

NOMINATION, LAYTIME AND DEMURRAGE

1. NOMINATION OF VESSELS AT ASHKELON OR EILAT

- 1.1. The **CLIENT** shall notify **EAPC** of the name and size of each vessel scheduled to load or discharge Crude Oil or Oil Products or LPG at Ashkelon or Eilat, the quantity, type and grade of Crude Oil or Oil Products or LPG to be loaded or discharged, and the inclusive dates (hereinafter referred to as "**Laydays**") defining a two-day period, commencing at 8:00 AM on the first day and expiring 48 hours later, within which the vessel is to arrive at Ashkelon or Eilat. Such notice shall be sent by e-mail (shimonf@eapc.co.il; eapc@eapc.co.il) and shall reach **EAPC** at least 25 (twenty five) days before the first of the Laydays at the port of Ashkelon or Eilat, provided that if **CLIENT** is unable to name a specified vessel, it can nominate on a TBN basis with approximate size and quantity. **EAPC** shall indicate whether or not the proposed Laydays are acceptable to it within 2 (two) working days of receipt of the aforesaid notice and if the Laydays are unacceptable to **EAPC**, the parties shall agree on other Laydays, however **EAPC** not to unreasonably withhold or delay agreement to the originally nominated Laydays.
- 1.2. After nominating a vessel under Clause 1.1 above, the **CLIENT** may substitute another vessel of similar size and with similar cargo quantity, type and grade to that so nominated, and if Laydays have been fixed on a TBN basis, the vessel will be finally nominated with similar vessel size, quantity, type and grade, by notifying **EAPC** by same e-mail of the name of such other vessel at least two working days before arrival at each port.
- 1.3. After agreement is reached on any nomination, the Laydays, carrying capacity, type, grade and the quantity of Crude Oil or Oil Products or LPG to be loaded or discharged may be changed only with the prior consent of **EAPC**, which consent will not be unreasonably withheld. Without derogating from the aforesaid, no later than 7 (seven) days before the first of the Laydays, **CLIENT** will reconfirm the Laydays and narrow the Laydays to a 24-hour window within the original Laydays.
- 1.4. Subject to sub-clauses 1.1, 1.2, and 1.3, the **CLIENT** / nominated vessel of the **CLIENT** shall notify **EAPC** of each vessel's estimated time of arrival ("**ETA**") at least 72 (seventy-two) hours before arrival of the vessel at the port, and shall confirm ETA by notice 48 (forty eight) and 24 (twenty-four) hours before such arrival, and thereafter any variations of more than 2 (two) hours.

- 1.5. Every vessel nominated by the **CLIENT** must be approved by **EAPC** for calling at Ashkelon or Eilat prior to confirmation of nomination, and shall comply at all times with all applicable government regulation, and **EAPC** regulations at any time in force in the Port of Ashkelon or Eilat, including those relating to safety and fire. As a condition for such confirmation, the vessel shall be required to complete and submit **EAPC's** standard questionnaire in accordance with its terms at least two (2) working days prior to arrival. At present, the maximum age of tankers calling at Ashkelon or Eilat is 20 years (calculated from date of keel laying) but **EAPC** does not warrant that regulations in force at the date of nomination will continue to stipulate the same age. The maximum size of any vessel, in deadweight tons, shall be as follows:

Ashkelon

- 1.5.1. Berth No. 1 (oil products) – 130,000
- 1.5.2. Berth No. 2 (oil products) – 100,000
- 1.5.3. SPM Berths No. 3 & 4 (crude oil) – 250,000
- 1.5.4. LPG Berth – 7,000 (discharge only)

Eilat

- 1.5.5. 300,000

The minimum size of any vessel shall be 20,000 tons deadweight in berth no 1 & 2.

The port regulations and questionnaire presently in force at the Port of Ashkelon or Eilat are specified in **EAPC's** website at <http://www.eapc.com/port-informaton/> and the **CLIENT** and Vessel will comply therewith. Any delay resulting from non-compliance with the port regulations or incorrectness of any statement in the questionnaire shall be for the account of the **CLIENT** or Vessel.

- 1.6. In the event **EAPC** shall notice, on arrival at Ashkelon or Eilat, any defect in the vessel or other deviation as compared to the declaration made by the vessel nominated by the client or as otherwise determined by the port upon safety inspection, if the defect or deviation does not prevent the vessel from loading or discharging in accordance with safety standards, port regulations and/or statutory requirements, **EAPC** shall issue a notice of defect to the vessel and **CLIENT** to take suitable action against such vessels and **EAPC** shall decide whether to berth this vessel and load or discharge the cargo of **CLIENT** as a special case, provided that any extra expenses shall be for **CLIENT's** account.

2. LAYTIME AND DEMURRAGE

- 2.1. Laytime shall commence 6 (six) hours after acceptance by **EAPC** of the Notice of Readiness ("NOR"), provided that NOR has been tendered within Laydays. NOR may be tendered by vessel when the vessel reaches the customary anchorage within the port - berth or no berth – and after receiving free pratique and customs clearance. If NOR is tendered between 08:00 – 16:00 during the period April – September, or between 06:00 – 14:00 during the period October – March, NOR will be accepted within 6 (six) hours of tendering. If NOR is tendered at any other time, NOR will be deemed to have been tendered at 08:00 during the period between April-September and at 06:00 during the period between October-March.
- 2.2. Any time used for discharge or loading during the notice time of 6 hours shall count as used laytime.
- 2.3. Time steaming from anchorage to berth, commencing from pilot on board and ceasing when hoses connected, shall not count as Laytime, even if on demurrage.
- 2.4. Oil Products or LPG - Weather permitting, forty-eight (48) running hours shall be allowed as Laytime for cargo size up to 130,000 ton for discharging and up to 60,000 ton for loading. For vessels loading more than 60,000 tons, a further 12 hours Laytime shall be allowed.

