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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**Form 6-K**

Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 under  
the Securities Exchange Act of 1934  
For the month of January 2014

Commission File Number 001-32640

**DHT HOLDINGS, INC.**

(Exact name of Registrant as specified in its charter)

Clarendon House  
2 Church Street, Hamilton HM11  
Bermuda  
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): \_\_\_\_\_

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): \_\_\_\_\_

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On January 22, 2014, DHT Holdings, Inc. (the “Company”) reached an agreement to acquire a very large crude carrier (a “VLCC”) built in 2006 from Gulf Eyadah Corporation for \$47,500,000 and an agreement to acquire a VLCC built in 2007 from Gulf Sheba Shipping Ltd for \$50,500,000. Both VLCCs will be delivered during February 2014. The Company has obtained a financing commitment to fund the acquisition of the VLCCs through a secured term loan facility (the “Term Loan Facility”) that will be between DNB Bank ASA, as lender, two special purpose companies (each a direct wholly owned subsidiary of the Company, and collectively, the “Borrowers”), and the Company, as guarantor. The Borrowers will be permitted to borrow up to \$100,000,000 under the Term Loan Facility, split equally between two tranches, Tranche A and Tranche B. Borrowings under Tranche A will bear interest at a rate equal to a margin of 325 basis points plus LIBOR and will mature in March 2019. Borrowings under Tranche B will bear interest at a rate equal to a margin of 450 basis points plus LIBOR and will mature in May 2014, subject to earlier repayment in certain circumstances.

Attached hereto as Exhibit 10.1 is the Memorandum of Agreement between the Company and Gulf Eyadah Corporation, dated as of January 22, 2014, and it is incorporated herein by reference.

Attached hereto as Exhibit 10.2 is the Memorandum of Agreement between the Company and Gulf Sheba Shipping Ltd., dated as of January 22, 2014, and it is incorporated herein by reference.

On December 2, 2013, the Company announced that the Company reached an agreement pursuant to two contracts with Hyundai Heavy Industries Co. Ltd. (“HHI”) for the construction of two VLCCs with a contract price of \$92.7 million each, including certain additions and upgrades to the standard specification. On January 8, 2014, the Company announced that the Company exercised an option to construct a third VLCC with HHI with a contract price of \$92.7 million, including certain additions and upgrades to the standard specification, pursuant to a third contract with HHI.

Attached hereto as Exhibit 10.3 is the Shipbuilding Contract, Hull No. 2748, between the Company and Hyundai Heavy Industries Co., Ltd., dated as of November 28, 2013, and it is incorporated herein by reference.

Attached hereto as Exhibit 10.4 is the Shipbuilding Contract, Hull No. 2749, between the Company and Hyundai Heavy Industries Co., Ltd., dated as of November 28, 2013, and it is incorporated herein by reference.

Attached hereto as Exhibit 10.5 is the Option Agreement between the Company and Hyundai Heavy Industries Co., Ltd., dated as of November 28, 2013, and it is incorporated herein by reference.

Attached hereto as Exhibit 10.6 is the Shipbuilding Contract, Hull No. 2750, between the Company and Hyundai Heavy Industries Co., Ltd., dated as of January 8, 2014, and it is incorporated herein by reference.

Attached hereto as Exhibit 99.1 are the Unaudited Condensed Consolidated Financial Statements for the Period Ended September 30, 2013, and it is incorporated herein by reference.

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## EXHIBIT LIST

<b>Exhibit</b>	<b>Description</b>
10.1	Memorandum of Agreement between the Company and Gulf Eyadah Corporation, dated as of January 22, 2014
10.2	Memorandum of Agreement between the Company and Gulf Sheba Shipping Ltd., dated as of January 22, 2014
10.3	Shipbuilding Contract, Hull No. 2748, between DHT Holdings, Inc. and Hyundai Heavy Industries Co., Ltd., dated as of November 28, 2013
10.4	Shipbuilding Contract, Hull No. 2749, between DHT Holdings, Inc. and Hyundai Heavy Industries Co., Ltd., dated as of November 28, 2013
10.5	Option Agreement between DHT Holdings, Inc. and Hyundai Heavy Industries Co., Ltd., dated as of November 28, 2013
10.6	Shipbuilding Contract, Hull No. 2750, between DHT Holdings, Inc. and Hyundai Heavy Industries Co., Ltd., dated as of January 8, 2014
99.1	Unaudited Condensed Consolidated Financial Statements for the Period Ended September 30, 2013

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DHT Holdings, Inc.

