

## Protokoll fört vid enskild föredragning

Infrastrukturavdelningen  
Transportbyrån, I2

Beslutande

Minister  
Mika Nordberg

Föredragande

Upphandlare  
Sten Schauman

Justerat

Omedelbart

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Ärende/Dnr/Exp.

Beslut

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### Nr 32

Färjetrafik Brändö-Kumlinge 2019-2023

ÅLR 2019/1085

#### Beslut

Beslöts att komplettera anbudsfrågan för färjetrafik Brändö-Kumlinge 2019-2023 med dokument som beskriver försäljningen av M/S Ejdern enligt **bilaga I219E24**. Samtidigt beslöts att kompletteringen publiceras 28.5.2019.

Föredragande har rätt att under anbudstidens frågor- och svarstid offentliggöra förtydliganden i förfrågan.

#### Motivering

Upphandlingen publicerades 16.5.2019 och i upphandlingsföreskriften skrevs in att försäljningsdokumenten publiceras senast 28.5.2019.

#### Bakgrund

Skärgårdstrafikens alla frigående linjer drivs sedan 2016 av privata entreprenörer som upphandlas av infrastrukturavdelningens transportbyrå. Transportbyrån ansvarar för turlistan, det egna tonnaget och följer upp avtalen med entreprenörerna.

Brändö-Kumlinge linjen blir en ny linje, för M/S Ejdern eller en annan motsvarande färja. Hummelvik-Torsholma trafikeras endast av ett fartyg, M/S Alfågeln, och trafiken med M/S Frida II på linjen Asterholma-Lappo-Torsholma upphör.

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**04 B1-Avtal ÅLR 2019/1085****MEMORANDUM OF AGREEMENT**

Date XX.XX.2019

Ålands Landskapsregering, PB 1060, AX-Mariehamn (“Sellers”), have agreed to sell, and

(“Buyers”) have agreed to buy

Name: m.v. “EJDERN”  
Built: 1977 / Oy Laivateollisuus Ab  
Flag: Finland  
Call Sign: OIIN  
Gross tonnage: 486  
Net tonnage: 137  
IMO Number: 7611511

(“Vessel”) on the following terms and conditions:

**1. Purchase Price**

Price: €400 000,00 (Euro Four hundred thousand 00/100) (“Purchase Price”).

**2. Payment of Purchase Price**

The Purchase Price shall be paid to the Sellers free of bank charges and without any deduction whatsoever to the bank account of the Sellers [ ] on delivery of the Vessel.

**3. Delivery date**

The Vessel shall be delivered within 14 days after final and unappealable approval by the Sellers of the Buyers’ offer to purchase the Vessel. Sellers shall give the Buyers 7 days approximate and 3 days definite notice of the delivery date. The Vessel shall be delivered safely afloat at a safe and accessible berth in Mariehamn.

**4. Outright sale**

The Buyers have made such inspections of the Vessel and its classification records as they require and have accepted both the Vessel and its classification records and the purchase is outright and definite subject only to the terms and conditions of this Agreement.

The Buyers confirm that they have not relied upon any information which they may have been given by or on behalf of the Sellers and that they have relied solely upon their own enquiries and/or inspections.

**5. Condition of Vessel at delivery**

Other than the warranty provided at Clause 9 the Vessel is sold and shall be delivered and taken over by the Buyer in an “as is” condition without warranty of any kind with respect to the condition, use, merchantability, performance, quality or value of the Vessel and property to be sold pursuant to Clause 7 and any and all warranties, representations, terms and conditions, whether written or oral, express or implied, statutory or otherwise relating to such condition, use, merchantability, performance, quality or value of the Vessel and property to be sold pursuant to Clause 7, are hereby excluded by the Sellers.

## **6. Total loss**

If the Vessel should suffer a casualty between the time of signing this Agreement and delivery such that she becomes a total loss or a constructive or compromised total loss before delivery, this Agreement shall thereafter be considered null and void.

## **7. Inclusions and exclusions from sale**

The Vessel shall be delivered to the Buyers with everything belonging to her on board, (including all spare parts and spare equipment and unused stores and provisions), save for the following items which are excluded from the sale of the Vessel:

- (a) any items which are on hire; and
- (b) master's, officers' and crew's personal belongings, including slop chest (if any).

The Buyers shall take-over the bunkers, unused lubricating oils, whether in tanks or drums broached or unbroached, and unused stores and provisions remaining on board at the time of delivery. The price for such lubricating oils and stores shall be the actual price paid by the Sellers. The bunker fuel remaining on board is included in the Purchase Price.

## **8. Documentation**

The closing meeting for delivery of the Vessel at which the exchange of documents and payment for the Vessel shall take place shall be in Mariehamn or such other place as the Sellers and the Buyers may agree. On delivery and in exchange for payment of the Purchase Price, the Sellers shall provide the Buyers with the following documents:

- (a) legal bill of sale (in such form as may be required for the re-registration of the Vessel in the name of the Buyers under the Buyers' chosen flag) duly notarially attested and apostilled warranting that the Vessel is free from all encumbrances, mortgages and maritime liens or any other debts or claims whatsoever;
- (b) evidence that the Vessel is in the registered ownership of the Sellers under Finnish flag and free from registered mortgages; and
- (c) such other documents as may be reasonably required by the Buyer for the purpose of registration of the Vessel by the Buyer under the Buyers' chosen flag.

At the time of delivery the Buyers and the Sellers shall sign and deliver to each other a Protocol of Delivery and Acceptance confirming the date and time and place of delivery of the Vessel from the Sellers to the Buyers. At the time of delivery and in exchange for the Purchase Price, the Sellers shall hand to the Buyers any classification certificates as well as all plans etc. which may be on board the Vessel. The Sellers shall keep the Vessel's log books, but the Buyers have the right to take photocopies of the same at the Buyers' expense.

## **9. Encumbrances**

The Sellers warrant that the Vessel shall at the time of delivery be free from encumbrances, mortgages and maritime liens or any other debts whatsoever. The Sellers hereby undertake to indemnify the Buyers against all consequences of claims made against the Vessel in respect of encumbrances, liens or debts relating to the time prior to delivery of the Vessel to the Buyers.

## **8. Taxes etc.**

Any taxes, fees and expenses in connection with the purchase and registration of the Vessel under the Buyers' chosen flag shall be for the Buyers' account, whereas similar charges in connection with the closing of the Sellers' register shall be for the Sellers' account.

## **9. Name and funnel markings**

Upon delivery of the Vessel the Buyers undertake to change the name of the Vessel and alter the funnel and other ownership markings.

## **10. Buyers' default**

Should the Purchase Price not be paid in accordance with Clause 2, the Sellers have the right to cancel this Agreement.

## **11. Sellers' default**

If the Sellers fail to deliver the Vessel in accordance with this Agreement for reasons solely attributable to the Sellers, the Buyers shall have the right to cancel this Agreement in which event this Agreement shall be null and void and neither party shall have any claim against the other.

## **12. No assignment**

The Buyers shall not be entitled to assign or transfer any of their rights or obligations under this Agreement without the prior consent of the Sellers.

## **13. Entire agreement**

This Agreement constitutes the entire agreement between the parties hereto in relation to the sale of the Vessel. The Buyers shall have no remedy against the Sellers after delivery for breach of any of the terms of this Agreement or otherwise howsoever in connection with the sale of the Vessel, save as specifically provided in this Agreement.

## **14. Subjects**

This Agreement is subject to the Buyers and the Sellers signing this Agreement at the latest on signing contract A in procurement ÅLR 2019/1085 about the traffic between Brändö and Kumlinge in the Åland archipelago for 2019-2023 for the Seller.

Should the subject not be lifted as above this sale shall become null and void each party being responsible for its own expenses and legal fees and neither party having any rights whatsoever towards the other party.

## **15. Law and arbitration**

This Agreement shall be governed by and construed in accordance with the laws of Finland and any dispute shall be referred to the District Court of Mariehamn

Signed in two originals on the date first above written.

