHIP RUNNING COSTS

No of operating days

Costs per day
 - Ship operating expenses pd
 - Unplanned expenses pd
 - Total ship operating expenses pd

	01/07/2014 30/06/2015 37 400 DWT	01/01/2015 31/12/2015 37 400 DWT	01/05/2014 30/04/2015 33 000 DWT	01/10/2015 30/09/2016 37 400 DWT	01/12/2014 30/11/2015 33 200 DWT	01/07/2015 30/06/2016 60 000 DWT	01/10/2015 30/09/2016 58 080 DWT
	KANDA 543 Q3'15	KANDA 545 Q1'15	KANDA 541 Q2'14	KANDA 554 Q4'15	SKDY 5855 Q4'14	ONQ 129 Q3'15	SKDY1 5858 Q3'15
	97 496	126 028	87 983	131 650	125 776	130 172	139 905
	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256
	106 800	104 000	92 133	108 623	100 833	127 058	130 537
	138 000	140 000	123 667	120 333	136 333	190 000	185 000
	146 945	149 446	146 111	155 282	149 029	170 000	170 000
	56 660	156 660	56 660	156 660	56 660	156 580	156 620
	122 000	125 000	122 000	125 000	125 000	125 000	125 000
	1 805 155	1 835 390	1 765 810	1 830 806	1 827 888	1 933 016	1 941 318
	20 000	20 000	20 000	20 000	20 000	20 000	20 000
	1 825 155	1 855 390	1 785 810	1 850 806	1 847 888	1 953 016	1 961 318
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	921 168	921 168	851 340	921 168	900 336	1 094 832	1 089 660
	2 715 823	2 796 058	2 615 650	2 791 474	2 767 724	3 067 348	3 070 378
	365	365	365	366	365	366	366
	4 946	5 028	4 838	5 002	5 008	5 161	5 304
	55	55	55	55	55	55	55
	5 000	5 083	4 893	5 057	5 063	5 336	5 359

Handwritten signature and initials

**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D"
THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS
AGREEMENT.**

Date of Agreement:

Details of Associated Vessels:
N/A

PART II
"SHIPMAN 98" Standard Ship Management Agreement

1. Definitions	1		
In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.	2		
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"Owners" means the party identified in <u>Box 2</u> .	5		
"Managers" means the party identified in <u>Box 3</u> .	6		
"Vessel" means the vessel or vessels details of which are set out in <u>Annex "A"</u> attached hereto.	7		
"Crew" means the Master, officers and ratings of the numbers, rank and nationality specified in <u>Annex "B"</u> attached hereto.	8		
"Crew Support Costs" means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.	9		
"Severance Costs" means the costs which the employers are legally obliged to pay to or in respect of the Crew as a result of the early termination of any employment contract for service on the Vessel.	10		
"Crew Insurances" means insurances against crew risks which shall include but not be limited to death, sickness, permanent disability, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.	11		
"Management Services" means the services specified in sub-clauses 3.1 to 3.8 as indicated affirmatively in Boxes 5 to 12.	12		
"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.	13		
"STCW 95" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.	14		
"Flag State" means the State whose flag the Vessel is flying.	15		
"Company" (with reference to the ISM Code and the ISPS Code) means the organisation identified in <u>Box 5</u> or any replacement organisation appointed by the Owners from time to time.	16		
"ISPS Code" means the International Code for the Security of Ships and Port Facilities and the relevant amendments to Chapter XI of SOLAS and any amendment thereto or substitution thereof.	17		
"SMS" means the Safety Management System (as defined by the ISM Code).	18		
2. Appointment of Managers	19		
With effect from the day and year stated in <u>Box 4</u> and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.	20		
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PART II
"SHIPMAN 98" Standard Ship Management Agreement

(ii) arranging of the proper payment to Owners or their nominees of all hire and/or freight revenues or other moneys of whatsoever nature to which Owners may be entitled arising out of the employment of or otherwise in connection with the Vessel.	114 115 116 117 118	by the ISM Code when applicable. The Managers shall report to the Flag State administration details of the Managers, as the Company, as required to comply with the ISM and ISPS Code.	174
(iii) providing voyage estimates and accounts and calculating of hire, freights, demurrage and/or despatch moneys due from or due to the charterers of the Vessel;	119 120 121	5. Owners' Obligations	175
(iv) issuing of voyage instructions;	122	5.1 The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement.	176 177
(v) appointing agents;	123	5.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, the Owners shall:	178 179
(vi) appointing stevedores;	124	(i) procure that all officers and ratings supplied by them or on their behalf comply with the requirements of STCW 95;	180 181
(vii) arranging surveys associated with the commercial operation of the Vessel.	125 126	(ii) instruct such officers and ratings to obey all reasonable orders of the Managers in connection with the operation of the Managers' safety management system.	182 183 184
3.4 Insurance Arrangements'	127	5.3 Where the Managers are not providing Technical Management in accordance with sub-clause 3.2, the Owners shall procure that the requirements of the law of the Flag State flag of the Vessel are satisfied	185 186 187
<i>(only applicable if agreed according to Box 8)</i>	128	and that they, or such other entity as may be appointed by them and identified to the Managers, shall be deemed to be the "Company" as defined by the ISM Code assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.	188 189 190 191 192
The Managers shall arrange insurances in accordance with Clause 6, on such terms and conditions as the Owners shall have instructed or agreed, in particular regarding conditions, insured values, deductibles and franchises.	129 130 131 132	6. Insurance Policies	193
3.5 Accounting Services	133	The Owners shall procure, whether by instructing the Managers under sub-clause 3.4 or otherwise, that throughout the period of this Agreement:	194 195 196
<i>(only applicable if agreed according to Box 9)</i>	134	6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:	197 198 199
The Managers shall:	135	(i) usual hull and machinery marine risks (including crew negligence) and excess liabilities;	200 201
(i) establish an accounting system which meets the requirements of the Owners and provide regular accounting services, supply regular reports and records, relating to the technical operation of the Vessel;	136 137 138	(ii) protection and indemnity risks (including, but not limited to , pollution risks, diversion expenses and Crew Insurances); and	202 203
(ii) maintain the records of all costs and expenditure incurred as well as data necessary or proper for the settlement of accounts between the parties.	139 140 141	(iii) war risks (including protection and indemnity and crew risks) in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");	204 205 206 207 208
3.6 Sale or Purchase of the Vessel	142	6.2 all premiums and calls on the Owners' Insurances are paid promptly by their due date,	209 210
<i>(only applicable if agreed according to Box 10)</i>	143	6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Owners obtaining cover in respect of each of the insurances specified in sub-clause 6.1:	211 212 213 214 215
The Managers shall, in accordance with the Owners' instructions, supervise the sale or purchase of the Vessel, including the performance of any sale or purchase agreement, but not negotiation of the same.	144 145 146 147	(i) on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances; or	216 217 218
3.7 Provisions <i>(only applicable if agreed according to Box 11)</i>	148	(ii) if reasonably obtainable, on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances; or	219 220 221 222
The Managers shall arrange for the supply of provisions.	149	(iii) on such other terms as may be agreed in writing. <i>Indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left blank then (i) applies.</i>	223 224 225
3.8 Bunkering <i>(only applicable if agreed according to Box 12)</i>	150	6.4 written evidence is provided, to the reasonable satisfaction of the Managers, of their compliance with their obligations under Clause 6 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.	226 227 228 229 230
The Managers shall arrange for the provision of bunker fuel of the quality specified by the Owners as required for the Vessel's trade.	151 152	7. Income Collected and Expenses Paid on Behalf of Owners	231
4. Managers' Obligations	153	7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account.	232 233 234 235
4.1 The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.	154 155 156 157 158 159 160 161 162 163 164 165 166 167		
4.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, they shall procure that the requirements of the law of the Flag State flag of the Vessel are satisfied and they shall in particular be deemed to be the "Company" as defined by the ISM Code, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed	168 169 170 171 172 173		