(Registrant)

Date: January 28, 2014

By: /s/ Eirik Ubøe

Eirik Ubøe

Chief Financial Officer

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FIRST ORIGINAL

<p>Norwegian Shipbrokers' Association's Memorandum of Agreement for sale and purchase of ships. Adopted by BIMCO in 1956. Code-name <b>SALEFORM 2012</b> Revised 1966, 1983 and 1986/87, 1993 and 2012</p>
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## MEMORANDUM OF AGREEMENT

1 Dated: **22nd January 2014**

2 **Gulf Eyadah Corporation, 19th Floor, Banco General Towers, Aquilino de la Guardia Street, Marbella, Panama City, Republic of Panama**

(Name of sellers), hereinafter called the "Sellers", have agreed to sell, and

3 **DHT Holdings Inc. Clarendon House, 2 Church Street, Hamilton bermuda or guarantee nominee** (Name of buyers), hereinafter called the "Buyers", have agreed to buy:

4 Name of vessel: **MT "GULF EYADAH"**

5 IMO Number: **9310147**

6 Classification Society: **LR**

7 Class Notation: **+100A1, Double Hull Oil tanker ESP, LI, LMC, IGS, UMS, VECS**

8 Year of Build: **2006** Builder/Yard: **Nantong Cosco KHI Engineering Co. Ltd, P.R.C.**

9 Flag: **Panama** Place of Registration: **Panama City** GT/NT: **159730/96352**

10 hereinafter called the "Vessel", on the following terms and conditions:

### 11 Definitions

12 "Banking Days" are days on which banks are open both in the country of the currency stipulated for the Purchase Price in Clause 1 (Purchase Price) and in the place of closing stipulated in Clause 8 (Documentation) and **Norway and Dubai, U.A.E.** (add additional jurisdictions as appropriate).

15 "Buyers'Nominated Flag State" means (state flag state).

16 "Class" means the class notation referred to above.

17 "Classification Society" means the Society referred to above.

18 "Deposit" shall have the meaning given in Clause 2 (Deposit)

19 "Deposit Holder" means **DNB bank London branch** (state name and location of Deposit Holder) or, if left blank, the

20 Sellers' Bank, which shall hold and release the Deposit in accordance with this Agreement.

21 "In writing" or "written" means a letter handed over from the Sellers to the Buyers or vice versa, a registered letter, e-mail or telefax.

23 "Parties" means the Sellers and the Buyers.

24 "Purchase Price" means the price for the Vessel as stated in Clause 1 (Purchase Price).

25 "Sellers' Account" means (state details of bank account) at the Sellers' Bank.

26 "Sellers' Bank" means (state name of bank, branch and details) or, if left blank, the bank notified by the Sellers to the Buyers for receipt of the balance of the Purchase Price.

### 28 1. Purchase Price

29 The Purchase Price is **US\$ 47,500,000- (United States Dollars Forty-Seven Million Five Hundred Thousand only)** (state currency and amount both in words and figures).

### 30 2. Deposit

31 As security for the correct fulfilment of this Agreement the Buyers shall lodge a deposit of



32 %-( per cent) or, if left blank, 10% (ten per cent), of the Purchase Price (the  
33 "Deposit") in an interest bearing account for the Parties with the Deposit Holder within three (3)  
34 Banking Days after the date that:

35 (i) this Agreement has been signed by the Parties and exchanged in original or by e-mail or  
36 telefax; and

37 (ii) the Deposit Holder has confirmed in writing to the Parties that the account has been  
38 opened.

39 The Deposit shall be released in accordance with joint written instructions of the Parties.  
40 Interest, if any, shall be credited to the Buyers. Any fee charged for holding and releasing the  
41 Deposit shall be borne equally by the Parties. The Parties shall provide to the Deposit Holder  
42 all necessary documentation to open and maintain the account without delay.

43 **3. Payment**

44 On delivery of the Vessel, but not later than three (3) Banking Days after the date that Notice of  
45 Readiness has been given in accordance with Clause 5 (Time and place of delivery and  
46 notices):

47 (i) the Deposit shall be released to the Sellers; and

48 (ii) the balance of the Purchase Price and all other sums payable on delivery by the Buyers  
49 to the Sellers under this Agreement shall be paid in full free of bank charges to the  
50 Sellers' Account.