Sellers

Buyers



# BARECON 2017

STANDARD BAREBOAT CHARTER PARTY PART I

1. Place and date	
2. Owners (Cl. 1) (i) Name: <b>Ålands landskapsregering</b> (ii) Place of registered office: <b>Mariehamn</b> (iii) Law of registry: <b>Finland</b>	3. Charterers (Cl. 1) (i) Name: (ii) Place of registered office: (iii) Law of registry:
4. Vessel (Cl. 1 and 3) (i) Name: <b>m/v Ejdern</b> (ii) IMO number: <b>7611511</b> (iii) Flag State: <b>Finland</b> (iv) Type: <b>Passenger/car ferry</b>	(v) GT/NT: <b>486/ 137</b> (vi) Summer DWT: (vii) When/where built: <b>1977/ Oy Laivateollisuus Ab</b> (viii) Classification Society: <b>Lloyds register</b>
5. Date of last special survey by the Vessel's Classification Society <b>15.5.2019</b>	6. Validity of class certificates (state number of months to apply) (i) Delivery (Cl. 3): (ii) Redelivery (Cl. 10):
7. Latent Defects (state number of months to apply) (Cl. 1, 3) <b>zero</b>	8. Port or place of delivery (Cl. 3) <b>Mariehamn</b>
9. Delivery notices (Cl. 4) <b>n/a</b> days' approximate notices and <b>n/a</b> days' definite notices	10. Time for delivery (Cl. 4) <b>To be agreed</b>
11. Cancelling date (Cl. 4, 5) <b>n/a</b>	12. Port or place of redelivery (Cl. 10) <b>Mariehamn</b>
13. Redelivery notices (Cl. 10) <b>n/a</b> days' approximate notices and <b>n/a</b> definite notices	14. Trading limits (Cl. 11) <b>Åland Islands</b>
15. Bunker fuels, unused oils and greases (optional, state if (a) (actual net price), or (b) (current net market price) to apply) (Cl. 9) <b>Alternative (a) in respect of unused oils and greases. Bunker fuels are paid by Owners during charter period.</b>	16. Charter period (Cl. 2) <b>4 years</b>

<p>17. Charter hire (state currency and amount) (Cl. 2, 10 and 15) (i) Charter hire: <b>€ 8.333,33 / month + interest 4% p.a. calculated on the at each payment day remaining balance of the Purchase Option Price (see Part IV)</b> (ii) Charter hire for optional period: <b>n/a</b></p>	<p>18. Optional period and notice (Cl. 2) (i) State extension period in months: <b>n/a</b> (ii) State when declarable: <b>n/a</b></p>
<p>19. Rate of interest payable (Cl. 15(g)) <b>Default interest as per Finnish Interest Act</b></p>	<p>20. Owners' bank details (state beneficiary and bank account) (Cl. 15)</p>
<p>21. New class and other regulatory requirements (Cl. 13(b)) (i) State if 13(b)(i) or (ii) to apply: <b>13(b)(i)</b> (ii) Threshold amount (AMT): (iii) Vessel's expected remaining life in years on the date of delivery:</p>	
<p>22. Mortgage(s), if any (state if 16(a) or (b) to apply; if 16(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 1, 16) <b>16(a)</b></p>	
<p>23. Insured Total Loss value (Cl. 17) <b>€ 400.000</b></p>	<p>24. Insuring party (state if Cl. 17(b) (Charterers to insure) or Cl. 17(c) (Owners to insure) to apply) <b>Cl. 17(b)</b></p>
<p>25. Performance guarantee (state amount and entity) (Cl. 27) (optional) <b>n/a</b></p>	
<p>26. Dispute Resolution (state 33(a), 33(b), 33(c) or 33(d); if 33(c) is agreed, state Singapore or English law; if 33(d) is agreed, state governing law and place of arbitration) (Cl. 33) <b>(d) Finnish law and District Court of Mariehamn</b></p>	
<p>27. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies and if "yes", complete details below) (optional) <b>No</b> (i) Name of Builders: (ii) Hull number: (iii) Date of newbuilding contract: (iv) Liquidated damages for physical defects or deficiencies (state party): (v) Liquidated damages for delay in delivery (state party):</p>	
<p>28. Purchase Option (indicate with "yes" or "no" whether PART IV applies) (optional) <b>Yes</b></p>	<p>29. Bareboat Charter Registry (indicate with "yes" or "no" whether PART V applies and if "yes", complete details below) (optional) <b>No</b> (i) Underlying Registry: (ii) Bareboat Charter Registry:</p>
<p>30. Notices to Owners (state full style details for serving notices) (Cl. 34) <b>Ålands landskapsregering Strandgatan 37 PB 1060 AX-Mariehamn</b></p>	<p>31. Notices to Charterers (state full style details for serving notices) (Cl. 34)</p>

It is mutually agreed that this Charter Party shall be performed subject to the conditions contained in this Charter Party which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter Party if expressly agreed and stated in Box 27, 28 and 29. If PART III and/or PART IV and/or PART V applies, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners) <b>Ålands landskapsregering</b>	Signature (Charterers)
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**PART II**  
**BARECON 2017 Standard Bareboat Charter Party**

1   **1. Definitions**

2       In this Charter Party:

3       “Banking Day” means a day on which banks are open in the places stated in Boxes 2, 3, 30 and 31, and, for  
4       payments in US dollars, in New York.

5       “Charterers” means the party identified in Box 3.

6       “Crew” means the Master, officers and ratings and any other personnel employed on board the Vessel.

7       “Financial Instrument” means the mortgage, deed of covenant or other such financial security instrument as  
8       identified in Box 22.

9       “Flag State” means the flag state in Box 4 or such other flag state to which the Charterers may have re-  
10       registered the Vessel with the Owners’ consent during the Charter Period.

11       “Latent Defect” means a defect which could not be discovered on such an examination as a reasonably careful  
12       skilled person would make.

13       “Owners” means the party identified in Box 2.

14       “Total Loss” means an actual, constructive, compromised or agreed total loss of the Vessel under the  
15       insurances.

16       “Vessel” means the vessel described in Box 4 including its equipment, machinery, boilers, fixtures and fittings.

17   **2. Charter Period**

18       The Owners have agreed to let and the Charterers have agreed to hire the Vessel for the period stated in Box  
19       16 (“Charter Period”).

20       The Charterers shall have the option to extend the Charter Period by the period stated in Box 18(i) at the rate  
21       stated in Box 17(ii), which option shall be exercised by written notice to the Owners latest as stated in Box  
22       18(ii).

23       Subject to the terms and conditions herein provided, during the Charter Period the Vessel shall be in the full  
24       possession and at the absolute disposal for all purposes of the Charterers and under their complete control in  
25       every respect.

26   **3. Delivery**

27       (not applicable when Part III applies, as stated in Box 27).

28   (a)   The Owners shall deliver the Vessel in a seaworthy condition and in every respect ready for service under this  
29       Charter Party and in accordance with the particulars stated in Boxes 4 to 6.

30       If the Charterers have inspected the Vessel prior to delivery, the Vessel shall be delivered by the Owners in the  
31       same condition as at the time of inspection, fair wear and tear excepted.

32       The Vessel shall be delivered by the Owners and taken over by the Charterers at the port or place stated in Box  
33       8 at such readily accessible safe berth or mooring as the Charterers may direct.

34   (b)   The Vessel shall be properly documented on delivery in accordance with the laws and regulations of the Flag  
35       State and the requirements of the Classification Society stated in Box 4. The Vessel upon delivery shall have its  
36       survey cycles up to date and class certificates valid and unextended for at least the number of months stated in



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37 Box 6(i) free of any conditions or recommendations. If Box 6(i) is not filled in, then six (6) months shall apply.

38 (c) The delivery of the Vessel by the Owners and the taking over of the Vessel by the Charterers shall constitute a  
39 full performance by the Owners of all the Owners' obligations under this Clause, and thereafter the Charterers  
40 shall not be entitled to make or assert any claim against the Owners on account of any conditions,  
41 representations or warranties expressed or implied with respect to the Vessel but the Owners shall be liable for  
42 the cost of but not the time for repairs or renewals arising out of Latent Defects in the Vessel existing at the  
43 time of delivery under this Charter Party, provided such Latent Defects manifest themselves within the number  
44 of months after delivery stated in Box 7. If Box 7 is not filled in, then twelve (12) months shall apply.