PART II
"SHIPMAN 98" Standard Ship Management Agreement

7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in <u>Clause 8</u>) may be debited against the Owners in the account referred to under sub-clause <u>7.1</u> but shall in any event remain payable by the Owners to the Managers on demand.	236 237 238 239 240 241	each month request the Owners in writing for the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.	302 303 304 305 306 307 308 309
8. Management Fee	242		
8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement an annual management fee as stated in <u>Box 15</u> which shall be payable by equal monthly instalments in advance, the first instalment being payable on the commencement of this Agreement (see <u>Clause 2</u> and <u>Box 4</u>) and subsequent instalments being payable every month.	243 244 245 246 247 248 249 250	9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	310 311 312 313
8.2 The management fee shall be subject to an annual review on the anniversary date of the Agreement and the proposed fee shall be presented in the annual budget referred to in sub-clause <u>9.1</u> .	251 252 253	9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	314 315 316 317
8.3 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of <u>Clause 7</u> the Owners shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in pursuance of the Management Services.	254 255 256 257 258 259 260		
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of <u>Clauses 17</u> and <u>18</u> other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee" payable to the Managers according to the provisions of sub-clause <u>8.1</u> , shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause <u>3.1</u> :	261 262 263 264 265 266 267 268 269 270	10. Managers' Right to Sub-Contract	318
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	271 272	The Managers shall not have the right to sub-contract any of their obligations hereunder, including those mentioned in sub-clause <u>3.1</u> , without the prior written consent of the Owners which shall not be unreasonably withheld. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement. The Owner hereby consents to the Manager subcontracting all or some aspects of crew management.	319 320 321 322 323 324
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in <u>Box 16</u> . The Managers shall use their reasonable endeavours to minimise such Severance Costs.	273 274 275		
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	276 277 278 279 280 281	11. Responsibilities	325
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	282 283 284	11.1 Force Majeure - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	326 327 328 329
9. Budgets and Management of Funds	285	11.2 Liability to Owners - (i) Without prejudice to sub-clause <u>11.1</u> , the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in <u>Annex "C"</u> hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see <u>Clause 2</u> and <u>Box 4</u>).	286 287 288 289 290 291 292	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Manager to discharge their obligations under sub-clause <u>3.1</u> , in which case their liability shall be limited in accordance with the terms of this <u>Clause 11</u> .	348 349 350 351 352 353 354
9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	293 294 295 296 297	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause <u>11.2</u> , the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	355 356 357 358 359 360 361 362 363 364 365 366 367
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. Based thereon, the Managers shall	298 299 300 301	11.4 "Himalaya" - It is hereby expressly agreed that no	368

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PART II
"SHIPMAN 98" Standard Ship Management Agreement

employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 11, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 11 the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388	regulations of the Vessel's flag, or of the places where she trades.	432
12. Documentation	389		
Where the Managers are providing Technical Management in accordance with sub-clause 3.2 and/or Crew Management in accordance with sub-clause 3.1, they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW 95 or to defend a claim against a third party.	390 391 392 393 394 395 396 397		
13. General Administration	398		
13.1 The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties.	399 400 401 402 403		
13.2 The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.	404 405 406		
13.3 The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.	407 408 409 410		
13.4 The Owners shall arrange for the provision of any necessary guarantee bond or other security.	411 412		
13.5 Any costs reasonably incurred by the Managers in carrying out their obligations according to Clause 13 shall be reimbursed by the Owners.	413 414 415		
14. Auditing	416		
The Managers shall at all times maintain and keep true and correct accounts and shall make the same available for inspection and auditing by the Owners at such times as may be mutually agreed. On the termination, for whatever reasons, of this Agreement, the Managers shall release to the Owners, if so requested, the originals where possible, or otherwise certified copies, of all such accounts and all documents specifically relating to the Vessel and her operation.	417 418 419 420 421 422 423 424		
15. Inspection of Vessel	425		
The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary.	426 427 428		
16. Compliance with Laws and Regulations	429		
The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and	430 431		
17. Duration of the Agreement	433		
This Agreement shall come into effect on the day and year stated in Box 4 and shall continue until the date stated in Box 17. Thereafter it shall continue until terminated by either party giving to the other notice in writing, in which event the Agreement shall terminate upon the expiration of a period of two months from the date upon which such notice was given.	434 435 436 437 438 439		
18. Termination	440		
18.1 Owners' default	441		
(i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement and/or the owners of any associated vessel, details of which are listed in Annex "D", shall not have been received in the Managers' nominated account within ten running days of receipt by the Owners of the Managers written request or if the Vessel is repossessed by the Mortgagees.	442 443 444 445 446 447 448 449		
(ii) If the Owners:	450		
(a) fail to meet their obligations under sub-clauses 5.2 and 5.3 of this Agreement for any reason within their control, or	451 452 453		
(b) proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper,	454 455 456 457 458		
the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible.	459 460		
In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.	461 462 463 464		
18.2 Managers' Default	465		
If the Managers fail to meet their obligations under Clauses 3 and 4 of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.	466 467 468 469 470 471 472 473		
18.3 Extraordinary Termination	474		
This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.	475 476 477 478		
18.4 For the purpose of sub-clause 18.3 hereof	479		
(i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel;	480 481 482 483		
(ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.	484 485 486 487 488 489 490		
18.5 This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.	491 492 493 494 495 496 497		
18.6 The termination of this Agreement shall be without	498		

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PART II
"SHIPMAN 98" Standard Ship Management Agreement

prejudice to all rights accrued due between the parties prior to the date of termination.	499 500	parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	550 551 552 553
19. Law and Arbitration	501	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	554 555 556 557 558 559
19.1 This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	502 503 504 505 506 507 508	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-clause <u>19.1</u> of this Clause shall apply.	560 561
The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	509 510 511 512	<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate alternative agreed in <u>Box 18</u>.</i>	562 563
The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	513 514 515 516 517 518 519 520 521 522 523 524 525 526 527	20. Notices	564 565 566 567 568 569 570
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	528 529 530	20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	565 566 567
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	531 532 533 534 535	20.2 The address of the Parties for service of such communication shall be as stated in <u>Boxes 19</u> and <u>20</u> , respectively.	568 569 570
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	536 537 538 539 540 541 542 543 544 545 546 547	Additional Clause(s)	
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the	548 549	21. Trading Restrictions	
		The Managers agree that they shall comply with all Applicable US Laws (as defined below) that apply to the operations and trading of the Vessel with respect to the performance of this Agreement and that the Managers shall not take any action, or direct that any actions are taken, that will cause the Owner to violate or be subject to penalty under such laws.	
		"Applicable US Laws" means and includes all applicable United States laws, regulations, rules and executive orders including: the United States Foreign Corrupt Practices Act (the FCPA); export control and sanctions laws and regulations including the Trading with the Enemy Act of 1917 (50 U.S.C. 1-44), the International Emergency Economic Powers Act (50 U.S.C. 1701-1706), the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901-1908, 8 U.S.C. 1182), the Export Administration Regulations (15 C.F.R. Parts 730 et seq.), the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130), Section 999 of the Internal Revenue Code, the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note), as amended by the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (PL 111-195); and the regulations, rules, and executive orders administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC).	

Approved by the International Ship Managers' Association (ISMA)
 Approved by the Documentary Committee of The Japan Shipping Exchange Inc., Tokyo
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1. Date of Agreement 17th February 2015		THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)	
		STANDARD SHIP MANAGEMENT AGREEMENT CODE NAME: "SHIPMAN 98" Part I	
2. Owners (name, place of registered office and law of registry) (Cl. 1)		3. Managers (name, place of registered office and law of registry) (Cl. 1)	
Name Tri-View Shipping Pte Ltd 200 Cantonment Road # 03-01 Southpoint Singapore, 089763		Name Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	
Place of registered office Singapore		Place of registered office Singapore	
Law of registry Singapore		Law of registry Singapore	
4. Day and year of commencement of Agreement (Cl. 2) Date of Delivery of M.V. IVS Triview ("Vessel") from the owners of the Vessel to the Managers			
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1)		6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2)	
YES		YES	
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3)		8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4)	
NO		YES	
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5)		10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6)	
YES		YES	
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7)		12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8)	
YES		NO	
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.8)		14. Owners' Insurance (state alternative (1), @ or @) of Cl. 6.3	
NO		YES – Alternative (ii) of clause 6.3 applies	
15. Annual Management Fee (state annual amount) (Cl. 8.1)		16. Severance Costs (state maximum amount) (Cl. 8.4(ii1))	
USD 120 000.00		\$75000 (To Max as per CBA)	
17. Day and year of termination of Agreement (Cl. 17)		18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19)	
One year from the date of delivery of the vessel by the owners to the Managers		(Clause 19.3 English Law and Arbitration in Singapore under SIAC Rules)	
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20)		20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20)	
Tri-View Shipping Pte Ltd 200 Cantonment Road #03-01 Southpoint Singapore, 089763		Grindrod Ship Management A division of Grindrod Shipping Pte. Ltd. 200 Cantonment Road # 03-01 Southpoint Singapore, 089763	

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further..