51 **4. Inspection**

52 (a) \*The Buyers have inspected and accepted the Vessel's classification records. The Buyers  
53 have also inspected the Vessel at/in **Singapore** (state place) on **about 20th July 2013** (state date) and have  
54 accepted the Vessel **as is where is** following this inspection and the sale is outright and definite, subject only  
55 to the terms and conditions of this Agreement.

56 (b) \*The Buyers shall have the right to inspect the Vessel's classification records and declare  
57 whether same are accepted or not within \_\_\_\_\_ (state date/period).

58 The Sellers shall make the Vessel available for inspection at/in \_\_\_\_\_ (state place/range) within  
59 \_\_\_\_\_ (state date/period).

60 The Buyers shall undertake the inspection without undue delay to the Vessel. Should the  
61 Buyers cause undue delay they shall compensate the Sellers for the losses thereby incurred.

62 The Buyers shall inspect the Vessel without opening up and without cost to the Sellers.

63 During the inspection, the Vessel's deck and engine log books shall be made available for  
64 examination by the Buyers.

65 The sale shall become outright and definite, subject only to the terms and conditions of this  
66 Agreement, provided that the Sellers receive written notice of acceptance of the Vessel from  
67 the Buyers within seventy two (72) hours after completion of such inspection or after the  
68 date/last day of the period stated in Line 59, whichever is earlier.

69 Should the Buyers fail to undertake the inspection as scheduled and/or notice of acceptance of  
70 the Vessel's classification records and/or of the Vessel not be received by the Sellers as  
71 aforesaid, the Deposit together with interest earned, if any, shall be released immediately to the  
72 Buyers, whereafter this Agreement shall be null and void.

73 \*4(a) and 4(b) are alternatives; delete whichever is not applicable. In the absence of deletions,  
74 alternative 4(a) shall apply.

75 **5. Time and place of delivery and notices**

76 (a) The Vessel shall be delivered and taken over safely afloat at a safe and accessible berth or  
77 anchorage at/in **her current position in Bahamas** (state place/range) in the Sellers' option.

78 Notice of Readiness shall not be tendered before: **29th January 2014** (date)  
79 Cancelling Date (see Clauses 5(c), 6 (a)(i), 6(a) (iii) and 14): **15th February 2014**

80 **(b)** The Sellers shall keep the **Vessel in her current position until time of delivery**. Buyers  
well informed of the Vessel's itinerary and shall  
81 provide the Buyers with ~~twenty (20), ten (10),~~ **seven (7)**, five (5) and three (3) days' notice of the date the  
82 Sellers intend to tender Notice of Readiness and of the intended place of delivery.

83 When the Vessel is at the place of delivery and physically ready for delivery in accordance with  
84 this Agreement, the Sellers shall give the Buyers a written Notice of Readiness for delivery.

85 **(c)** If the Sellers anticipate that, notwithstanding the exercise of due diligence by them, the  
86 Vessel will not be ready for delivery by the Cancelling Date they may notify the Buyers in writing  
87 stating the date when they anticipate that the Vessel will be ready for delivery and proposing a  
88 new Cancelling Date. Upon receipt of such notification the Buyers shall have the option of  
89 either cancelling this Agreement in accordance with Clause 14 (Sellers' Default) within three (3)  
90 Banking Days of receipt of the notice or of accepting the new date as the new Cancelling Date.  
91 If the Buyers have not declared their option within three (3) Banking Days of receipt of the  
92 Sellers' notification or if the Buyers accept the new date, the date proposed in the Sellers'  
93 notification shall be deemed to be the new Cancelling Date and shall be substituted for the  
94 Cancelling Date stipulated in line 79.

95 If this Agreement is maintained with the new Cancelling Date all other terms and conditions  
96 hereof including those contained in Clauses 5(b) and 5(d) shall remain unaltered and in full  
97 force and effect.

98 **(d)** Cancellation, failure to cancel or acceptance of the new Cancelling Date shall be entirely  
99 without prejudice to any claim for damages the Buyers may have under Clause 14 (Sellers'  
100 Default) for the Vessel not being ready by the original Cancelling Date.

101 **(e)** Should the Vessel become an actual, constructive or compromised total loss before delivery  
102 the Deposit together with interest earned, if any, shall be released immediately to the Buyers  
103 whereafter this Agreement shall be null and void.