45 **4. Time for Delivery**

46 (not applicable when Part III applies, as stated in Box 27)

47 The Vessel shall not be delivered before the date stated in Box 10 without the Charterers' consent and the  
48 Owners shall exercise due diligence to deliver the Vessel not later than the date stated in Box 11.

49 The Owners shall keep the Charterers informed of the Vessel's itinerary for the voyage leading up to delivery  
50 and shall serve the Charterers with the number of days approximate/definite notices of the Vessel's delivery  
51 stated in Box 9. Following the tender of any such notices the Owners shall give or allow to be given to the  
52 Vessel only such further employment orders as are reasonably expected when given to allow delivery to occur  
53 by the date notified.

54 **5. Cancelling**

55 (not applicable when Part III applies, as stated in Box 27)

56 (a) Should the Vessel not be delivered by the cancelling date stated in Box 11, the Charterers shall have the option  
57 of cancelling this Charter Party.

58 (b) If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in  
59 a position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof  
60 to the Charterers asking whether they will exercise their option of cancelling, and the option must then be  
61 declared within three (3) Banking Days of the receipt by the Charterers of such notice. If the Charterers do not  
62 then exercise their option of cancelling, the readiness date stated in the Owners' notice shall be substituted for  
63 the cancelling date stated in Box 11 for the purpose of this Clause 5 (Cancelling).

64 (c) Cancellation under this Clause 5 (Cancelling) shall be without prejudice to any claim the Charterers may  
65 otherwise have against the Owners under this Charter Party.

66 **6. Familiarisation**

67 (a) The Charterers shall have the right to place a maximum of two (2) representatives on board the Vessel at their  
68 sole risk and expense for a reasonable period prior to the delivery of the Vessel.

69 The Charterers and the Charterers' representatives shall sign the Owners' usual letter of indemnity prior to  
70 embarkation.

71 (b) The Owners shall have the right to place a maximum of two (2) representatives on board the Vessel at their  
72 sole risk and expense for a reasonable period prior to the redelivery of the Vessel.

73 The Owners and the Owners' representatives shall sign the Charterers' usual letter of indemnity prior to  
74 embarkation.

75 (c) Such representatives shall be on board for the purpose of familiarisation and in the capacity of observers only,  
76 and they shall not interfere in any respect with the operation of the Vessel.

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77 **7. Surveys on Delivery and Redelivery**

78 (a) The Owners and Charterers shall each appoint and pay for their respective surveyors for the purpose of  
79 determining and agreeing in writing the condition of the Vessel at the time of delivery and redelivery  
80 hereunder. The Owners shall bear all the Vessel's expenses related to the on-hire survey including loss of time,  
81 if any. The Charterers shall bear all the Vessel's expenses related to the off-hire survey including loss of time, if  
82 any.

83 (b) Divers inspection on delivery/re-delivery

84 The Charterers shall have the option at delivery and the Owners shall have the option at redelivery, at their  
85 respective time, cost and expense, to arrange for an underwater inspection by a diver approved by the  
86 Classification Society, in the presence of a Classification Society surveyor, to determine the condition of the  
87 rudder, propeller, bottom and other underwater parts of the Vessel.

88 **8. Inventories**

89 A complete inventory of the Vessel's equipment, outfit, spare parts and consumable stores on board the Vessel  
90 shall be made by the parties on delivery and redelivery of the Vessel.

91 **9. Bunker fuels, oils and greases**

92 The Charterers and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for  
93 all bunker fuels and unused lubricating and hydraulic oils and greases in storage tanks and unopened drums at:

94 (a)\* The actual price paid (excluding barging expenses) as evidenced by invoices or vouchers.

95 (b)\* The current market price (excluding barging expenses) at the port and date of delivery/redelivery of the Vessel  
96 or, if unavailable, at the nearest bunkering port.

97 \*Subclauses (a) and (b) are alternatives; state alternative agreed in Box 15. If Box 15 is not filled in, then  
98 subclause (a) shall apply.

99 **10. Redelivery**

100 At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers and taken over by the  
101 Owners at the port or place stated in Box 12 at such readily accessible safe berth or mooring as the Owners  
102 may direct.

103 The Charterers shall keep the Owners informed of the Vessel's itinerary for the voyage leading up to redelivery  
104 and shall serve the Owners with the number of days approximate/definite notices of the Vessel's redelivery  
105 stated in Box 13.

106 The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding  
107 ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel  
108 within the Charter Period and in accordance with the notices given. Notwithstanding the above, should the  
109 Charterers fail to redeliver the Vessel within the Charter Period, the Charterers shall pay the daily equivalent to  
110 the rate of hire stated in Box 17(i) applicable at the time plus ten (10) per cent or the market rate, whichever is  
111 the higher, for the number of days by which the Charter Period is exceeded. Such payment of the enhanced  
112 hire rate shall be without prejudice to any claims the Owners may have against the Charterers in this respect.  
113 All other terms, conditions and provisions of this Charter Party shall continue to apply.

114 Subject to the provisions of Clause 13 (Maintenance and Operation), the Vessel shall be redelivered to the  
115 Owners in the same condition and class as that in which it was delivered, fair wear and tear not affecting class  
116 excepted.

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117 The Vessel upon redelivery shall have her survey cycles up to date and class certificates valid and unextended  
118 for at least the number of months agreed in Box 6(ii) free of any conditions or recommendations. If Box 6(i) is  
119 not filled in, then six (6) months shall apply.

120 All plans, drawings and manuals (excluding ISM/ISPS manuals) and maintenance records shall remain on board  
121 and accessible to the Owners upon redelivery. Any other technical documentation regarding the Vessel which  
122 may be in the Charterers' possession shall promptly after redelivery be forwarded to the Owners at their  
123 expense, if they so request. The Charterers may keep the Vessel's log books but the Owners shall have the right  
124 to make copies of the same.

125 **11. Trading Restrictions**

126 The Vessel shall be employed in lawful trades for the carriage of lawful merchandise within the trading limits  
127 stated in Box 14.

128 The Charterers undertake not to employ the Vessel or allow the Vessel to be employed otherwise than in  
129 conformity with the terms of the contracts of insurance (including any warranties expressed or implied therein)  
130 without first obtaining the consent of the insurers to such employment and complying with such requirements  
131 as to additional premium or otherwise as the insurers may require.

132 The Charterers will not do or permit to be done anything which might cause any breach or infringement of the  
133 laws and regulations of the Flag State, or of the places where the Vessel trades.

134 Notwithstanding any other provisions contained in this Charter Party it is agreed that nuclear fuels or  
135 radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under  
136 this Charter Party. This exclusion does not apply to radio-isotopes used or intended to be used for any  
137 industrial, commercial, agricultural, medical or scientific purposes provided the Owners' prior approval has  
138 been obtained to loading thereof.

139 **12. Contracts of Carriage**

140 (a) The Charterers are to procure that all documents issued during the Charter Period evidencing the terms and  
141 conditions agreed in respect of carriage of goods shall contain a paramount clause which shall incorporate the  
142 Hague-Visby Rules unless any other legislation relating to carrier's liability for cargo is compulsorily applicable  
143 in the trade. The documents shall also contain the New Jason Clause and the Both-to-Blame Collision Clause.

144 (b) The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of  
145 passengers and their luggage under this Charter Party shall contain a paramount clause which shall incorporate  
146 the Athens Convention Relating to the Carriage of Passengers and their Luggage by Sea, 1974, and any protocol  
147 thereto, unless any other legislation relating to carrier's liability for passengers and their luggage is  
148 compulsorily applicable in the trade.

149 **13. Maintenance and Operation**

150 (a) Maintenance

151 The Charterers shall properly maintain the Vessel in a good state of repair, in efficient operating condition and  
152 in accordance with good commercial maintenance practice and, at their own expense, maintain the Vessel's  
153 Class with the Classification Society stated in Box 4 and all necessary certificates.

