

# VESSEL REQUIREMENTS AND OPERATING CONDITIONS FOR IRON ORE

## - VESSEL REQUIREMENTS AND OPERATING CONDITIONS

1. Shipowners must comply to rules for Navigation, Berthing, and Anchoring at ENSEADA's Terminal defined under norm N-EIN-TUP-001 rev.05 for every operation. This norm is available at State of Bahia's Port Authority and ENSEADA's websites.
2. Vessels loaded with cargo shall have a maximum draught of 11.6m. Before berthing and departure, the SHIPOWNER must consult pilotage about daily draught restrictions stemming from climate conditions, bad weather, tide variation and safety Under Keel Clearance (UKC).
3. The VPC ("Worst Case Discharge Volume") of the vessels shall be 1,000 m<sup>3</sup>.
4. Shipowners are responsible for hiring pilotage and tugboats to enable the operation of their Vessels.
5. The vessels used for cargo loading/unloading shall be compatible to characteristics of port's Quay #1 and the maritime access channel which implies a DWT between 50,000 and 65,000.
6. Vessel types to be used for the purposes of this contract must fall within the following dimensions: Ultramax or Supramax, with length overall ("LOA") of up to 210m, breadth of 33m, and depth of 19m.
7. Vessels must be fully equipped with 04 suitable cranes and/or machinery to lift the cargo from metallic boxes located on the pier without the need for additional electromechanical equipment to be deployed and/or installed at the port for this activity.
8. All on-board cranes, if installed at the center of the vessel, must extend themselves beyond the ship's side at least 8.5 meters and guarantee a safe working load (SWL) of 30 at their maximum reach. (Figure 1).

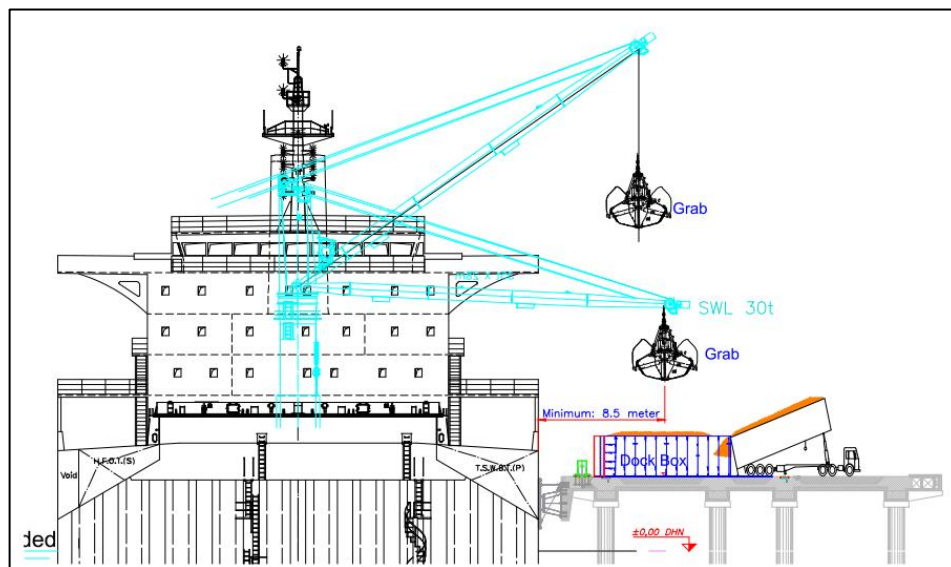


Figure 1 Transversal View of Vessel with on-board crane with its boom opened, 30 tons capacity.

9. All on-board cranes must be equipped with grabs with a minimum capacity payload of 6m<sup>3</sup> and bulk material piled density of 3.22 t/m<sup>3</sup> and granulation up to 50 mm.
10. The general arrangement of berthing is illustrated below (figure 2).