## 104 **6. Divers Inspection / Drydocking**

### 105 **(a)\***

106 **(i)** The Buyers shall have the option at their cost and expense to arrange for an underwater  
107 inspection by a diver approved by the Classification Society prior to the delivery of the  
108 Vessel. Such option shall be declared latest nine (9) days prior to the Vessel's intended  
109 date of readiness for delivery as notified by the Sellers pursuant to Clause 5(b) of this  
110 Agreement. The Sellers shall at their cost and expense make the Vessel available for  
111 such inspection. This inspection shall be carried out without undue delay and in the  
112 presence of a Classification Society surveyor arranged for by the Sellers and paid for by  
113 the Buyers. The Buyers' representative(s) shall have the right to be present at the diver's  
114 inspection as observer(s) only without interfering with the work or decisions of the  
115 Classification Society surveyor. The extent of the inspection and the conditions under  
116 which it is performed shall be to the satisfaction of the Classification Society. If the  
117 conditions at the place of delivery are unsuitable for such inspection, the Sellers shall at  
118 their cost and expense make the Vessel available at a suitable alternative place near to  
119 the delivery port, in which event the Cancelling Date shall be extended by the additional  
120 time required for such positioning and the subsequent re-positioning. The Sellers may  
121 not tender Notice of Readiness prior to completion of the underwater inspection.

122 **(ii)** If the rudder, propeller, bottom or other underwater parts below the deepest load line are  
123 found broken, damaged or defective so as to affect the Vessel's class, then (1) unless  
124 repairs can be carried out afloat to the satisfaction of the Classification Society, the  
125 Sellers shall arrange for the Vessel to be drydocked at their expense for inspection by  
126 the Classification Society of the Vessel's underwater parts below the deepest load line,  
127 the extent of the inspection being in accordance with the Classification Society's rules (2)  
128 such defects shall be made good by the Sellers at their cost and expense to the  
129 satisfaction of the Classification Society without condition/recommendation\*\* and (3) the  
130 Sellers shall pay for the underwater inspection and the Classification Society's  
131 attendance.



132 Notwithstanding anything to the contrary in this Agreement, if the Classification Society  
133 do not require the aforementioned defects to be rectified before the next class  
134 drydocking survey, the Sellers shall be entitled to deliver the Vessel with these defects  
135 against a deduction from the Purchase Price of the estimated direct cost (of labour and  
136 materials) of carrying out the repairs to the satisfaction of the Classification Society,  
137 whereafter the Buyers shall have no further rights whatsoever in respect of the defects  
138 and/or repairs. The estimated direct cost of the repairs shall be the average of quotes for  
139 the repair work obtained from two reputable independent shipyards at or in the vicinity of  
140 the port of delivery, one to be obtained by each of the Parties within two (2) Banking  
141 Days from the date of the imposition of the condition/recommendation, unless the Parties  
142 agree otherwise. Should either of the Parties fail to obtain such a quote within the  
143 stipulated time then the quote duly obtained by the other Party shall be the sole basis for  
144 the estimate of the direct repair costs. The Sellers may not tender Notice of Readiness  
145 prior to such estimate having been established.

146 **(iii)** If the Vessel is to be drydocked pursuant to Clause 6(a) (ii) and no suitable dry-docking  
147 facilities are available at the port of delivery, the Sellers shall take the Vessel to a port  
148 where suitable drydocking facilities are available, whether within or outside the delivery  
149 range as per Clause 5(a). Once drydocking has taken place the Sellers shall deliver the  
150 Vessel at a port within the delivery range as per Clause 5(a) which shall, for the purpose  
151 of this Clause, become the new port of delivery. In such event the Cancelling Date shall  
152 be extended by the additional time required for the drydocking and extra steaming, but  
153 limited to a maximum of fourteen (14) days.

154 ~~**(b)** \*The Sellers shall place the Vessel in drydock at the port of delivery for inspection by the  
155 Classification Society of the Vessel's underwater parts below the deepest load line, the extent  
156 of the inspection being in accordance with the Classification Society's rules. If the rudder,  
157 propeller, bottom or other underwater parts below the deepest load line are found broken,  
158 damaged or defective so as to affect the Vessel's class, such defects shall be made good at the  
159 Sellers' cost and expense to the satisfaction of the Classification Society without  
160 condition/recommendation\*\*. In such event the Sellers are also to pay for the costs and  
161 expenses in connection with putting the Vessel in and taking her out of drydock, including the  
162 drydock dues and the Classification Society's fees. The Sellers shall also pay for these costs  
163 and expenses if parts of the tailshaft system are condemned or found defective or broken so as  
164 to affect the Vessel's class. In all other cases, the Buyers shall pay the aforesaid costs and  
165 expenses, dues and fees.~~