154 (b) New Class and Other Regulatory Requirements

155 (i)\* In the event of any structural changes or new equipment becoming necessary for the continued  
156 operation of the Vessel by reason of new class requirements or by compulsory legislation ("Required  
157 Modification"), all such costs shall be for the Charterers' account.

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158 (ii)\* In the event of any structural changes or new equipment becoming necessary for the continued  
159 operation of the Vessel by reason of a Required Modification, the costs shall be apportioned as follows:

160 (1) if the costs of the Required Modification are less than the amount stated in Box 21(ii), such costs  
161 shall be for the Charterers' account;

162 (2) if the costs of the Required Modification are greater than the amount stated in Box 21(ii), the  
163 Charterers' portion of costs shall be apportioned using the formula below; all costs other than  
164 the Charterers' portion shall be for the Owners' account.

165 AMT = agreed amount stated in Box 21(ii)

166 CRM = cost of Required Modification

167 MEL = modification's expected life in years

168 VEL = the Vessel's expected remaining life in years stated in Box 21(iii) less the number of years between  
169 the date of delivery and the date of the modification.

170 RPY = remaining charter period in years

171 (i) If the Required Modification is expected to last for the remaining life of the Vessel, then:

172 Charterers' portion of costs =  $\frac{CRM}{VEL} \times RPY$

173 (ii) If the Required Modification is not expected to last for the remaining life of the Vessel, then:

174 Charterers' portion of costs =  $\frac{CRM}{MEL} \times RPY$

175 \*Subclauses 13(b)(i) and 13(b)(ii) are alternatives, state alternative agreed in Box 21(i). If Box 21(i) is not filled  
176 in, then subclause 13(b)(i) shall apply.

177 (c) Financial Security

178 The Charterers shall maintain financial security or responsibility in respect of third party liabilities as required  
179 by any government, including federal, state or municipal or other division or authority thereof, to enable the  
180 Vessel, without penalty or charge, lawfully to enter, remain at, or leave any port, place, territorial or contiguous  
181 waters of any country, state or municipality in performance of this Charter Party without any delay. This  
182 obligation shall apply whether or not such requirements have been lawfully imposed by such government or  
183 division or authority thereof. The Charterers shall make and maintain all arrangements by bond or otherwise as  
184 may be necessary to satisfy such requirements at the Charterers' sole expense and the Charterers shall  
185 indemnify the Owners against all consequences whatsoever (including loss of time) for any failure or inability to  
186 do so.

187 (d) Operation of the Vessel

188 The Charterers shall at their own expense crew, victual, navigate, operate, supply, fuel, maintain and repair the  
189 Vessel during the Charter Period and they shall be responsible for all costs and expenses whatsoever relating to  
190 their use and operation of the Vessel, including any taxes and fees. The Crew shall be the servants of the  
191 Charterers for all purposes whatsoever, even if for any reason appointed by the Owners.

192 (e) Information to Owners

193 The Charterers shall keep the Owners advised of the intended employment, planned dry-docking and major  
194 repairs of the Vessel, as reasonably required by the Owners.

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195 (f) Flag and Name of Vessel

196 During the Charter Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install  
197 and display their funnel insignia and fly their own house flag. The Charterers shall also have the liberty, with the  
198 Owners' prior written consent, which shall not be unreasonably withheld, to change the flag and/or the name  
199 of the Vessel during the Charter Period. Painting and re-painting, instalment and re-instalment, registration and  
200 re-registration, if required by the Owners, shall be at the Charterers' expense and time.

201 (g) Changes to the Vessel

202 Subject to subclause 13(b) (New Class and Other Regulatory Requirements), the Charterers shall make no  
203 structural or substantial changes to the Vessel without the Owners' prior written approval. If the Owners agree  
204 to such changes, the Charterers shall, if the Owners so require, restore the Vessel, prior to redelivery of the  
205 Vessel, to its former condition.

206 (h) Use of the Vessel's Outfit and Equipment

207 The Charterers shall have the use of all outfit, equipment and spare parts on board the Vessel at the time of  
208 delivery, provided the same or their substantial equivalent shall be returned to the Owners on redelivery in the  
209 same good order and condition as on delivery as per the inventory (see Clause 8 (Inventories)), ordinary wear  
210 and tear excepted. The Charterers shall from time to time during the Charter Period replace such equipment  
211 that become unfit for use. The Charterers shall procure that all repairs to or replacement of any damaged,  
212 worn or lost parts or equipment will be effected in such manner (both as regards workmanship and quality of  
213 materials, including spare parts) as not to diminish the value of the Vessel.

214 The Charterers have the right to fit additional equipment at their expense and risk but the Charterers shall  
215 remove such equipment at the end of the Charter Period if requested by the Owners. Any hired equipment on  
216 board the Vessel at the time of delivery shall be kept and maintained by the Charterers and the Charterers shall  
217 assume the obligations and liabilities of the Owners under any lease contracts in connection therewith and  
218 shall reimburse the Owners for all expenses incurred in connection therewith, also for any new hired  
219 equipment required in order to comply with any regulations.

220 (i) Periodical Dry-Docking

221 The Charterers shall dry-dock the Vessel and clean and paint her underwater parts whenever the same may be  
222 necessary, but not less than once every sixty (60) calendar months or such other period as may be required by  
223 the Classification Society or Flag State.

224 **14. Inspection during the Charter Period**

225 The Owners shall have the right at any time after giving reasonable notice to the Charterers to inspect the  
226 Vessel or instruct a duly authorised surveyor to carry out such inspection on their behalf to ascertain its  
227 condition and satisfy themselves that the Vessel is being properly repaired and maintained or for any other  
228 commercial reason they consider necessary (provided it does not unduly interfere with the commercial  
229 operation of the Vessel).

230 The fees for such inspections shall be paid for by the Owners. All time used in respect of inspection shall be for  
231 the Charterers' account and form part of the Charter Period.

232 The Charterers shall also permit the Owners to inspect the Vessel's class records, log books, certificates,  
233 maintenance and other records whenever requested and shall whenever required by the Owners furnish them  
234 with full information regarding any casualties or other accidents or damage to the Vessel.

235 **15. Hire**

236 (a) The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter Party.

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- 237 (b) The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount stated in Box 17(i)  
238 which shall be payable not later than every thirty (30) running days in advance, the first lump sum being  
239 payable on the date and hour of the Vessel's delivery to the Charterers. Hire shall be paid continuously  
240 throughout the Charter Period.
- 241 (c) Payment of hire shall be made to the Owners' bank account stated in Box 20.
- 242 (d) All payments of Charter Hire and any other payments due under this Charter shall be made without any set-off  
243 whatsoever and free and clear of any withholding or deduction for, or on account of, any present or future  
244 income, freight, stamp or other taxes, levies, imposts, duties, fees, charges, restrictions or conditions of any  
245 nature. If the Charterers are required by any authority in any country to make any withholding or deduction  
246 from any such payment, the sum due from the Charterers in respect of such payment will be increased to the  
247 extent necessary to ensure that, after the making of such withholding or deduction the Owners receive a net  
248 sum equal to the amount which it would have received had no such deduction or withholding been required to  
249 be made.
- 250 (e) If the Charterers fail to make punctual payment of hire due, the Owners shall give the Charterers three (3)  
251 Banking Days written notice to rectify the failure, and when so rectified within those three (3) Banking Days  
252 following the Owners' notice, the payment shall stand as punctual.
- 253 Failure by the Charterers to pay hire due in full within three (3) Banking Days of their receiving a notice from  
254 Owners shall entitle the Owners, without prejudice to any other rights or claims the Owners may have against  
255 the Charterers, to terminate this Charter Party at any time thereafter, as long as hire remains outstanding.
- 256 (f) If the Owners choose not to exercise any of the rights afforded to them by this Clause in respect of any  
257 particular late payment of hire, or a series of late payments of hire, under the Charter Party, this shall not be  
258 construed as a waiver of their right to terminate the Charter Party.
- 259 (g) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 19. If  
260 Box 19 has not been filled in, the one month interbank offered rate in London (LIBOR or its successor) for the  
261 currency stated in Box 17, as quoted on the date when the hire fell due, increased by three (3) per cent, shall  
262 apply.
- 263 (h) Payment of interest due under subclause 15(g) shall be made within seven (7) running days of the date of the  
264 Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire  
265 payment date.
- 266 (i) Final payment of hire, if for a period of less than thirty (30) running days, shall be calculated proportionally  
267 according to the number of days and hours remaining before redelivery and advance payment to be effected  
268 accordingly.
- 269 **16. Mortgage**
- 270 (only to apply if Box 22 has been appropriately filled in)
- 271 (a)\* The Owners warrant that they have not effected any mortgage(s) of the Vessel and that they shall not effect  
272 any mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.
- 273 (b)\* The Vessel chartered under this Charter Party is financed by a mortgage according to the Financial Instrument.  
274 The Charterers undertake to comply, and provide such information and documents to enable the Owners to  
275 comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and  
276 maintenance of the Vessel as laid down in the Financial Instrument or as may be directed from time to time  
277 during the currency of the Charter Party by the mortgagee(s) in conformity with the Financial Instrument,  
278 including the display or posting of such notices as the Mortgagees may require. The Charterers confirm that, for  
279 this purpose, they have acquainted themselves with all relevant terms, conditions and provisions of the  
280 Financial Instrument and agree to acknowledge this in writing in any form that may be required by the