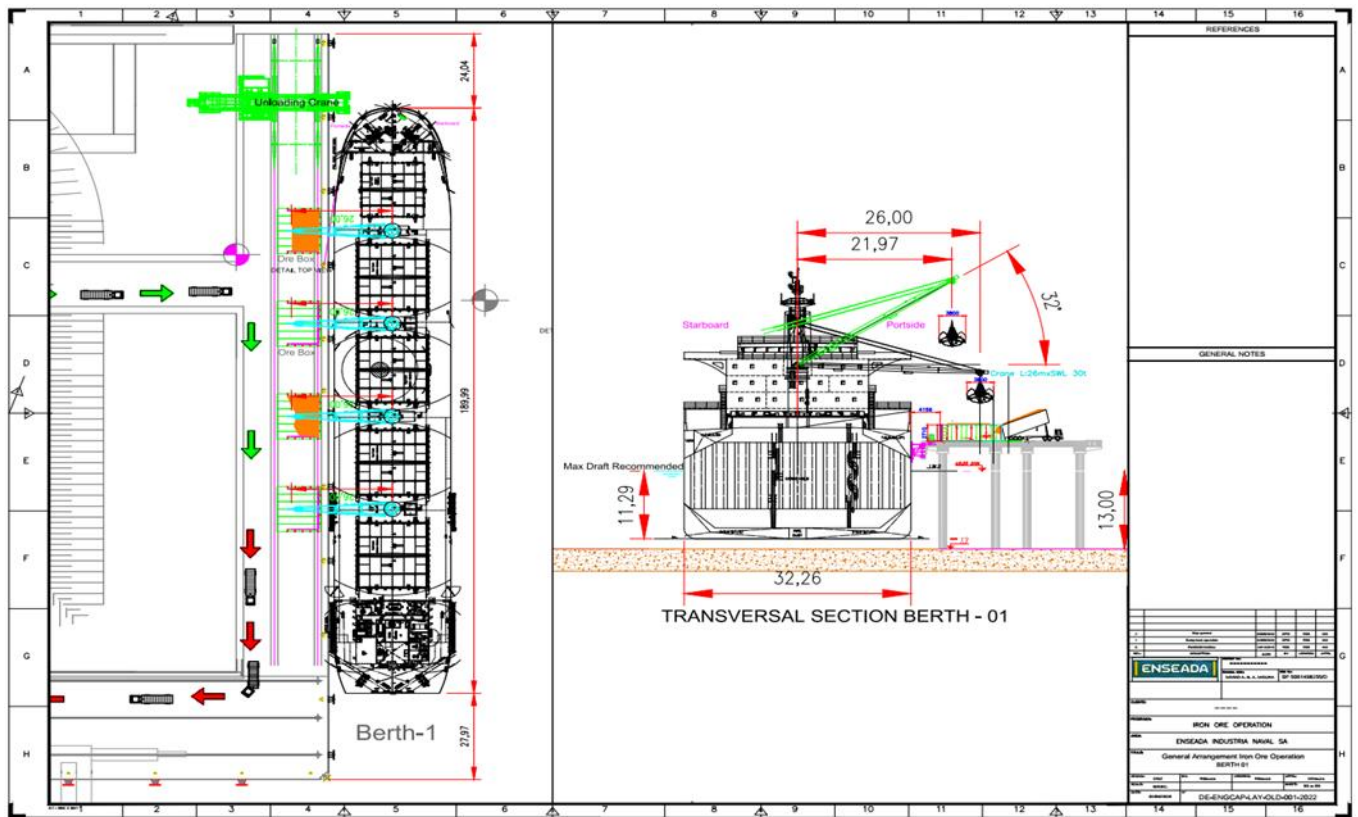


Figure 2 - General Arrangement of Berthing for Loading of Ore Cargo in Bulk

11. When the vessel approaches the pier, it should be berthed before Stowage Services are initiated. The vessel may dock on either side (port or starboard) after agreeing with the Terminal. After vessel is berthed, Stowage Services will commence.
12. Protection canvases should be installed by ENSEADA alongside the ship with one end tied to deck's bollards and the other end anchored to the pier to prevent the cargo from falling on water during loading operation.
13. Cargo loading onboard to ship's holds must be performed by vessel's cranes. After each loading sequence is completed, a new process will start on other ship's hold until the Stowage Service is finished according to loading plan issued by the master.
14. Stowage Services will start with the loading plan issued which defines the volume and other specifications to be loaded in each cargo hold, provided that vessel's final draught is respected. The SHIPOWNER must define the loading plan and its sequence considering the simultaneous use of 3 (three) or 4 (four) cranes equipped with grabs as well as verify the final draught before departure and/or adjust for the correct balance of the Vessel.