Signature(s) (Owners) 	Signature(s) (Managers) 
--------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------

**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

17th February 2015

Name of Vessel(s):

IVS TRIVIEW

Particulars of Vessel(s): IMO: NO. 9400887

General Cargo

Singapore registered – Official No. 395271

Port of registry : Singapore

GT / NT : 20236 t / 10,947 t

LOA : 177.13 m / Beam : 28.40

CALL SIGN : 9V8078

**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Details of Crew:

Numbers	Rank	Nationality
1.	Master	Filipino
2.	Chief Officer	Filipino
3.	Second Officer	Filipino
4.	Third Officer	Filipino
5.	Bosun	Filipino
6.	AB	Filipino
7.	AB	Filipino
8.	AB	Filipino
9.	OS	Filipino
10.	OS	Filipino
11.	Chief Engineer	Filipino
12.	Second Engineer	Filipino
13.	Third Engineer	Filipino
14.	Fourth Engineer	Filipino
15.	Electrician	Filipino
16.	Oiler	Filipino
17.	Oiler	Filipino
18.	Oiler	Filipino
19.	Wiper	Filipino
20.	Chief Cook	Filipino
21.	Messman	Filipino

**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement:

Managers' Budget for the first year with effect from the Commencement Date of this Agreement:

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**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D"
THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS
AGREEMENT.**

Date of Agreement:

Details of Associated Vessels:

PART II
"SHIPMAN 98" Standard Ship Management Agreement

1. Definitions	1	for the duties for which they are engaged and are in possession	66
In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.	2	of valid medical certificates issued in accordance with	67
	3	appropriate flag State requirements. In the absence of	68
	4	applicable flag State requirements the medical certificate shall	69
	5	be dated not more than three months prior to the respective	70
<u>"Owners" means the party identified in Box 2.</u>	5	Crew members leaving their country of domicile and	71
<u>"Managers" means the party identified in Box 3.</u>	6	maintained for the duration of their service on board the Vessel;	72
<u>"Vessel" means the vessel or vessels details of which are set out in Annex "A" attached hereto.</u>	7	(iv) ensuring that the Crew shall have a command of the English	73
	8	language of a sufficient standard to enable them to perform	74
<u>"Crew" means the Master, officers and ratings of the numbers, rank and nationality specified in Annex "B" attached hereto.</u>	9	their duties safely;	75
	10	(v) arranging transportation of the Crew, including repatriation;	76
<u>"Crew Support Costs" means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.</u>	11	(vi) training of the Crew and supervising their efficiency;	77
	12	(vii) conducting union negotiations;	78
<u>"Severance Costs" means the costs which the employers are legally obliged to pay to or in respect of the Crew as a result of the early termination of any employment contract for service on the Vessel.</u>	13	(viii) operating the Managers' drug and alcohol policy unless	79
	14	otherwise agreed.	80
<u>"Crew Insurances" means insurances against crew risks which shall include but not be limited to death, sickness, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.</u>	15		
	16		
<u>"Management Services" means the services specified in sub-clauses 3.1 to 3.8 as indicated affirmatively in Boxes 5 to 12.</u>	17	3.2 Technical Management	81
<u>"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741(18) or any subsequent amendment thereto.</u>	18	<i>(only applicable if agreed according to Box 6)</i>	82
<u>"STCW 95" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.</u>	19	The Managers shall provide technical management which	83
	20	includes, but is not limited to, the following functions:	84
	21	(i) provision of competent personnel to supervise the	85
	22	maintenance and general efficiency of the Vessel;	86
	23	(ii) arrangement and supervision of dry dockings, repairs,	87
	24	alterations and the upkeep of the Vessel to the standards	88
	25	required by the Owners provided that the Managers shall	89
	26	be entitled to incur the necessary expenditure to ensure	90
	27	that the Vessel will comply with the law of the flag of the	91
	28	Vessel and of the places where she trades, and all	92
	29	requirements and recommendations of the classification	93
	30	society;	94
	31	(iii) arrangement of the supply of necessary stores, spares and	95
	32	lubricating oil;	96
	33	(iv) appointment of surveyors and technical consultants as the	97
	34	Managers may consider from time to time to be necessary;	98
	35	(v) development, implementation and maintenance of a Safety	99
		Management System (SMS) in accordance with the ISM	100
		Code (see sub-clauses 4.2 and 5.3).	101
2. Appointment of Managers	36		
<u>With effect from the day and year stated in Box 4 and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.</u>	37		102
	38		103
	39		104
	40		105
			106
			107
3. Basis of Agreement	41		108
Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice.	42		109
	43		110
	44		111
	45		112
	46		113
	47		114
	48		115
	49		116
			117
			118
3.1 Crew Management	50		119
<i>(only applicable if agreed according to Box 5)</i>	51		120
The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:	52		121
	53		122
	54		123
(i) selecting and engaging the Vessel's Crew, including payroll arrangements, pension administration, and insurances for the Crew other than those mentioned in Clause 6;	55		124
	56		125
	57		126
(ii) ensuring that the applicable requirements of the law of the flag of the Vessel are satisfied in respect of manning levels, rank, qualification and certification of the Crew and employment regulations including Crew's tax, social insurance, discipline and other requirements;	58		
	59		
	60		
	61		
(iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit	62		
	63		
	64		
	65		
		3.4 Insurance Arrangements'	127
		<i>(only applicable if agreed according to Box 8)</i>	128
		The Managers shall arrange insurances in accordance with	129
		Clause 6, on such terms and conditions as the Owners shall	130
		have instructed or agreed, in particular regarding conditions,	131