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281 mortgagee(s). The Owners warrant that they have not effected any mortgage(s) other than stated in Box 22  
282 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 22 or effect any other  
283 mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.

284 \*(Optional, Subclauses 16(a) and 16(b) are alternatives; indicate alternative agreed in Box 22).

285 **17. Insurance**

286 (a) General

287 (i) The value of the Vessel for hull and machinery (including increased value) and war risks insurance is the  
288 sum stated in Box 23, or such other sum as the parties may from time to time agree in writing. The party  
289 insuring the Vessel shall do so on such terms and conditions and with such insurers as the other party  
290 shall approve in writing, which approval shall not be unreasonably withheld, and shall name the other  
291 party as co-assured.

292 (ii) Notwithstanding that the parties are co-assured, these insurance provisions shall neither exclude nor  
293 discharge liability between the Owners and the Charterers under this Charter Party, but are intended to  
294 secure payment of the loss insurance proceeds as a first resort to make good the Owners' loss. If such  
295 payment is made to the Owners it shall be treated as satisfaction (but not exclusion or discharge) of the  
296 Charterers' liability towards the Owners. For the avoidance of doubt, such payment is no bar to a claim  
297 by the Owners and/or their insurers against the Charterers to seek indemnity by way of subrogation.

298 (iii) Nothing herein shall prejudice any rights of recovery of the Owners or the Charterers (or their insurers)  
299 against third parties.

300 (b)\* Charterers to insure

301 (i) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull  
302 and machinery, war, and protection and indemnity risks (and any risks against which it is compulsory to  
303 insure for the operation of the Vessel, including maintaining financial security in accordance with  
304 subclause 13(c) (Financial Security)).

305 (ii) Such insurances shall be arranged by the Charterers to protect the interests of the Owners and the  
306 Charterers and the mortgagee(s) (if any), and the Charterers shall be at liberty to protect under such  
307 insurances the interests of any managers they may appoint.

308 (iii) The Charterers shall upon the request of the Owners, provide information and promptly execute such  
309 documents as may be required to enable the Owners to comply with the insurance provisions of the  
310 Financial Instrument.

311 (c)\* Owners to Insure

312 (i) During the Charter Period the Vessel shall be kept insured by the Owners at their expense against hull  
313 and machinery and war risks. The Charterers shall progress claims for recovery against any third parties  
314 for the benefit of the Owners' and the Charterers' respective interests.

315 (ii) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against  
316 Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation  
317 of the Vessel, including maintaining financial security in accordance with subclause 13(c) (Financial  
318 Security)).

319 (iii) In the event that any act or negligence of the Charterers prejudices any of the insurances herein  
320 provided, the Charterers shall pay to the Owners all losses and indemnify the Owners against all claims  
321 and demands which would otherwise have been covered by such insurances.

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322 \*Subclauses 17(b) and 17(c) are alternatives, state alternative agreed in Box 24. If Box 24 is not filled in, then  
323 subclause 17(b) (Charterers to insure) shall apply.

324 **18. Repairs**

325 (a) Subject to the provisions of any Financial Instrument, and the approval of the Owners, the Charterers shall  
326 effect all insured repairs, and undertake settlement of all miscellaneous expenses in connection with such  
327 repairs as well as all insured charges, expenses and liabilities.

328 To the extent of coverage under the insurances provided for under the provisions of subclause 17(c) (Owners  
329 to Insure), the Charterers shall be reimbursed under the Owners' insurances for such expenditures upon  
330 presentation of accounts.

331 (b) The Charterers shall remain responsible for and effect repairs and settlement of costs and expenses incurred  
332 thereby in respect of all repairs not covered by the insurances and/or not exceeding any deductibles provided  
333 for in the insurances.

334 (c) All time used for repairs under the provisions of subclauses 18(a) and 18(b) and for repairs of Latent Defects  
335 according to Clause 3 (Delivery) above, including any deviation, shall be for the Charterers' account and shall  
336 form part of the Charter Period.

337 **19. Total loss**

338 (a) The Charterers shall be liable to the Owners by way of damages if the Vessel becomes a Total Loss. Subject to  
339 the provisions of any Financial Instrument, if the Vessel becomes a Total Loss, all insurance payments for such  
340 loss shall be paid to the Owners who shall distribute the monies between the Owners and the Charterers  
341 according to their respective interests, which shall satisfy (but not exclude or discharge) the Charterers' liability  
342 to the Owners thereof. The Charterers undertake to notify the Owners and the mortgagee(s), if any, of any  
343 occurrences in consequence of which the Vessel is likely to become a Total Loss.

344 (b) Notwithstanding any other clause herein, it is recognised that the Charterers have a continuing obligation to  
345 protect and preserve the Vessel as an asset of the Owners. The Charterers shall have a continuing duty after  
346 the termination of the Charter Party to preserve and present claims on behalf of Owners and Charterers and/or  
347 any subrogated insurers against any third party held responsible for the Total Loss during the Charter Period  
348 and account for any recovery achieved.

349 (c) The Owners or the Charterers, as the case may be, shall upon the request of the other party, promptly execute  
350 such documents as may be required to enable the other party to abandon the Vessel to the insurers and claim  
351 a constructive total loss.

352 **20. Lien**

353 The Owners shall have a lien upon all cargoes, hires and freights (including deadfreight and demurrage)  
354 belonging or due to the Charterers or any sub-charterers, for any amounts due under this Charter Party and the  
355 Charterers shall have a lien on the Vessel for all monies paid in advance and not earned.

356 **21. Non-Lien**

357 The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their  
358 agents, which might have priority over the title and interest of the Owners in the Vessel.

359 **22. Indemnity**

360 (a) The Charterers shall indemnify the Owners against any loss, damage or expense arising out of or in relation to  
361 the operation of the Vessel by the Charterers, and against any lien of whatsoever nature arising out of an event



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362 occurring during the Charter Period. This shall include indemnity for any loss, damage or expense arising out of  
363 or in relation to any international convention which may impose liability upon the Owners.

364 (b) Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all  
365 consequences or liabilities arising from the Master, officers or agents signing bills of lading or other documents.

366 (c) If the Vessel is arrested or otherwise detained for any reason whatsoever other than those covered in  
367 subclause (d), the Charterers shall at their own expense take all reasonable steps to secure that within a  
368 reasonable time the Vessel is released, including the provision of bail.

369 (d) If the Vessel is arrested or otherwise detained by reason of a claim or claims against the Owners, the Owners  
370 shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is  
371 released, including the provision of bail.