166 **(c)** If the Vessel is drydocked pursuant to Clause 6(a) (ii) or 6(b) above:

167 **(i)** The Classification Society may require survey of the tailshaft system, the extent of the  
168 survey being to the satisfaction of the Classification Society surveyor. If such survey is  
169 not required by the Classification Society, the Buyers shall have the option to require the  
170 tailshaft to be drawn and surveyed by the Classification Society, the extent of the survey  
171 being in accordance with the Classification Society's rules for tailshaft survey and  
172 consistent with the current stage of the Vessel's survey cycle. The Buyers shall declare  
173 whether they require the tailshaft to be drawn and surveyed not later than by the  
174 completion of the inspection by the Classification Society. The drawing and refitting of  
175 the tailshaft shall be arranged by the Sellers. Should any parts of the tailshaft system be  
176 condemned or found defective so as to affect the Vessel's class, those parts shall be  
177 renewed or made good at the Sellers' cost and expense to the satisfaction of the  
178 Classification Society without condition/recommendation\*\*.

179 **(ii)** The costs and expenses relating to the survey of the tailshaft system shall be borne by  
180 the Buyers unless the Classification Society requires such survey to be carried out or if  
181 parts of the system are condemned or found defective or broken so as to affect the  
182 Vessel's class, in which case the Sellers shall pay these costs and expenses.

183 **(iii)** The Buyers' representative(s) shall have the right to be present in the drydock, as  
184 observer(s) only without interfering with the work or decisions of the Classification  
185 Society surveyor.

186 **(iv)** The Buyers shall have the right to have the underwater parts of the Vessel cleaned  
187 and painted at their risk, cost and expense without interfering with the Sellers' or the  
188 Classification Society surveyor's work, if any, and without affecting the Vessel's timely

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189 delivery. If, however, the Buyers' work in drydock is still in progress when the  
190 Sellers have completed the work which the Sellers are required to do, the additional  
191 docking time needed to complete the Buyers' work shall be for the Buyers' risk, cost and  
192 expense. In the event that the Buyers' work requires such additional time, the Sellers  
193 may upon completion of the Sellers' work tender Notice of Readiness for delivery whilst  
194 the Vessel is still in drydock and, notwithstanding Clause 5(a), the Buyers shall be  
195 obliged to take delivery in accordance with Clause 3 (Payment), whether the Vessel is in  
196 drydock or not.

197 \*6(a) and 6(b) are alternatives; delete whichever is not applicable. In the absence of deletions,  
198 alternative 6(a) shall apply.

199 \*\*Notes or memoranda, if any, in the surveyor's report which are accepted by the Classification  
200 Society without condition/recommendation are not to be taken into account.

#### 201 7. Spares, bunkers and other items

202 The Sellers shall deliver the Vessel to the Buyers with everything belonging to her on board  
203 and on shore. All spare parts and spare equipment including spare tail-end shaft(s) and/or  
204 spare propeller(s)/propeller blade(s), if any, belonging to the Vessel at the time of inspection  
205 used or unused, whether on board or not shall become the Buyers' property, ~~but spares on~~  
206 ~~order are excluded.~~ Forwarding charges, if any, shall be for the Buyers' account. The Sellers  
207 are not required to replace spare parts including spare tail-end shaft(s) and spare  
208 propeller(s)/propeller blade(s) which are taken out of spare and used as replacement prior to  
209 delivery, but the replaced items shall be the property of the Buyers. Unused stores and  
210 provisions shall be included in the sale and be taken over by the Buyers without extra payment.

211 Library and forms exclusively for use in the Sellers' vessel(s) and captain's, officers' and crew's  
212 personal belongings including the slop chest are excluded from the sale without compensation,  
213 as well as the following additional items: *(include list)*

214 Items on board which are on hire or owned by third parties, listed as follows, are excluded from  
215 the sale without compensation:

- **GSSM SMS manuals.**
- **GSSM printed stationary/letter heads/forms etc.**
- **Original Engine room & Deck Log books.**
- **Computer hard drives, server, CDs, DVDs, USBs, Backup Tapes, Back Device/s with Hard Disk, External Hard Disks (except printer installations CD's)**
- **Oxy/Act/Freon gas cylinders (unless Buyers can take over Sellers' current rental contracts)**
- **Life rafts (unless Buyers can take over Sellers' current rental contracts)**
- **Mobile phone/camera**

*(include list)*

216 Items on board at the time of inspection which are on hire or owned by third parties, not listed  
217 above, shall be replaced or procured by the Sellers prior to delivery at their cost and expense.