PART II
"SHIPMAN 98" Standard Ship Management Agreement

the Management Services.	260	11.1 Force Majeure - Neither the Owners nor the Managers	326
8.4 In the event of the appointment of the Managers being terminated	261	shall be under any liability for any failure to perform any of their	327
by the Owners or the Managers in accordance with	262	obligations hereunder by reason of any cause whatsoever of	328
the provisions of Clauses 17 and 18 other than by reason of default	263	any nature or kind beyond their reasonable control.	329
by the Managers, or if the Vessel is lost, sold or otherwise disposed of,	264	11.2 Liability to Owners - (i) Without prejudice to sub-clause	330
the "management fee payable to the Managers according to the	265	11.1, the Managers shall be under no liability whatsoever to the	331
provisions of sub-clause 8.1, shall continue to	266	Owners for any loss, damage, delay or expense of whatsoever	332
be payable for a further period of two calendar months as from the	267	nature, whether direct or indirect, (including but not limited to	333
termination date. In addition, provided that the Managers provide Crew	268	loss of profit arising out of or in connection with detention of or	334
for the Vessel in accordance with sub-clause 3.1:	269	delay to the Vessel) and howsoever arising in the course of	335
(i) the Owners shall continue to pay Crew Support Costs during	270	performance of the Management Services UNLESS same is	336
the said further period of two calendar months and	271	proved to have resulted solely from the negligence, gross	337
(ii) the Owners shall pay an equitable proportion of any Severance	272	negligence or wilful default of the Managers or their employees,	338
Costs which may materialize, not exceeding the amount stated	273	or agents or sub-contractors employed by them in connection	339
in <u>Box 16</u> .	274	with the Vessel, in which case (save where loss, damage, delay	340
8.5 If the Owners decide to lay-up the Vessel whilst this	275	or expense has resulted from the Managers' personal act or	341
Agreement remains in force and such lay-up lasts for more	276	omission committed with the intent to cause same or recklessly	342
than three months, an appropriate reduction of the management	277	and with knowledge that such loss, damage, delay or expense	343
fee for the period exceeding three months until one month before the	278	would probably result) the Managers' liability for each incident	344
Vessel is again put into service shall be mutually agreed between the	279	or series of incidents giving rise to a claim or claims shall never	345
parties.	280	exceed a total of ten times the annual management fee payable	346
8.6 Unless otherwise agreed in writing all discounts and	281	hereunder.	347
commissions obtained by the Managers in the course of the	282	(ii) Notwithstanding anything that may appear to the contrary in	348
management of the Vessel shall be credited to the Owners.	283	this Agreement, the Managers shall not be liable for any of the	349
	284	actions of the Crew, even if such actions are negligent, grossly	350
9. Budgets and Management of Funds		negligent or wilful, except only to the extent that they are shown	351
9.1 The Managers shall present to the Owners annually a budget for	285	to have resulted from a failure by the Managers to discharge	352
the following twelve months in such form as the Owners require. The	286	their obligations under sub-clause 3.1, in which case their liability	353
budget for the first year hereof is set out	287	<u>shall be limited in accordance with the terms of this Clause 11.</u>	354
in <u>Annex "C"</u> hereto. Subsequent annual budgets shall be prepared	288	11.3 Indemnity - Except to the extent and solely for the amount	355
by the Managers and submitted to the Owners not less than three	289	therein set out that the Managers would be liable under sub-	356
months before the end of the Owners' Fiscal year	290	<u>clause 11.2, the Owners hereby undertake to keep the Managers</u>	357
9.2 The Owners shall indicate to the Managers their acceptance	291	and their employees, agents and sub-contractors indemnified	358
and approval of the annual budget within one month of	292	and to hold them harmless against all actions, proceedings,	359
presentation and in the absence of any such indication the Managers	293	claims, demands or liabilities whatsoever or howsoever arising	360
shall be entitled to assume that the Owners have accepted the	294	which may be brought against them or incurred or suffered by	361
proposed budget	295	them arising out of or in connection with the performance of the	362
See rider 23 to 25. 9.4 The Managers shall produce a comparison	296	Agreement, and against and in respect of all costs, losses,	363
between budgeted and actual income and expenditure of the Vessel	297	damages and expenses (including legal costs and expenses on	364
in such form as required by the Owners monthly or at such other	298	a full indemnity basis) which the Managers may suffer or incur	365
intervals as mutually agreed.	299	(either directly or indirectly) in the course of the performance of	366
9.5 Notwithstanding anything contained herein to the contrary, the	300	this Agreement.	367
Managers shall in no circumstances be required to use or commit their	301	11.4 "Himalaya" - It is hereby expressly agreed that no	368
own funds to finance the provision of the Management Services.	302	employee or agent of the Managers (including every sub-	369
	303	contractor from time to time employed by the Managers) shall in	370
10. Managers' Right to Sub-Contract	304	any circumstances whatsoever be under any liability whatsoever	371
The Managers shall not have the right to sub-contract any of their	305	to the Owners for any loss, damage or delay of whatsoever kind	372
obligations hereunder, including those mentioned in sub-clause 3.1,	306	arising or resulting directly or indirectly from any act, neglect or	373
without the prior written consent of the Owners which shall not be	307	default on his part while acting in the course of or in connection	374
unreasonably withheld. In the event of such a sub-contract the	308	with his employment and, without prejudice to the generality of	375
Managers shall remain fully liable for the due performance of their	309	<u>the foregoing provisions in this Clause 11, every exemption,</u>	376
obligations under this Agreement	310	<u>limitation, condition and liberty herein contained and every right,</u>	377
	311	<u>exemption from liability, defence and immunity of whatsoever</u>	378
	312	nature applicable to the Managers or to which the Managers are	379
	313	entitled hereunder shall also be available and shall extend to	380
	314	protect every such employee or agent of the Managers acting	381
	315	as aforesaid and for the purpose of all the foregoing provisions	382
	316	<u>of this Clause 11 the Managers are or shall be deemed to be</u>	383
	317	<u>acting as agent or trustee on behalf of and for the benefit of all</u>	384
		persons who are or might be their servants or agents from time	385
	318	to time (including sub-contractors as aforesaid) and all such	386
	319	persons shall to this extent be or be deemed to be parties to this	387
	320	Agreement.	388
	321		
	322	12. Documentation	389
	323	Where the Managers are providing Technical Management in	390
	324	accordance with sub-clause 3.2 and/or Crew Management in	391
		accordance with sub-clause 3.1, they shall make available,	392
	325	upon Owners' request, all documentation and records related	393

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PART II
"SHIPMAN 98" Standard Ship Management Agreement

to the Safety Management System (SMS) and/or the Crew	394	in the reasonable opinion of the Managers is unduly	457
which the Owners need in order to demonstrate compliance	395	hazardous or improper,	458
with the ISM Code and STCW 95 or to defend a claim against	396	the Managers may give notice of the default to the Owners,	459
a third party.	397	requiring them to remedy it as soon as practically possible.	460
13. General Administration	398	In the event that the Owners fail to remedy it within a	461
13.1 The Managers shall handle and settle all claims arising	399	reasonable time to the satisfaction of the Managers, the	462
out of the Management Services hereunder and keep the Owners	400	Managers shall be entitled to terminate the Agreement	463
informed regarding any incident of which the Managers become	401	with immediate effect by notice in writing.	464
aware which gives or may give rise to claims or disputes involving	402	18.2 Managers' Default	465
third parties.	403	If the Managers fail to meet their obligations under <u>Clauses 3</u>	466
13.2 The Managers shall, as instructed by the Owners, bring	404	and 4 of this Agreement for any reason within the control of the	467
or defend actions, suits or proceedings in connection with matters	405	Managers, the Owners may give notice to the Managers of the	468
entrusted to the Managers according to this Agreement.	406	default, requiring them to remedy it as soon as practically	469
13.3 The Managers shall also have power to obtain legal or	407	possible. In the event that the Managers fail to remedy it within a	470
technical or other outside expert advice in relation to the handling	408	reasonable time to the satisfaction of the Owners, the Owners	471
and settlement of claims and disputes or all other matters	409	shall be entitled to terminate the Agreement with immediate effect	472
affecting the interests of the Owners in respect of the Vessel.	410	by notice in writing.	473
13.4 The Owners shall arrange for the provision of any	411	18.3 Extraordinary Termination	474
necessary guarantee bond or other security.	412	This Agreement shall be deemed to be terminated in the case of	475
13.5 Any costs reasonably incurred by the Managers in	413	the sale of the Vessel or if the Vessel becomes a total loss or is	476
carrying out their obligations according to <u>Clause 13</u> shall be	414	declared as a constructive or compromised or arranged total	477
reimbursed by the Owners.	415	loss or is requisitioned.	478
14. Auditing	416	18.4 For the purpose of sub-clause 18.3 hereof	479
The Managers shall at all times maintain and keep true and	417	(i) the date upon which the Vessel is to be treated as having	480
correct accounts and shall make the same available for inspection	418	been sold or otherwise disposed of shall be the date on	481
and auditing by the Owners at such times as may be mutually	419	which the Owners cease to be registered as Owners of	482
agreed. On the termination, for whatever reasons, of this	420	the Vessel;	483
Agreement, the Managers shall release to the Owners, if so	421	(ii) the Vessel shall not be deemed to be lost unless either	484
requested, the originals where possible, or otherwise certified	422	she has become an actual total loss or agreement has	485
copies, of all such accounts and all documents specifically relating	423	been reached with her underwriters in respect of her	486
to the Vessel and her operation.	424	constructive, compromised or arranged total loss or if such	487
15. Inspection of Vessel	425	agreement with her underwriters is not reached it is	488
The Owners shall have the right at any time after giving	426	adjudged by a competent tribunal that a constructive loss	489
reasonable notice to the Managers to inspect the Vessel for any	427	of the Vessel has occurred.	490
reason they consider necessary.	428	18.5 This Agreement shall terminate forthwith in the event of	491
16. Compliance with Laws and Regulations	429	an order being made or resolution passed for the winding up,	492
The Managers will not do or permit to be done anything which	430	dissolution, liquidation or bankruptcy of either party (otherwise	493
might cause any breach or infringement of the laws and	431	than for the purpose of reconstruction or amalgamation) or if a	494
regulations of the Vessel's flag, or of the places where she trades.	432	receiver is appointed, or if it suspends payment, ceases to	495
17. Duration of the Agreement	433	carry on business or makes any special arrangement or	496
This Agreement shall come into effect on the day and year stated	434	composition with its creditors.	497
in <u>Box 4</u> and shall continue until the date stated in <u>Box 17</u> .	435	18.6 The termination of this Agreement shall be without	498
Thereafter it shall continue until terminated by either party giving	436	prejudice to all rights accrued due between the parties prior to	499
to the other notice in writing, in which event the Agreement shall	437	the date of termination.	500
terminate upon the expiration of a period of two months from the	438	19. Law and Arbitration	501
date upon which such notice was given.	439	19.1 This Agreement shall be governed by and construed in	502
18. Termination	440	accordance with English law and any dispute arising out of or	503
18.1 Owners' default	441	in connection with this Agreement shall be referred to arbitration	504
(i) The Managers shall be entitled to terminate the Agreement	442	in London in accordance with the Arbitration Act 1996 or	505
with immediate effect by notice in writing if any moneys	443	any statutory modification or re-enactment thereof save to	506
payable by the Owners under this Agreement and/or the	444	the extent necessary to give effect to the provisions of this	507
owners of any associated vessel, details of which are listed	445	Clause.	508
in <u>Annex "D"</u> , shall not have been received in the Managers'	446	The arbitration shall be conducted in accordance with the	509
nominated account within ten running days of receipt by	447	London Maritime Arbitrators Association (LMAA) Terms	510
the Owners of the Managers written request or if the Vessel	448	current at the time when the arbitration proceedings are	511
is repossessed by the Mortgagees.	449	commenced.	512
(ii) If the Owners:	450	The reference shall be to three arbitrators. A party wishing	513
(a) fail to meet their obligations under sub-clauses 5.2	451	to refer a dispute to arbitration shall appoint its arbitrator	514
and 5.3 of this Agreement for any reason within their	452	and send notice of such appointment in writing to the other	515
control, or	453	party requiring the other party to appoint its own arbitrator	516
(b) proceed with the employment of or continue to employ	454	within 14 calendar days of that notice and stating that it will	517
the Vessel in the carriage of contraband, blockade	455	appoint its arbitrator as sole arbitrator unless the other party	518
running, or in an unlawful trade, or on a voyage which	456	appoints its own arbitrator and gives notice that it has	519
		done so within the 14 days specified. If the other party does	520
		not appoint its own arbitrator and give notice that it has done	521
		so within the 14 days specified, the party referring a dispute to	522
		arbitration may, without the requirement of any further prior	523
		notice to the other party, appoint its arbitrator as sole	524