372 In such circumstances the Owners shall indemnify the Charterers against any loss, damage or expense incurred  
373 by the Charterers (including hire paid under this Charter Party) as a direct consequence of such arrest or  
374 detention.

375 **23. Salvage**

376 All salvage and towage performed by the Vessel shall be for the Charterers' benefit and the cost of repairing  
377 damage occasioned thereby shall be borne by the Charterers.

378 **24. Wreck Removal**

379 If the Vessel becomes a wreck, or any part of the Vessel is lost or abandoned, and is an obstruction to  
380 navigation or poses a hazard and has to be raised, removed, destroyed, marked or lit by order of any lawful  
381 authority having jurisdiction over the area or as a result of any applicable law, the Charterers shall be liable for  
382 any and all expenses in connection with the raising, removal, destruction, lighting or marking of the Vessel and  
383 shall indemnify the Owners against any sums whatsoever, which the Owners become liable to pay as a  
384 consequence.

385 **25. General Average**

386 The Owners shall not contribute to General Average.

387 **26. Assignment, Novation, Sub-Charter and Sale**

388 (a) The Charterers shall not assign or novate this Charter Party nor sub-charter the Vessel on a bareboat basis  
389 except with the prior consent in writing of the Owners, which shall not be unreasonably withheld, and subject  
390 to such terms and conditions as the Owners shall approve.

391 (b) The Owners shall not sell the Vessel during the currency of this Charter Party except with the prior written  
392 consent of the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting a  
393 novation of this Charter Party.

394 (c) The Owners shall be entitled to assign their rights under this Charter Party.

395 **27. Performance Guarantee**

396 (Optional, to apply only if Box 25 filled in)

397 The Charterers undertake to furnish, before delivery of the Vessel, a guarantee or bond in the amount of and  
398 from the entity stated in Box 25 in a form acceptable to the Owners as guarantee for full performance of their  
399 obligations under this Charter Party.

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400 **28. Anti-Corruption**

- 401 (a) The parties agree that in connection with the performance of this Charter Party they shall each:
- 402 (i) comply at all times with all applicable anti-corruption legislation and have procedures in place that are,  
403 to the best of its knowledge and belief, designed to prevent the commission of any offence under such  
404 legislation by any member of its organisation and/or by any person providing services for it or on its  
405 behalf; and
- 406 (ii) make and keep books, records, and accounts which in reasonable detail accurately and fairly reflect the  
407 transactions in connection with this Charter Party.
- 408 (b) If either party fails to comply with any applicable anti-corruption legislation, it shall defend and indemnify the  
409 other party against any fine, penalty, liability, loss or damage and for any related costs (including, without  
410 limitation, court costs and legal fees) arising from such breach.
- 411 (c) Without prejudice to any of its other rights under this Charter Party, either party may terminate this Charter  
412 Party without incurring any liability to the other party if:
- 413 (i) at any time the other party or any member of its organisation has committed a breach of any applicable  
414 anti-corruption legislation in connection with this Charter Party; and
- 415 (ii) such breach causes the non-breaching party to be in breach of any applicable anti-corruption legislation.
- 416 Any such right to terminate must be exercised without undue delay.
- 417 (d) Each party represents and warrants that in connection with the negotiation of this Charter Party neither it nor  
418 any member of its organisation has committed any breach of applicable anti-corruption legislation. Breach of  
419 this subclause (d) shall entitle the other party to terminate the Charter Party without incurring any liability to  
420 the other.

421 **29. Sanctions and Designated Entities**

- 422 (a) The provisions of this clause shall apply in relation to any sanction, prohibition or restriction imposed on any  
423 specified persons, entities or bodies including the designation of specified vessels or fleets under United  
424 Nations Resolutions or trade or economic sanctions, laws or regulations of the European Union or the United  
425 States of America.
- 426 (b) The Owners and the Charterers respectively warrant for themselves (and in the case of any sub-charter, the  
427 Charterers further warrant in respect of any sub-charterers, shippers, receivers, or cargo interests) that at the  
428 date of this fixture and throughout the duration of this Charter Party they are not subject to any of the  
429 sanctions, prohibitions, restrictions or designation referred to in subclause (a) which prohibit or render  
430 unlawful any performance under this Charter Party. The Owners further warrant that the Vessel is not a  
431 designated vessel.
- 432 (c) If at any time during the performance of this Charter Party either party becomes aware that the other party is  
433 in breach of warranty in this Clause, the party not in breach shall comply with the laws and regulations of any  
434 Government to which that party or the Vessel is subject, and follow any orders or directions which may be  
435 given by any body acting with powers to compel compliance, including where applicable the Owners' Flag  
436 State. In the absence of any such orders, directions, laws or regulations, the party not in breach may, in its  
437 option, terminate the Charter Party forthwith in accordance with Clause 31 (Termination).
- 438 (d) If, in compliance with the provisions of this Clause, anything is done or is not done, such shall not be deemed a  
439 deviation but shall be considered due fulfilment of this Charter Party.

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440 (e) Notwithstanding anything in this Clause to the contrary, the Owners or the Charterers shall not be required to  
441 do anything which constitutes a violation of the laws and regulations of any State to which either of them is  
442 subject.

443 (f) The Owners or the Charterers shall be liable to indemnify the other party against any and all claims, losses,  
444 damage, costs and fines whatsoever suffered by the other party resulting from any breach of warranty in this  
445 Clause.

446 **30. Requisition/Acquisition**

447 (a) In the event of the requisition for hire of the Vessel by any governmental or other competent authority at any  
448 time during the Charter Period, this Charter Party shall not be deemed to be frustrated or otherwise  
449 terminated. The Charterers shall continue to pay hire according to the Charter Party until the time when the  
450 Charter Party would have expired or terminated pursuant to any of the provisions hereof. However, if any  
451 requisition hire or compensation is received by the Owners for the remainder of the Charter Period or the  
452 period of the requisition, whichever is shorter, it shall be payable by the Owners to the Charterers.

453 (b) In the event of the Owners being deprived of their ownership in the Vessel by any compulsory acquisition of  
454 the Vessel or requisition for title by any governmental or other competent authority (hereinafter referred to as  
455 "Compulsory Acquisition"), then, irrespective of the date during the Charter Period when Compulsory  
456 Acquisition may occur, this Charter Party shall be deemed terminated as of the date of such Compulsory  
457 Acquisition. In such event hire to be considered as earned and to be paid up to the date and time of such  
458 Compulsory Acquisition. The Owners shall be entitled to any compensation received for such Compulsory  
459 Acquisition.

460 **31. Termination**

461 (a) Charterers' Default

462 The Owners shall be entitled to terminate this Charter Party by written notice to the Charterers under the  
463 following circumstances and to claim damages including, but not limited to, for the loss of the remainder of the  
464 Charter Party:

465 (i) Non-payment of hire (see Clause 15 (Hire)).

466 (ii) Charterers' failure to comply with the requirements of:

467 (1) Clause 11 (Trading Restrictions); or

468 (2) Subclause 17(b) (Charterers to Insure).

469 (iii) The Charterers do not rectify any failure to comply with the requirements of subclause 13(a)  
470 (Maintenance) as soon as practically possible after the Owners have notified them to do so and in any  
471 event so that the Vessel's insurance cover is not prejudiced.

472 (b) Owners' Default

473 The Charterers shall be entitled to terminate this Charter Party with immediate effect by written notice to the  
474 Owners and to claim damages including, but not limited to, for the loss of the remainder of the Charter Party:

475 (i) If the Owners shall by any act or omission be in breach of their obligations under this Charter Party to  
476 the extent that the Charterers are deprived of the use of the Vessel and such breach continues for a  
477 period of fourteen (14) running days after written notice thereof has been given by the Charterers to the  
478 Owners; or

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479 (ii) if the Owners fail to arrange or maintain the insurances in accordance with subclause 17(c) (Owners to  
480 Insure).