218 The Buyers shall take over remaining bunkers and unused lubricating **which have not passed**  
219 **through the Vessel's systems** and hydraulic oils and greases in storage tanks and unopened drums and pay either:

220 **(a)** \*the actual net price (excluding barging expenses) as evidenced by invoices or vouchers; or  
221 ~~**(b)** \*the current net market price (excluding barging expenses) at the port and date of delivery~~  
222 ~~of the Vessel or, if unavailable, at the nearest bunkering port,~~

223 for the quantities taken over.

224 Payment under this Clause shall be made at the same time and place and in the same  
225 currency as the Purchase Price.

226 "inspection" in this Clause 7, shall mean the Buyers' inspection according to Clause 4(a) or(b)  
227 (Inspection), if applicable. If the Vessel is taken over without inspection, the date of this  
228 Agreement shall be the relevant date.

229 \*(a) and (b) are alternatives, delete whichever is not applicable. In the absence of deletions

230 alternative (a) shall apply.

231 **8. Documentation**

232 The place of closing: ***DNB Bank, London branch***

233 **(a)** In exchange for payment of the Purchase Price the Sellers shall provide the Buyers with the  
234 following delivery documents:

235 **(i)** Legal Bill(s) of Sale in a form recordable in the Buyers' Nominated Flag State,  
236 transferring title of the Vessel and stating that the Vessel is free from all mortgages,  
237 encumbrances and maritime liens or any other debts whatsoever, duly notarially attested  
238 and legalised or apostilled, as required by the Buyers' Nominated Flag State;

239 **(ii)** Evidence that all necessary corporate, shareholder and other action has been taken by  
240 the Sellers to authorise the execution, delivery and performance of this Agreement;

241 **(iii)** Power of Attorney of the Sellers appointing one or more representatives to act on behalf  
242 of the Sellers in the performance of this Agreement, duly notarially attested and legalised  
243 or apostilled (as appropriate);

244 **(iv)** Certificate or Transcript of Registry issued by the competent authorities of the flag state  
245 on the date of delivery evidencing the Sellers' ownership of the Vessel and that the  
246 Vessel is free from registered encumbrances and mortgages, to be faxed or e-mailed by  
247 such authority to the closing meeting with the original to be sent to the Buyers as soon as  
248 possible after delivery of the Vessel;

249 **(v)** Declaration of Class or (depending on the Classification Society) a Class Maintenance  
250 Certificate issued within three (3) Banking Days prior to delivery confirming that the  
251 Vessel is in Class free of condition/recommendation;

252 **(vi)** Certificate of Deletion of the Vessel from the Vessel's registry or other official evidence of  
253 deletion appropriate to the Vessel's registry at the time of delivery, or, in the event that  
254 the registry does not as a matter of practice issue such documentation immediately, a  
255 written undertaking by the Sellers to effect deletion from the Vessel's registry forthwith  
256 and provide a certificate or other official evidence of deletion to the Buyers promptly and  
257 latest within four (4) weeks after the Purchase Price has been paid and the Vessel has  
258 been delivered;

259 **(vii)** A copy of the Vessel's Continuous Synopsis Record certifying the date on which the  
260 Vessel ceased to be registered with the Vessel's registry, or, in the event that the registry  
261 does not as a matter of practice issue such certificate immediately, a written undertaking  
262 from the Sellers to provide the copy of this certificate promptly upon it being issued  
263 together with evidence of submission by the Sellers of a duly executed Form 2 stating  
264 the date on which the Vessel shall cease to be registered with the Vessel's registry;

265 **(viii)** Commercial Invoice for the Vessel;

266 **(ix)** Commercial Invoice(s) for bunkers, lubricating and hydraulic oils and greases;

267 **(x)** A copy of the Sellers' letter to their satellite communication provider cancelling the  
268 Vessel's communications contract which is to be sent immediately after delivery of the  
269 Vessel;

270 **(xi)** Any additional documents as may reasonably be required by the competent authorities of  
271 the Buyers' Nominated Flag State for the purpose of registering the Vessel, provided the  
272 Buyers notify the Sellers of any such documents as soon as possible after the date of  
273 this Agreement; and

274 **(xii)** The Sellers' letter of confirmation that to the best of their knowledge, the Vessel is not  
275 black listed by any nation or international organisation.