PART II
"SHIPMAN 98" Standard Ship Management Agreement

arbitrator and shall advise the other party accordingly. The	525		549
award of a sole arbitrator shall be binding on both parties	526		550
as if he had been appointed by agreement.	527		551
Nothing herein shall prevent the parties agreeing in	528		552
writing to vary these provisions to provide for the	529		553
appointment of a sole arbitrator.	530	19.3 This Agreement shall be governed by and construed	554
In cases where neither the claim nor any counterclaim	531	in accordance with the laws of the place mutually agreed by	555
exceeds the sum of USD50,000 (or such other sum as the	532	the parties and any dispute arising out of or in connection	556
parties may agree) the arbitration shall be conducted in	533	with this Agreement shall be referred to arbitration at a	557
accordance with the LMAA Small Claims Procedure current	534	mutually agreed place, subject to the procedures applicable	558
at the time when the arbitration proceedings are commenced.	535	there.	559
	536	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-	560
	537	clause 19.1 of this Clause shall apply.	561
	538		
	539	<i>Note: 19.1, 19.2 and 19.3 are alternatives; indicate</i>	562
	540	<i>alternative agreed in <u>Box 18</u>.</i>	563
	541		
	542	20. Notices	564
	543	20.1 Any notice to be given by either party to the other	565
	544	party shall be in writing and may be sent by fax, telex,	566
	545	registered or recorded mail or by personal service.	567
	546	20.2 The address of the Parties for service of such	568
	547	communication shall be as stated in <u>Boxes 19 and 20</u> ,	569
	548	respectively. Rider clause from 21 to 31 attached hereto are	570
		fully	
		incorporated in this agreement.	

**Rider to the Ship Management Agreement dated February 17th, 2015
for M.V. "IVS TRIVIEW"**

21. Periodical and occasional reports

The Managers shall submit such reports as required by the Owners upon request.

22. Instruction from the Owners

The Managers shall comply with the Owners' occasional instructions or requests in connection with the agreed Management Services.

23. Owners' fiscal year

The Owners' fiscal year shall be deemed to commence on the 1st day of January every year.

24. Remittance of Monthly Management Funds

The Owners shall remit to the Managers one twelfth of the approved annual budget as Monthly Management Fund for the Vessel. Such funds shall be received by the Managers by the 15th day of each month.

25. Expenditures to be covered by Monthly Management Funds

The Monthly Management Fund shall be utilized by the Managers to cover any ordinary expenditures that may arise in accordance with the performance of the Managers' services under this Agreement. Any unexpected expenditures and expenditures for dry-docking shall not be deemed to be ordinary expenditures, which shall be settled between the Owners and the Managers as otherwise agreed.

26. Return of Owners' property

After the termination of this Agreement, the Managers shall forthwith deliver to the Owners and/or to anyone nominated by the Owners all records, documents, papers and properties within the Managers'

possession or under their control, whether or not the same were originally supplied or obtained from the Owners. Notwithstanding the foregoing, the Managers may retain copies if necessary.

27. Secrecy

Any information in relation to the business of the Owners, which the Managers may obtain in the course of their performance of this Agreement, must be kept confidential and shall not be disclosed to any other third party. This obligation of secrecy shall survive the termination of this Agreement. Notwithstanding the foregoing, disclosure by Laws, Regulations, Court or Governmental orders shall not be deemed to constitute a violation hereof.

28. Services prior to the Delivery of the Vessel

With regard to the services to be provided by the Managers prior to the delivery of the Vessel, the Managers shall submit the pre-operation budget to the Owners in advance for their approval.

29. Settlement of expenditures incurred by the Manager for Supervisory Travelling.

Expenditures incurred by the Manager for Supervisory Travelling shall be reimbursed to the Managers by the Owners, along with a Superintendent Attendance Fee of USD 400.00- per day which shall apply from the day of departure from the place of origin to the day of arrival in the place of origin.

30. Settlement of Outstanding.

The Manager could request the Owners, with sufficient and reasonable explanation, to send Additional Fund for settlement of Outstanding Management Fund balance at the end of every September and March.

Based thereon, the Owners shall remit for Outstanding Management Fund by next month after the Owners' confirmation which shall not be unreasonably withheld.

31. MLC 2006 Clause

The ILO Maritime Labour Convention (MLC) 2006 entered into force on 20th August, 2013. For purposes of this Clause :


“MLC” means the International Labour Organization (ILO) Maritime Labour Convention (MLC 2006) and any amendment thereto or substitution thereof.

=====**End of Riders**=====

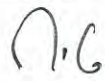
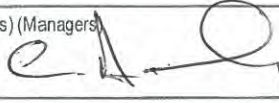
Approved by
the International Ship Managers' Association (ISMA)

Approved by
the Documentary Committee of The
Japan Shipping Exchange Inc., Tokyo

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1. Date of Agreement 12 December 2013		THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)  STANDARD SHIP MANAGEMENT AGREEMENT CODE NAME: "SHIPMAN 98"		Part I
2. Owners (name, place of registered office and law of registry) (Cl. 1) Name IVS Bulk 5858 Pte. Ltd. Place of registered office Singapore Law of registry Singapore		3. Managers (name, place of registered office and law of registry) (Cl. 1) Name Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089763 Place of registered office Singapore Law of registry Singapore		
4. Day and year of commencement of Agreement (Cl. 2) Date of Agreement as per Box 1				
5. Crew Management (state "yes" or "no" as agreed) (Cl. 3.1) Yes (via sub-contract)		6. Technical Management (state "yes" or "no" as agreed) (Cl. 3.2) Yes		
7. Commercial Management (state "yes" or "no" as agreed) (Cl. 3.3) No		8. Insurance Arrangements (state "yes" or "no" as agreed) (Cl. 3.4) No		
9. Accounting Services (state "yes" or "no" as agreed) (Cl. 3.5) Yes		10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (Cl. 3.6) Yes		
11. Provisions (state "yes" or "no" as agreed) (Cl. 3.7) Yes		12. Bunkering (state "yes" or "no" as agreed) (Cl. 3.8) No		
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (Cl. 3.3(ii)) No		14. Owners' Insurance (state alternative (i), (ii) or (iii) of Cl. 6.3) Yes - Alternative (ii) of Clause 6.3 applies		
15. Annual Management Fee (state annual amount) (Cl. 8.1) USD 125,000.00 commencing one month prior to delivery of the Vessel.		16. Severance Costs (state maximum amount) (Cl. 8.4(ii)) USD75,000		
17. Day and year of termination of Agreement (Cl. 17) One year from the delivery of the Vessel.		18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (Cl. 19) London Clause 19.1		
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (Cl. 20) IVS Bulk 5858 Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089703 Tel: +65 632 300 48 Fax: +65 632 300 46		20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (Cl. 20) Grindrod Ship Management, a division of Grindrod Shipping Pte. Ltd., 200 Cantonment Road, #03-01 Southpoint, Singapore 089703 Tel: +65 632 300 48 Fax: +65 632 300 46		

It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further..