481 (c) Loss of Vessel

482 This Charter Party shall be deemed to be terminated, without prejudice to any accrued rights or obligations, if  
483 the Vessel becomes lost either when it has become an actual total loss or agreement has been reached with  
484 the Vessel's underwriters in respect of its constructive total loss or if such agreement with the Vessel's  
485 underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has  
486 occurred, or has been declared missing. The date upon which the Vessel is to be treated as declared missing  
487 shall be ten (10) days after the Vessel was last reported or when the Vessel is recorded as missing by the  
488 Vessel's underwriters, whichever occurs first.

489 (d) Bankruptcy

490 Either party shall be entitled to terminate this Charter Party with immediate effect by written notice to the  
491 other party if that other party has a petition presented for its winding up or administration or any other action  
492 is taken with a view to its winding up (otherwise than for the purpose of solvent reconstruction or  
493 amalgamation), or becomes bankrupt or commits an act of bankruptcy, or makes any arrangement or  
494 composition for the benefit of creditors, or has a receiver or manager or administrative receiver or  
495 administrator or liquidator appointed in respect of any of its assets, or suspends payments, or anything  
496 analogous to any of the foregoing under the law of any jurisdiction happens to it, or ceases or threatens to  
497 cease to carry on business.

498 (e) The termination of this Charter Party shall be without prejudice to all rights accrued due between the parties  
499 prior to the date of termination and to any claim that either party might have.

500 **32. Repossession**

501 In the event of the early termination of this Charter Party in accordance with the applicable provisions of this  
502 Charter Party, the Owners shall have the right to repossess the Vessel from the Charterers at its current or next  
503 port of call, or at a port or place convenient to them without hindrance or interference by the Charterers,  
504 courts or local authorities. Pending physical repossession of the Vessel, the Charterers shall hold the Vessel as  
505 gratuitous bailee only to the Owners. The Owners shall arrange for an authorised representative to board the  
506 Vessel as soon as reasonably practicable following the termination of this Charter Party. The Vessel shall be  
507 deemed to be repossessed by the Owners from the Charterers upon the boarding of the Vessel by the Owners'  
508 representative. All arrangements and expenses relating to the settling of wages, disembarkation and  
509 repatriation of the Crew shall be the sole responsibility of the Charterers.

510 **33. BIMCO Dispute Resolution Clause 2017**

511 (a)\* This Charter Party shall be governed by and construed in accordance with English law and any dispute arising  
512 out of or in connection with this Charter Party shall be referred to arbitration in London in accordance with the  
513 Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give  
514 effect to the provisions of this Clause.

515 The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA)  
516 Terms current at the time when the arbitration proceedings are commenced.

517 The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its  
518 arbitrator and send notice of such appointment in writing to the other party requiring the other party to  
519 appoint its own arbitrator within fourteen (14) calendar days of that notice and stating that it will appoint its  
520 arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done  
521 so within the fourteen (14) days specified. If the other party does not appoint its own arbitrator and give notice  
522 that it has done so within the fourteen (14) days specified, the party referring a dispute to arbitration may,  
523 without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator

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524 and shall advise the other party accordingly. The award of the sole arbitrator shall be binding on both parties as  
525 if he had been appointed by agreement.

526 Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the  
527 appointment of a sole arbitrator.

528 In cases where neither the claim nor any counterclaim exceeds the sum of USD 100,000 (or such other sum as  
529 the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure  
530 current at the time when the arbitration proceedings are commenced.

531 In cases where the claim or any counterclaim exceeds the sum agreed for the LMAA Small Claims Procedure  
532 and neither the claim nor any counterclaim exceeds the sum of USD 400,000 (or such other sum as the parties  
533 may agree) the arbitration shall be conducted in accordance with the LMAA Intermediate Claims Procedure  
534 current at the time when the arbitration proceedings are commenced.

535 (b)\* This Charter Party shall be governed by U.S. maritime law or, if this Charter Party is not a maritime contract  
536 under U.S. law, by the laws of the State of New York. Any dispute arising out of or in connection with this  
537 Charter Party shall be referred to three (3) persons at New York, one to be appointed by each of the parties  
538 hereto, and the third by the two so chosen. The decision of the arbitrators or any two of them shall be final,  
539 and for the purposes of enforcing any award, judgment may be entered on an award by any court of  
540 competent jurisdiction. The proceedings shall be conducted in accordance with the SMA Rules current as of the  
541 date of this Charter Party.

542 In cases where neither the claim nor any counterclaim exceeds the sum of USD 100,000 (or such other sum as  
543 the parties may agree) the arbitration shall be conducted in accordance with the SMA Rules for Shortened  
544 Arbitration Procedure current as of the date of this Charter Party.

545 (c)\* This Charter Party shall be governed by and construed in accordance with Singapore\*\*/English\*\* law.

546 Any dispute arising out of or in connection with this Charter Party, including any question regarding its  
547 existence, validity or termination shall be referred to and finally resolved by arbitration in Singapore in  
548 accordance with the Singapore International Arbitration Act (Chapter 143A) and any statutory modification or  
549 re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

550 The arbitration shall be conducted in accordance with the Arbitration Rules of the Singapore Chamber of  
551 Maritime Arbitration (SCMA) current at the time when the arbitration proceedings are commenced.

552 The reference to arbitration of disputes under this Clause shall be to three arbitrators. A party wishing to refer  
553 a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other  
554 party requiring the other party to appoint its own arbitrator and give notice that it has done so within fourteen  
555 (14) calendar days of that notice and stating that it will appoint its own arbitrator as sole arbitrator unless the  
556 other party appoints its own arbitrator and gives notice that it has done so within the fourteen (14) days  
557 specified. If the other party does not give notice that it has done so within the fourteen (14) days specified, the  
558 party referring a dispute to arbitration may, without the requirement of any further prior notice to the other  
559 party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole  
560 arbitrator shall be binding on both parties as if he had been appointed by agreement.

561 Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the  
562 appointment of a sole arbitrator.

563 In cases where neither the claim nor any counterclaim exceeds the sum of USD 150,000 (or such other sum as  
564 the parties may agree) the arbitration shall be conducted before a single arbitrator in accordance with the  
565 SCMA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

566 \*\*Delete whichever does not apply. If neither or both are deleted, then English law shall apply by default.

**PART II**  
**BARECON 2017 Standard Bareboat Charter Party**

- 567 (d)\* This Charter Party shall be governed by and construed in accordance with the laws of the place mutually agreed  
568 by the Parties and any dispute arising out of or in connection with this Charter Party shall be referred to  
569 arbitration at a mutually agreed place, subject to the procedures applicable there.
- 570 (e) The parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in  
571 connection with this Charter Party. In the case of any dispute in respect of which arbitration has been  
572 commenced under subclause (a), (c) or (d), the following shall apply:
- 573 (i) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to  
574 mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other  
575 party to agree to mediation.
- 576 (ii) The other party shall thereupon within fourteen (14) calendar days of receipt of the Mediation Notice  
577 confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within  
578 a further fourteen (14) calendar days, failing which on the application of either party a mediator will be  
579 appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may  
580 designate for that purpose. The mediation shall be conducted in such place and in accordance with such  
581 procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set  
582 by the mediator.
- 583 (iii) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal  
584 and may be taken into account by the Tribunal when allocating the costs of the arbitration as between  
585 the parties.
- 586 (iv) The mediation shall not affect the right of either party to seek such relief or take such steps as it  
587 considers necessary to protect its interest.
- 588 (v) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall  
589 continue during the conduct of the mediation but the Tribunal may take the mediation timetable into  
590 account when setting the timetable for steps in the arbitration.
- 591 (vi) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs  
592 incurred in the mediation and the parties shall share equally the mediator's costs and expenses.
- 593 (vii) The mediation process shall be without prejudice and confidential and no information or documents  
594 disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under  
595 the law and procedure governing the arbitration.

596 (Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)

597 \*Subclauses (a), (b), (c) and (d) are alternatives; indicate alternative agreed in Box 26.

598 If Box 26 in Part I is not appropriately filled in, subclause (a) of this Clause shall apply. Subclause (e) shall apply  
599 in all cases except for alternative (b).