276 **(b)** At the time of delivery the Buyers shall provide the Sellers with:

277 **(i)** Evidence that all necessary corporate, shareholder and other action has been taken by  
278 the Buyers to authorise the execution, delivery and performance of this Agreement; and

279 (ii) Power of Attorney of the Buyers appointing one or more representatives to act on behalf  
280 of the Buyers in the performance of this Agreement, duly notarially attested and legalised  
281 or apostilled (as appropriate).

282 (c) If any of the documents listed in Sub-clauses (a) and (b) above are not in the English  
283 language they shall be accompanied by an English translation by an authorised translator or  
284 certified by a lawyer qualified to practice in the country of the translated language.

285 (d) The Parties shall to the extent possible exchange copies, drafts or samples of the  
286 documents listed in Sub-clause (a) and Sub-clause (b) above for review and comment by the  
287 other party not later than (state number of days), or if left blank, nine (9) days prior to  
288 the Vessel's intended date of readiness for delivery as notified by the Sellers pursuant to  
289 Clause 5(b) of this Agreement.

290 (e) Concurrent with the exchange of documents in Sub-clause (a) and Sub-clause (b) above,  
291 the Sellers shall also hand to the Buyers the classification certificate(s) as well as all plans,  
292 drawings and manuals, (excluding ISM/ISPS manuals), which are on board the Vessel. Other  
293 certificates which are on board the Vessel shall also be handed over to the Buyers unless the  
294 Sellers are required to retain same, in which case the Buyers have the right to take copies.

295 (f) Other technical documentation **and plans, etc** which may be in the Sellers' possession shall promptly after  
296 delivery be forwarded to the Buyers at their expense, if they so request. The Sellers may keep  
297 the Vessel's log books **and copy of PMS database as available on board will be made available  
for Buyer's reference in good faith however with clear understanding that no due/overdue/  
Defect/Damages to Machinery/Hull or other equipment shall be referred to Sellers at any stage,  
whatever the case may be. PMS database basis previous Vessel's name ("Front Shanghai")** but  
the Buyers have the right to take copies of ~~same~~ log books.

298 (g) The Parties shall sign and deliver to each other a Protocol of Delivery and Acceptance  
299 confirming the date and time of delivery of the Vessel from the Sellers to the Buyers.

#### 300 9. Encumbrances

301 The Sellers warrant that the Vessel, at the time of delivery, is free from all charters,  
302 encumbrances, mortgages, **arrests** and maritime liens or any other debts whatsoever, and is not subject  
303 to Port State or other administrative detentions. The Sellers hereby undertake to indemnify the  
304 Buyers against all consequences of claims made against the Vessel which have been incurred  
305 prior to the time of delivery.

#### 306 10. Taxes, fees and expenses

307 Any taxes, fees and expenses in connection with the purchase and registration in the Buyers'  
308 Nominated Flag State shall be for the Buyers' account, whereas similar charges in connection  
309 with the closing of the Sellers' register shall be for the Sellers' account.

#### 310 11. Condition on delivery

311 The Vessel with everything belonging to her shall be at the Sellers' risk and expense until she is  
312 delivered to the Buyers, but subject to the terms and conditions of this Agreement she shall be  
313 delivered and taken over as she was at the time of inspection, fair wear and tear excepted.

314 However, the Vessel shall be delivered free of cargo and free of stowaways with her Class  
315 maintained without condition/recommendation\*, free of average damage affecting the Vessel's  
316 class, and with her classification certificates and national certificates, as well as all other  
317 certificates the Vessel had at the time of inspection, valid and unextended without  
318 condition/recommendation\* by the Classification Society or the relevant authorities at the time  
319 of delivery- **for at least 3 months after the date of delivery. Vessels Continuous Machinery  
Surveys to be valid and up to date. M/E Unit 5 is showing due which is presented to Class. Unit  
overhauling was completed by Sellers' Chief Engineer and report has been submitted to Class.  
Class does not require surveyor's attendance.**

**All plans, drawings and instruction manuals (excluding ISM manuals, and any other company  
documents or software) which are on board shall be delivered to the Buyer's Master upon  
delivery of the vessel. All remaining plans, drawings, instruction manuals in the Sellers**

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**possession shall be forwarded to the Buyers technical management after delivery. Ships computers and network shall remain onboard but computer hard drives and server to be removed, as per excluded items referred to in line 215.**

320 "inspection" in this Clause 11, shall mean the Buyers' inspection according to Clause 4(a) or  
321 4(b) (Inspection), if applicable. If the Vessel is taken over without inspection, the date of this  
322 Agreement shall be the relevant date.