Signature(s) (Owners) 	Signature(s) (Managers) 
--------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------

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**ANNEX "A" (DETAILS OF VESSEL OR VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement
December 2013

Name of Vessel(s):
Hull No. 585B

Particulars of Vessel(s):
58,000 DWT Bulk Carrier

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**ANNEX "B" (DETAILS OF CREW) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement
December 2013

Details of Crew :

Numbers	Rank	Nationality
1	Master	Filipino
2	Chief Officer	Filipino
3	Second Officer	Filipino
4	Third Officer	Filipino
5	Bosun	Filipino
6	AB	Filipino
7	AB	Filipino
8	AB	Filipino
9	OS	Filipino
10	OS	Filipino
11	Chief Engineer	Filipino
12	Second Engineer	Filipino
13	Third Engineer	Filipino
14	Fourth Engineer	Filipino
15	Electrician	Filipino
16	Oiler	Filipino
17	Oiler	Filipino
18	Oiler	Filipino
19	Wiper	Filipino
20	Chief Cook	Filipino
21	Messman	Filipino

A handwritten signature in black ink, appearing to be 'A. G.' followed by a stylized flourish.

**ANNEX "C" (BUDGET) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

Date of Agreement

December 2013

Managers' Budget for the first year with effect from the Commencement Date of this Agreement - scheduled date of delivery of the Vessel:

As appended

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STEELCO
 DIVISION:
 SUBSIDIARY:
 SHIP NAME:

STEELCO
 Summary

BUDGETED PERIOD:

First year of operating

Delivery
 Completion of 1st Year

	01/07/2014 30/06/2015 37 400 DWT	01/10/2015 31/12/2015 37 400 DWT	01/05/2014 30/04/2015 33 000 DWT	01/12/2014 30/11/2015 33 200 DWT	01/10/2015 30/09/2016 37 400 DWT	01/12/2014 30/11/2015 33 200 DWT	01/07/2015 30/06/2016 37 400 DWT	01/10/2015 30/09/2016 58 000 DWT
	KANDA 543 Q3'14	KANDA 545 Q1'15	KANDA 541 Q2'14	KANDA 541 Q4'15	KANDA 541 Q4'15	SKDY 5855 Q4'14	ONO 19 Q3'15	SKDY1 5858 Q3'15
Repairs and Maintenance	97 494	126 028	87 983	130 600	130 600	125 776	130 122	139 905
Manning	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256	1 034 256
Stores	108 900	104 000	92 133	108 625	108 625	100 833	127 050	130 537
Lube Oil	138 050	140 000	23 667	120 333	120 333	136 333	190 000	185 000
Insurance	146 540	149 446	155 111	155 282	155 282	149 029	170 000	170 000
Admin	156 660	156 660	156 660	156 660	156 660	156 660	156 660	156 620
Management Fee	125 000	125 000	125 000	125 000	125 000	125 000	125 000	125 000
SHIP OPERATING EXPENSES	1 805 155	1 835 390	1 765 810	1 830 806	1 830 806	1 827 898	1 933 016	1 941 318
Unplanned Expenses	20 000	20 000	20 000	20 000	20 000	20 000	20 000	20 000
TOTAL SHIP OPERATING EXPENSES	1 825 155	1 855 390	1 785 810	1 850 806	1 850 806	1 847 898	1 953 016	1 961 318
Commercial Expenses	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Cadets	4 500	4 500	4 500	4 500	4 500	4 500	4 500	4 500
Owners Costs	921 168	921 168	851 340	921 168	921 168	900 336	1 091 832	1 089 660
Depreciation								
Dry docking Amortisation								
SHIP RUNNING COSTS	2 765 823	2 795 058	2 656 650	2 791 474	2 791 474	2 767 724	3 067 346	3 070 478
No of operating days	365	365	365	366	366	365	366	366
Costs per day	4 946	5 028	4 838	5 002	5 002	5 002	5 281	5 304
- Ship operating expenses pd	55	55	55	55	55	55	55	55
- Unplanned expenses pd								
- Total ship operating expenses pd	5 000	5 083	4 893	5 057	5 057	5 063	5 336	5 359

2.6

**ANNEX "D" (ASSOCIATED VESSELS) TO
THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO)
STANDARD SHIP MANAGEMENT AGREEMENT - CODE NAME: "SHIPMAN 98"**

**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D"
THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 18.1(i) OF THIS
AGREEMENT.**

Date of Agreement

Details of Associated Vessels:
N/A

PART II
"SHIPMAN 98" Standard Ship Management Agreement

1. Definitions	1		
In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.	2		
	3		
	4		
"Owners" means the party identified in <u>Box 2</u> .	5		
"Managers" means the party identified in <u>Box 3</u> .	6		
"Vessel" means the vessel or vessels details of which are set out in <u>Annex "A"</u> attached hereto.	7		
"Crew" means the Master, officers and ratings of the numbers, rank and nationality specified in <u>Annex "B"</u> attached hereto.	8		
"Crew Support Costs" means all expenses of a general nature which are not particularly referable to any individual vessel for the time being managed by the Managers and which are incurred by the Managers for the purpose of providing an efficient and economic management service and, without prejudice to the generality of the foregoing, shall include the cost of crew standby pay, training schemes for officers and ratings, cadet training schemes, sick pay, study pay, recruitment and interviews.	9		
"Severance Costs" means the costs which the employers are legally obliged to pay to or in respect of the Crew as a result of the early termination of any employment contract for service on the Vessel.	10		
"Crew Insurances" means insurances against crew risks which shall include but not be limited to death, sickness, permanent disability, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects.	11		
"Management Services" means the services specified in sub-clauses 3.1 to 3.8 as indicated affirmatively in Boxes 5 to 12.	12		
"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by resolution A.741 (18) or any subsequent amendment thereto.	13		
"STCW 95" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.	14		
"Flag State" means the State whose flag the Vessel is flying.	15		
"Company" (with reference to the ISM Code and the ISPS Code) means the organisation identified in <u>Box 5</u> or any replacement organisation appointed by the Owners from time to time.	16		
"ISPS Code" means the International Code for the Security of Ships and Port Facilities and the relevant amendments to Chapter XI of SOLAS and any amendment thereto or substitution thereof.	17		
"SMS" means the Safety Management System (as defined by the ISM Code).	18		
2. Appointment of Managers	19		
With effect from the day and year stated in <u>Box 4</u> and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel.	20		
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3. Basis of Agreement	42		
Subject to the terms and conditions herein provided, during the period of this Agreement, the Managers shall carry out Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound ship management practice, including compliance with all relevant rules and regulations.-	43		
	44		
	45		
	46		
	47		
	48		
	49		
	50		
3.1 Crew Management	51		
(only applicable if agreed according to <u>Box 5</u>)	52		
The Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:	53		
	54		
	55		
(i) selecting and engaging the Vessel's Crew, including payroll arrangements, pension administration, tax, social security	56		
	57		
	58	contributions and other mandatory dues related to their employment payable in each crew member's country of domicile and insurances for	
	59	the Crew other than those mentioned in <u>Clause 6</u> ;	
	60	(ii) ensuring that the applicable requirements of the law of the Flag State flag of the Vessel are satisfied in respect of manning levels,	
	61	rank, qualification and certification of the Crew and	
	62	employment regulations including Crew's tax, social	
	63	insurance, discipline and other requirements;	
	64	(iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with	
	65	appropriate Flag State requirements. In the absence of	
	66	applicable Flag State requirements the medical certificate shall	
	67	be dated not more than three months prior to the respective	
	68	Crew members leaving their country of domicile and	
	69	maintained for the duration of their service on board the Vessel;	
	70	(iv) ensuring that the Crew shall have a command of the English	
	71	language of a sufficient standard to enable them to perform	
	72	their duties safely;	
	73	(v) arranging transportation of the Crew, including repatriation;	
	74	(vi) training of the Crew and supervising their efficiency;	
	75	(vii) conducting union negotiations;	
	76	(viii) operating the Managers' drug and alcohol policy unless	
	77	otherwise agreed; -	
	78	(ix) ensuring that the crew, on joining the Vessel, are given proper familiarisation with their duties in relation to the Vessel's SMS and that instructions which are essential to the SMS are identified, documented and given to the Crew prior to sailing.	
	79		
	80		
	81	3.2 Technical Management	
	82	(only applicable if agreed according to <u>Box 6</u>)	
	83	The Managers shall provide technical management which	
	84	includes, but is not limited to, the following functions:	
	85	(i) provision of competent personnel to supervise the	
	86	maintenance and general efficiency of the Vessel;	
	87	(ii) arrangement and supervision of dry dockings, repairs,	
	88	alterations and the upkeep of the Vessel to the standards	
	89	required by the Owners provided that the Managers shall	
	90	be entitled to incur the necessary expenditure to ensure	
	91	that the Vessel will comply with the law of the Flag State flag of the	
	92	Vessel and of the places where she trades, and all	
	93	requirements and recommendations of the classification	
	94	society;	
	95	(iii) arrangement of the supply of necessary stores, spares and	
	96	lubricating oil;	
	97	(iv) appointment of surveyors and technical consultants as the	
	98	Managers may consider from time to time to be necessary;	
	99	(v) development, implementation and maintenance of a Safety	
	100	Management System (SMS) in accordance with the ISM	
	101	Code (see sub-clauses 4.2 and 5.3).	
	102	(vi) ensuring compliance with the ISM Code;	
	103	(vii) ensuring compliance with the ISPS Code;	
	104	(viii) monitoring construction and delivery of the Vessel	
	105	including liaising with builder, seller and construction	
	106	supervisor as necessary.	
	107	3.3 Commercial Management	
	108	(only applicable if agreed according to <u>Box 7</u>)	
	109	The Managers shall provide the commercial operation of the	
	110	Vessel, as required by the Owners, which includes, but is not	
	111	limited to, the following functions:	
	112	(i) providing chartering services in accordance with the Owners'	
	113	instructions which include, but are not limited to, seeking	
		and negotiating employment for the Vessel and the conclusion	
		(including the execution thereof) of charter parties or other	
		contracts relating to the employment of the Vessel. If such a	
		contract exceeds the period stated in <u>Box 13</u> , consent thereto	
		in writing shall first be obtained from the Owners.	