- **VESSEL's VETTING:**

- Vessel shall have on board all necessary sanitary and other certificates and authorizations necessary to berth in a Brazilian Port, as per Brazilian Regulations
- Vessel shall be in compliance with Vessel requirements and Terminal Operations conditions as stated herein.
- at least 10 days prior to Vessel scheduled arrival date at ENSEADA, Shipowner shall provide the following documents for Vessel's vetting:
  - All Vessel class and regulatory certificates;
  - copy of Vessel's entry confirmation and policy related to first tier Hull & Machinery coverage for the vessel, including collision and stranding coverage;
  - copy of Vessel's entry and terms and conditions for P&I coverage with International Group covering pollution, third parties' liabilities and wreck removal, for amounts compatible with market practice.

- **ARRIVAL WINDOW AND VESSEL BERTHED FOR CARGO RECEIPT AT THE TERMINAL**

- SHIPOWNER's Agent shall notify ENSEADA about updates on the Arrival Window and its narrowing as follows:
  - After acceptance by ENSEADA, the Arrival Window must be reduced to 3 (three) calendar days and notified to ENSEADA at least 10 (ten) calendar days before the first day of said Arrival Window.
  - One (1) calendar day Arrival Window ("**Arrival Day**") - to be issued at least five (5) calendar days prior to the Arrival Day; and
  - Estimated Time of Arrival ("**ETA**") Updates - to be issued at least four (4), three (3), two (2) and one (1) calendar days prior to the Arrival Date.
- If there are weather conditions that prevent Vessels from entering, operating and/or sailing in the Terminal and/or in the Terminal's berth or make it impossible to load vessels, which, therefore, delays the scheduled schedule of departures from the Terminal, ENSEADA must inform the SHIPOWNER of the new ETA(s) or Arrival Window(s).
- Before the Vessel's arrival at the anchorage area, all documents of the Vessel must be ready for berthing and Cargo loading, and the master must issue a Notification of Readiness ("**NOR**") to ENSEADA. Upon receipt of the NOR, Vessel will wait in line until is called by ENSEADA for allocation at the Terminal berth to start the Cargo loading Operation, without any guarantee as to the maximum waiting time, as well as ENSEADA shall not be entitled/have the obligation to pay SHIPOWNER and/or any SHIPOWNER's client any indemnity or compensation for such waiting, nor does any charge for demurrage, detention, dispatch compensation or any other charge arising from this waiting shall apply against ENSEADA.
- For the Cargo loading, ENSEADA will provide the loading and stowage activity to be charged to CLIENT and not the SHIPOWNER.

- The Vessel, while allocated at the Pier, must remain berthed for the maximum period of **5 (five) calendar days**, counted from the berthing at the Pier, or a shorter period if the Cargo loading Operation is completed in a shorter time, whichever occurs first ("**Free Time**").
  - Free time shall not be suspended due to the failure of the Vessel's equipment.
  - Once the Free Time has been exceeded and if the Vessel remains in the berth for reasons not attributable to ENSEADA, ENSEADA may require the Vessel to unmoor from the berth to which it was originally allocated, and the Vessel must go to an anchorage area outside the Terminal area. In this case, the SHIPOWNER will be exempt from paying the Delay Fee from the moment the Vessel undocks from the berth.
  - Once the Vessel is unmoored from the Terminal berth is determined, SHIPOWNER shall wait for the next availability of the berth to continue loading the Vessel.