600 **34. Notices**

601 All notices, requests and other communications required or permitted by any clause of this Charter Party shall  
602 be given in writing and shall be sufficiently given or transmitted if delivered by hand, email, express courier  
603 service or registered mail and addressed if to the Owners as stated in Box 30 or such other address or email  
604 address as the Owners may hereafter designate in writing, and if to the Charterers as stated in Box 31 or such  
605 other address or email address as the Charterers may hereafter designate in writing. Any such communication  
606 shall be deemed to have been given on the date of actual receipt by the party to which it is addressed.

607 **35. Partial Validity**

**PART II**  
**BARECON 2017 Standard Bareboat Charter Party**

608 If by reason of any enactment or judgment any provision of this Charter Party shall be deemed or held to be  
609 illegal, void or unenforceable in whole or in part, all other provisions of this Charter Party shall be unaffected  
610 thereby and shall remain in full force and effect.

611 **36. Entire Agreement**

612 This Charter Party is the entire agreement of the parties, which supersedes all previous written or oral  
613 understandings and which may not be modified except by a written amendment signed by both parties.

614 **37. Headings**

615 The headings of this Charter Party are for identification only and shall not be deemed to be part hereof or be  
616 taken into consideration in the interpretation or construction of this Charter Party.

617 **38. Singular/Plural**

618 The singular includes the plural and vice versa as the context admits or requires.

**PART III**  
**BARECON 2017 Standard Bareboat Charter Party**  
**PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY**  
**(Optional, only applicable if Box 27 has been completed)**

**OPTIONAL  
PART**

**1. Specifications and Building Contract**

- (a) The Vessel shall be constructed in accordance with the building contract between the Builders and the Owners including the specifications and plans incorporated therein ("Building Contract"). The Owners shall provide the Charterers with a copy of the Building Contract to the extent relevant to this Charter Party.
- (b) No variations shall be made to the Building Contract without the Charterers' prior written consent. The Charterers shall be entitled to request change orders in accordance with the Building Contract. Any additional costs or consequences due to Charterers' change orders shall be borne by the Charterers.
- (c) The Owners and the Charterers will liaise and cooperate in all matters regarding the construction of the Vessel and the Building Contract. The Charterers shall have the right to send their representative to the Builders' yard to inspect the Vessel during its construction.
- (d) The Owners shall assign their guarantee rights under the Building Contract to the Charterers, if permitted. If not permitted, the Owners shall exercise their guarantee rights against the Builders for the benefit of the Charterers. The Charterers shall be obliged to accept such sums as the Owners are reasonably able to recover under the guarantee provisions of the Building Contract.

**2. Delivery and Cancellation**

- (a)
  - (i) Subject to the provisions of Clause 3 (Liquidated Damages) hereunder, the Charterers shall be obliged to accept the Vessel from the Owners, constructed and delivered in accordance with the Building Contract and including buyers' supplies, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel's performance or specification or defects, if any.
  - (ii) The date of delivery for the purpose of this Charter shall be the date (the "Delivery Date") when the Vessel is in fact delivered by the Builders to the Owners in accordance with the Building Contract, whether that is before or after the scheduled delivery date under the Building Contract. The Owners shall be under no responsibility for any delay whatsoever in delivery of the Vessel to the Charterers under this Charter Party, except to the extent caused solely by the Owners' acts or omissions resulting in a default by the Owners under the Building Contract. The Owners shall be responsible to the Charterers for any direct losses incurred by the Charterers, if the Vessel is not delivered to the Owners due solely to the Owners' acts or omissions resulting in a default by the Owners under the Building Contract.
  - (iii) The Owners and the Charterers shall on the Delivery Date sign a Protocol of Delivery and Acceptance evidencing delivery of the Vessel hereunder.
- (b)
  - (i) The Owners' obligation to charter the Vessel to the Charterers hereunder is conditional upon delivery of the Vessel to the Owners by the Builders in accordance with the Building Contract.
  - (ii) If for any reason other than a default by the Owners under the Building Contract, the Builders become entitled under that Contract not to deliver the Vessel and exercise that right, the Owners shall be entitled to cancel this Charter Party by written notice to the Charterers.
  - (iii) If for any reason the Owners become entitled to cancel the Building Contract and exercise that right, the Owners shall be entitled to cancel this Charter Party by written notice to the Charterers. If, however, the Owners do not exercise their right to cancel the Building Contract, the Charterers shall be entitled to cancel this Charter Party by written notice to the Owners.



**PART III**  
**BARECON 2017 Standard Bareboat Charter Party**  
**PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY**  
**(Optional, only applicable if Box 27 has been completed)**

<b>OPTIONAL PART</b>
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**3. Liquidated Damages**

- (a) Any liquidated damages for physical defects or deficiencies and any costs incurred in pursuing a claim therefor shall be credited to the party stated in Box 27(iv) or if not filled in shall be shared equally between the parties.
- (b) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall be credited to the party stated in Box 27(v) or if not filled in shall be shared equally between the parties.

**PART IV**  
**BARECON 2017 Standard Bareboat Charter Party**  
**PURCHASE OPTION**  
**(Optional, only applicable if Box 28 has been completed)**

**OPTIONAL  
PART**

1. The Charterers shall have an option to purchase the Vessel (the "Purchase Option") exercisable on each of the dates stated below as follows:

Date (state number of months after delivery of the Vessel)	Purchase Price (the "Purchase Option Price")
<b>1- 48 (months) i.e. a continous purchase option exercisable on each hire payment day</b>	<b>€400.000 (amount and currency) less the hire (excluding interest) paid during the charter period</b>

2. To exercise their Purchase Option, the Charterers shall notify the Owners in writing not later than **two (2) six (6)** months prior to the relevant date stated in the table above. Such notification shall not be withdrawn or cancelled.
3. If the Charterers exercise their Purchase Option, the ownership of the Vessel shall be transferred to them on the relevant date. If such date is not a Banking Day, the ownership of the Vessel shall be transferred on the next Banking Day, on a strictly "as is/where is" basis, at the Charterers' sole cost and expense.
4. The Owners shall obtain and provide the Charterers with such documents and take such actions as the Charterers may reasonably request to facilitate the sale and the registration of the Vessel under the flag designated by the Charterers.
5. The Owners warrant that the Vessel at the time of transfer of ownership shall be free of any of Owners' encumbrance or mortgage and that they have not committed any act or omission which would impair title to the Vessel.
6. The Owners make no representation or warranty as to the seaworthiness, value, condition, design, merchantability or operation of the Vessel, or as to the quality of the material, equipment or workmanship in the Vessel, or as to the fitness of the Vessel for any particular trade.
7. In exchange for the transfer of ownership of the Vessel, the Charterers shall pay the Purchase Option Price to the bank account nominated by the Owners together with any unpaid charter hire and other amounts due and payable under this Charter Party.
8. Upon payment and transfer of ownership in accordance with Clause 7 above, this Charter Party and all rights and obligations of the parties shall terminate without prejudice to all rights accrued due between the parties prior to the date of termination and any claim that either party might have.

**PART V**  
**BARECON 2017 Standard Bareboat Charter Party**  
**PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY**  
**(Optional, only to apply if expressly agreed and stated in Box 29)**

<b>OPTIONAL PART</b>
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**1. Definitions**

“Bareboat Charter Registry” shall mean the registry stated in Box 29(ii) whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of this Charter Party.

“Underlying Registry” shall mean the registry stated in Box 29(i) in which the Owners of the Vessel are registered as Owners and to which jurisdiction and control of the Vessel will revert upon termination of the Bareboat Charter registration.

2. The Owners have agreed to and the Charterers shall arrange for the Vessel to be registered under the Bareboat Charter Registry. The Charterers shall be responsible for all costs thereof.
3. Upon termination of this Charter Party for any reason whatsoever the Charterers shall immediately arrange for the deletion of the Vessel from the Bareboat Registry.
4. In the event of the Vessel being deleted from the Bareboat Charter Registry due to any default by the Owners, the Charterers shall have the right to terminate this Charter forthwith and without prejudice to any other claim they may have against the Owners under this Charter Party.