PART II
"SHIPMAN 98" Standard Ship Management Agreement

(ii) arranging of the proper payment to Owners or their nominees of all hire and/or freight revenues or other moneys of whatsoever nature to which Owners may be entitled arising out of the employment of or otherwise in connection with the Vessel.	114 115 116 117 118	by the ISM Code when applicable. The Managers shall report to the Flag State administration details of the Managers, as the Company, as required to comply with the ISM and ISPS Code.	174
(iii) providing voyage estimates and accounts and calculating of hire, freights, demurrage and/or despatch moneys due from or due to the charterers of the Vessel;	119 120 121	5. Owners' Obligations	175
(iv) issuing of voyage instructions;	122	5.1 The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement.	176 177
(v) appointing agents;	123	5.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, the Owners shall:	178 179
(vi) appointing stevedores;	124	(i) procure that all officers and ratings supplied by them or on their behalf comply with the requirements of STCW95;	180 181
(vii) arranging surveys associated with the commercial operation of the Vessel.	125 126	(ii) instruct such officers and ratings to obey all reasonable orders of the Managers in connection with the operation of the Managers' safety management system.	182 183 184
3.4 Insurance Arrangements'	127	5.3 Where the Managers are not providing Technical Management in accordance with sub-clause 3.2, the Owners shall procure that the requirements of the law of the Flag State flag of the Vessel are satisfied	185 186 187
<i>(only applicable if agreed according to Box 8)</i>	128	and that they, or such other entity as may be appointed by them and identified to the Managers, shall be deemed to be the "Company" as defined by the ISM Code assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code when applicable.	188 189 190 191 192
The Managers shall arrange insurances in accordance with Clause 6, on such terms and conditions as the Owners shall have instructed or agreed, in particular regarding conditions, insured values, deductibles and franchises.	129 130 131 132	6. Insurance Policies	193
3.5 Accounting Services	133	The Owners shall procure, whether by instructing the Managers under sub-clause 3.4 or otherwise, that throughout the period of this Agreement:	194 195 196
<i>(only applicable if agreed according to Box 9)</i>	134	6.1 at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be for:	197 198 199
The Managers shall:	135	(i) usual hull and machinery marine risks (including crew negligence) and excess liabilities;	200 201
(i) establish an accounting system which meets the requirements of the Owners and provide regular accounting services, supply regular reports and records, relating to the technical operation of the Vessel ;	136 137 138	(ii) protection and indemnity risks (including, but not limited to , pollution risks, diversion expenses and Crew Insurances); and	202 203
(ii) maintain the records of all costs and expenditure incurred as well as data necessary or proper for the settlement of accounts between the parties.	139 140 141	(iii) war risks (including protection and indemnity and crew risks) in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations ("the Owners' Insurances");	204 205 206 207 208
3.6 Sale or Purchase of the Vessel	142	6.2 all premiums and calls on the Owners' Insurances are paid promptly by their due date,	209 210
<i>(only applicable if agreed according to Box 10)</i>	143	6.3 the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover, with the Owners obtaining cover in respect of each of the insurances specified in sub-clause 6.1:	211 212 213 214 215
The Managers shall, in accordance with the Owners' instructions, supervise the sale or purchase of the Vessel, including the performance of any sale or purchase agreement, but not negotiation of the same.	144 145 146 147	(i) on terms whereby the Managers and any such third party are liable in respect of premiums or calls arising in connection with the Owners' Insurances; or	216 217 218
3.7 Provisions <i>(only applicable if agreed according to Box 11)</i>	148	(ii) if reasonably obtainable, on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances; or	219 220 221 222
The Managers shall arrange for the supply of provisions.	149	(iii) on such other terms as may be agreed in writing. <i>Indicate alternative (i), (ii) or (iii) in Box 14. If Box 14 is left blank then (i) applies.</i>	223 224 225
3.8 Bunkering <i>(only applicable if agreed according to Box 12)</i>	150	6.4 written evidence is provided, to the reasonable satisfaction of the Managers, of their compliance with their obligations under Clause 6 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.	226 227 228 229 230
The Managers shall arrange for the provision of bunker fuel of the quality specified by the Owners as required for the Vessel's trade.	151 152	7. Income Collected and Expenses Paid on Behalf of Owners	231
4. Managers' Obligations	153	7.1 All moneys collected by the Managers under the terms of this Agreement (other than moneys payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in a separate bank account.	232 233 234 235
4.1 The Managers undertake to use their best endeavours to provide the agreed Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder. Provided, however, that the Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available supplies, manpower and services in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.	154 155 156 157 158 159 160 161 162 163 164 165 166 167		
4.2 Where the Managers are providing Technical Management in accordance with sub-clause 3.2, they shall procure that the requirements of the law of the Flag State flag of the Vessel are satisfied and they shall in particular be deemed to be the "Company" as defined by the ISM Code, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed	168 169 170 171 172 173		