Crude Oil - Weather permitting, forty-eight (48) running hours shall be allowed as Laytime for discharging and loading for vessels up to 150,000 tons deadweight and twelve (12) running hours for each additional 50,000 ton deadweight or part thereof.

- 2.5. If the vessel tenders Notice of Readiness before commencement of Laydays, NOR will not be deemed to have been tendered until commencement of Laydays and Laytime will not commence until 6 hours after acceptance or until discharge or loading actually commences, whichever is earlier, and any time not used for any reason until commencement of Laytime shall not count.
- 2.6. If the vessel tenders Notice of Readiness after expiry of Laydays, Laytime will only begin to run upon commencement of discharge or loading and time lost due to discharge or loading of another vessel which will arrive within her Laydays will not count, even if on demurrage.

- 2.7. Subject to the aforesaid, if a vessel arrives out of her Laydays, **EAPC**, although not committing itself, will endeavour to discharge or load the vessel as soon as reasonably possible after the vessel's arrival, provided however that **EAPC** shall have the right to discharge or load beforehand, or to interrupt discharge or loading for, any other vessel arriving within her Laydays.
- 2.8. Any time lost due to any of the following events will not count as Laytime, or if the vessel is on demurrage, as demurrage, save as specifically provided:
- 2.8.1. The period between (i) 15:00 hours before, and 08:00 hours on the day after, the Day of Atonement, and (ii) 15:00 hours before and 08:00 on the first day of the Jewish New Year and first day of Passover.
 - 2.8.2. Delay to the vessel in reaching or clearing her berth caused by hindrance, congestion or conditions not within **EAPC**'s control.
 - 2.8.3. Delay in discharge or loading due to (i) breakdown, failure or inability of the vessel's facilities to discharge or receive Crude Oil or Oil Products or LPG, or other cause attributable to the vessel, Master, crew, or the **CLIENT**, including, without limitation, labour disputes or strikes involving Master or crew, deballasting operations, discharge at less than maximum discharge pressure permissible by the port, disposal of slops or bunkering not carried out concurrently with loading or discharging of Crude Oil or Oil Products or LPG or other operations of the vessel preventing discharge or receipt of Crude Oil or Oil Products or LPG, (ii) failure to comply with the requirements of the port with respect to equipment aboard, vessel defect or safety issue as determined by the port, or any other matter causing delay or restriction to loading/discharge operations, or (iii) time spent complying with any of the regulations and other requirements of the loading/discharge terminal or of the port authorities.
 - 2.8.4. Delay or interruption due to bad weather and electrical storm/lightning, and any consequences thereof, including weather that requires vessel, for safety reasons, to cease loading or discharge operations or to depart the berth.
 - 2.8.5. Delay awaiting customs and immigration clearance and free pratique.
 - 2.8.6. Delay due to any event of Force Majeure as defined in any agreement between EAPC and the client, whether notified or not.
- 2.9. Laytime shall cease upon completion of discharge or loading. If the vessel is detained for more than 180 minutes, during daylight hours, after completion of loading or discharge, other than delays caused by surveys/vessel, all time over

such 180 minutes shall be counted as laytime. After sunset, any detention of the vessel shall not count as laytime or as time on demurrage.

- 2.10. If loading or discharge is not completed within the Laytime provided for in this Clause due to fault of **EAPC**, **EAPC** shall pay demurrage to the **CLIENT**, in respect of the time exceeding the Laytime. The demurrage rate shall be \$8,000 for each 24-hour period on demurrage (and pro rata for any portion thereof).

In the event a part cargo is loaded or discharged, the demurrage calculated above shall be multiplied by a fraction, the numerator of which shall be the quantity of part cargo and the denominator of which shall be the deadweight of the vessel.

Claims for demurrage must be notified within 60 days of completion of discharge or loading, as the case may be, and any claim, together with all supporting documentation, must be provided within 90 days, failing which such claim shall be extinguished and time barred.

- 2.11. If the vessel's stay in berth exceeds the allowed berth occupancy time stipulated below, due to inability of the vessel's facilities to discharge or receive the Crude Oil or Oil Products or LPG within this time, the **CLIENT** shall pay **EAPC** in respect of the excess berth occupancy time as follows:

For the first six hours of delay - \$600/hour or part thereof

Between six-twelve hours of delay - \$800/hour or part thereof

Thereafter, \$600 or \$800 per hour or part thereof on the same rotating basis as in the first twelve hours.

The allowed berth occupancy times are 48 hours for Oil Products and LPG berths and 48 hours for Crude Oil berths, provided that the port can accept discharge pressure of the vessel, which may not exceed 10 Bar measured at vessel's manifold.

In addition to the above payments, if demurrage is incurred in respect of another vessel due to the excess berth occupancy, then the **CLIENT** shall reimburse **EAPC** for any amount **EAPC** may become liable to pay as a result of such delay.