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7.2 All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in <u>Clause 8</u>) may be debited against the Owners in the account referred to under sub-clause 7.1 but shall in any event remain payable by the Owners to the Managers on demand.	236 237 238 239 240 241	each month request the Owners in writing for the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in a separate bank account.	302 303 304 305 306 307 308 309
8. Management Fee	242	9.4 The Managers shall produce a comparison between budgeted and actual income and expenditure of the Vessel in such form as required by the Owners monthly or at such other intervals as mutually agreed.	310 311 312 313
8.1 The Owners shall pay to the Managers for their services as Managers under this Agreement an annual management fee as stated in <u>Box 15</u> which shall be payable by equal monthly instalments in advance, the first instalment being payable on the commencement of this Agreement (see <u>Clause 2</u> and <u>Box 4</u>) and subsequent instalments being payable every month.	243 244 245 246 247 248 249 250	9.5 Notwithstanding anything contained herein to the contrary, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.	314 315 316 317
8.2 The management fee shall be subject to an annual review on the anniversary date of the Agreement and the proposed fee shall be presented in the annual budget referred to in sub-clause 9.1.	251 252 253		
8.3 The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of <u>Clause 7</u> the Owners shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in pursuance of the Management Services.	254 255 256 257 258 259 260	10. Managers' Right to Sub-Contract	318
8.4 In the event of the appointment of the Managers being terminated by the Owners or the Managers in accordance with the provisions of <u>Clauses 17</u> and <u>18</u> other than by reason of default by the Managers, or if the Vessel is lost, sold or otherwise disposed of, the "management fee" payable to the Managers according to the provisions of sub-clause 8.1, shall continue to be payable for a further period of three calendar months as from the termination date. In addition, provided that the Managers provide Crew for the Vessel in accordance with sub-clause 3.1:	261 262 263 264 265 266 267 268 269 270	The Managers shall not have the right to sub-contract any of their obligations hereunder, including those mentioned in sub-clause 3.1, without the prior written consent of the Owners which shall not be unreasonably withheld. In the event of such a sub-contract the Managers shall remain fully liable for the due performance of their obligations under this Agreement. The Owner hereby consents to the Manager subcontracting all or some aspects of crew management.	319 320 321 322 323 324
(i) the Owners shall continue to pay Crew Support Costs during the said further period of three calendar months and	271 272	11. Responsibilities	325
(ii) the Owners shall pay an equitable proportion of any Severance Costs which may materialize, not exceeding the amount stated in <u>Box 16</u> . The Managers shall use their reasonable endeavours to minimise such Severance Costs.	273 274 275	11.1 Force Majeure - Neither the Owners nor the Managers shall be under any liability for any failure to perform any of their obligations hereunder by reason of any cause whatsoever of any nature or kind beyond their reasonable control.	326 327 328 329
8.5 If the Owners decide to lay-up the Vessel whilst this Agreement remains in force and such lay-up lasts for more than three months, an appropriate reduction of the management fee for the period exceeding three months until one month before the Vessel is again put into service shall be mutually agreed between the parties.	276 277 278 279 280 281	11.2 Liability to Owners - (i) Without prejudice to sub-clause 11.1, the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees, or agents or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten times the annual management fee payable hereunder.	330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347
8.6 Unless otherwise agreed in writing all discounts and commissions obtained by the Managers in the course of the management of the Vessel shall be credited to the Owners.	282 283 284	(ii) Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any of the actions of the Crew, even if such actions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under sub-clause 3.1, in which case their liability shall be limited in accordance with the terms of this <u>Clause 11</u> .	348 349 350 351 352 353 354
9. Budgets and Management of Funds	285	11.3 Indemnity - Except to the extent and solely for the amount therein set out that the Managers would be liable under sub-clause 11.2, the Owners hereby undertake to keep the Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, losses, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.	355 356 357 358 359 360 361 362 363 364 365 366 367
9.1 The Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in <u>Annex "C"</u> hereto. Subsequent annual budgets shall be prepared by the Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see <u>Clause 2</u> and <u>Box 4</u>).	286 287 288 289 290 291 292	11.4 "Himalaya" - It is hereby expressly agreed that no	368
9.2 The Owners shall indicate to the Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Managers shall be entitled to assume that the Owners have accepted the proposed budget.	293 294 295 296 297		
9.3 Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement of the Vessel and the Managers shall each month up-date this estimate. Based thereon, the Managers shall	298 299 300 301		

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employee or agent of the Managers (including every sub-contractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this <u>Clause 11</u> , every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this <u>Clause 11</u> the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.	369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388	regulations of the Vessel's flag, or of the places where she trades.	432
12. Documentation	389		
Where the Managers are providing Technical Management in accordance with sub-clause <u>3.2</u> and/or Crew Management in accordance with sub-clause <u>3.1</u> , they shall make available, upon Owners' request, all documentation and records related to the Safety Management System (SMS) and/or the Crew which the Owners need in order to demonstrate compliance with the ISM Code and STCW95 or to defend a claim against a third party:	390 391 392 393 394 395 396 397		
13. General Administration	398		
13.1 The Managers shall handle and settle all claims arising out of the Management Services hereunder and keep the Owners informed regarding any incident of which the Managers become aware which gives or may give rise to claims or disputes involving third parties.	399 400 401 402 403		
13.2 The Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings in connection with matters entrusted to the Managers according to this Agreement.	404 405 406		
13.3 The Managers shall also have power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes or all other matters affecting the interests of the Owners in respect of the Vessel.	407 408 409 410		
13.4 The Owners shall arrange for the provision of any necessary guarantee bond or other security.	411 412		
13.5 Any costs reasonably incurred by the Managers in carrying out their obligations according to <u>Clause 13</u> shall be reimbursed by the Owners.	413 414 415		
14. Auditing	416		
The Managers shall at all times maintain and keep true and correct accounts and shall make the same available for inspection and auditing by the Owners at such times as may be mutually agreed. On the termination, for whatever reasons, of this Agreement, the Managers shall release to the Owners, if so requested, the originals where possible, or otherwise certified copies, of all such accounts and all documents specifically relating to the Vessel and her operation.	417 418 419 420 421 422 423 424		
15. Inspection of Vessel	425		
The Owners shall have the right at any time after giving reasonable notice to the Managers to inspect the Vessel for any reason they consider necessary.	426 427 428		
16. Compliance with Laws and Regulations	429		
The Managers will not do or permit to be done anything which might cause any breach or infringement of the laws and	430 431		
		17. Duration of the Agreement	433
		This Agreement shall come into effect on the day and year stated in <u>Box 4</u> and shall continue until the date stated in <u>Box 17</u> .	434 435
		Hereafter it shall continue until terminated by either party giving to the other notice in writing, in which event the Agreement shall terminate upon the expiration of a period of two months from the date upon which such notice was given.	436 437 438 439
		18. Termination	440
		18.1 Owners' default	441
		(i) The Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any moneys payable by the Owners under this Agreement and/or the owners of any associated vessel, details of which are listed in <u>Annex "D"</u> , shall not have been received in the Managers' nominated account within ten running days of receipt by the Owners of the Managers' written request or if the Vessel is repossessed by the Mortgagees.	442 443 444 445 446 447 448 449
		(ii) If the Owners:	450
		(a) fail to meet their obligations under sub-clauses <u>5.2</u> and <u>5.3</u> of this Agreement for any reason within their control, or	451 452 453
		(b) proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper,	454 455 456 457 458
		the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible.	459 460
		In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.	461 462 463 464
		18.2 Managers' Default	465
		If the Managers fail to meet their obligations under <u>Clauses 3</u> and <u>4</u> of this Agreement for any reason within the control of the Managers, the Owners may give notice to the Managers of the default, requiring them to remedy it as soon as practically possible. In the event that the Managers fail to remedy it within a reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.	466 467 468 469 470 471 472 473
		18.3 Extraordinary Termination	474
		This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned.	475 476 477 478
		18.4 For the purpose of sub-clause <u>18.3</u> hereof	479
		(i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel;	480 481 482 483
		(ii) the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred.	484 485 486 487 488 489 490
		18.5 This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.	491 492 493 494 495 496 497
		18.6 The termination of this Agreement shall be without	498

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prejudice to all rights accrued due between the parties prior to the date of termination.	499	parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.	550
	500		551
19. Law and Arbitration	501	19.3 This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.	552
19.1 This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	502		553
The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	503		554
The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.	504		555
Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	505		556
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	506		557
19.2 This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgement may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.	507		558
	508		559
In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the	509	19.4 If <u>Box 18</u> in Part I is not appropriately filled in, sub-clause <u>19.1</u> of this Clause shall apply.	560
	510		561
	511	<i>Note: <u>19.1</u>, <u>19.2</u> and <u>19.3</u> are alternatives; indicate alternative agreed in <u>Box 18</u>.</i>	562
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	514	20. Notices	564
	515	20.1 Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.	565
	516		566
	517	20.2 The address of the Parties for service of such communication shall be as stated in <u>Boxes 19</u> and <u>20</u> , respectively.	567
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	524	Additional Clause(s)	
	525	21. Trading Restrictions	
	526	The Managers agree that they shall comply with all Applicable US Laws (as defined below) that apply to the operations and trading of the Vessel with respect to the performance of this Agreement and that the Managers shall not take any action, or direct that any actions are taken, that will cause the Owner to violate or be subject to penalty under such laws.	
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	528	"Applicable US Laws" means and includes all applicable United States laws, regulations, rules and executive orders including: the United States Foreign Corrupt Practices Act (the FCPA); export control and sanctions laws and regulations including the Trading with the Enemy Act of 1917 (50 U.S.C. 1-44), the International Emergency Economic Powers Act (50 U.S.C. 1701-1706), the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901-1908, 8 U.S.C. 1182), the Export Administration Regulations (15 C.F.R. Parts 730 et seq.), the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130), Section 999 of the Internal Revenue Code, the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note), as amended by the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (PL 111-195); and the regulations, rules, and executive orders administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC).	
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