323 *\*Notes and memoranda, if any, in the surveyor's report which are accepted by the Classification*  
324 *Society without condition/recommendation are not to be taken into account.*

325 **12. Name/markings**

326 Upon delivery the Buyers undertake to change the name of the Vessel and alter funnel  
327 markings.

328 **13. Buyers' default**

329 Should the Deposit not be lodged in accordance with Clause 2 (Deposit), the Sellers have the  
330 right to cancel this Agreement, and they shall be entitled to claim compensation for their losses  
331 and for all expenses incurred together with interest.

332 Should the Purchase Price not be paid in accordance with Clause 3 (Payment), the Sellers  
333 have the right to cancel this Agreement, in which case the Deposit together with interest  
334 earned, if any, shall be released to the Sellers. If the Deposit does not cover their loss, the  
335 Sellers shall be entitled to claim further compensation for their losses and for all expenses  
336 incurred together with interest.

337 **14. Sellers' default**

338 Should the Sellers fail to give Notice of Readiness in accordance with Clause 5(b) or fail to be  
339 ready to validly complete a legal transfer by the Cancelling Date the Buyers shall have the  
340 option of cancelling this Agreement. If after Notice of Readiness has been given but before  
341 the Buyers have taken delivery, the Vessel ceases to be physically ready for delivery and is not  
342 made physically ready again by the Cancelling Date and new Notice of Readiness given, the  
343 Buyers shall retain their option to cancel. In the event that the Buyers elect to cancel this  
344 Agreement, the Deposit together with interest earned, if any, shall be released to them  
345 immediately.

346 Should the Sellers fail to give Notice of Readiness by the Cancelling Date or fail to be ready to  
347 validly complete a legal transfer as aforesaid they shall make due compensation to the Buyers  
348 for their loss and for all expenses together with interest if their failure is due to proven  
349 negligence and whether or not the Buyers cancel this Agreement.

350 **15. Buyers' representatives**

351 After this Agreement has been signed by the Parties and the Deposit has been lodged, the  
352 Buyers have the right to place **four (4) two (2)** representatives on board the Vessel at their sole risk and  
353 expense.

354 These representatives are on board for the purpose of familiarisation and in the capacity of  
355 observers only, and they shall not interfere in any respect with the operation of the Vessel. The  
356 Buyers and the Buyers' representatives shall sign the Sellers' P&I Club's standard letter of  
357 indemnity prior to their embarkation.

358 **16. Law and Arbitration**

359 **(a)** This Agreement shall be governed by and construed in accordance with English law and  
360 any dispute arising out of or in connection with this Agreement shall be referred to arbitration in  
361 London in accordance with the Arbitration Act 1996 or any statutory modification or re-  
362 enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

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

366 The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall  
367 appoint its arbitrator and send notice of such appointment in writing to the other party requiring  
368 the other party to appoint its own arbitrator within fourteen (14) calendar days of that notice and  
369 stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own  
370 arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the

371 other party does not appoint its own arbitrator and give notice that it has done so within the  
372 fourteen (14) days specified, the party referring a dispute to arbitration may, without the  
373 requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator  
374 and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on  
375 both Parties as if the sole arbitrator had been appointed by agreement.

376 In cases where neither the claim nor any counterclaim exceeds the sum of US\$100,000 the  
377 arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at  
378 the time when the arbitration proceedings are commenced.

379 ~~(b) \*This Agreement shall be governed by and construed in accordance with Title 9 of the  
380 United States Code and the substantive law (not including the choice of law rules) of the State  
381 of New York and any dispute arising out of or in connection with this Agreement shall be  
382 referred to three (3) persons at New York, one to be appointed by each of the parties hereto,  
383 and the third by the two so chosen; their decision or that of any two of them shall be final, and  
384 for the purposes of enforcing any award, judgment may be entered on an award by any court of  
385 competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the  
386 Society of Maritime Arbitrators, Inc.~~

387 ~~In cases where neither the claim nor any counterclaim exceeds the sum of US\$ 100,000 the  
388 arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the  
389 Society of Maritime Arbitrators, Inc.~~

390 ~~(c) This Agreement shall be governed by and construed in accordance with the laws of  
391 (state place) and any dispute arising out of or in connection with this Agreement shall be  
392 referred to arbitration at (state place), subject to the procedures applicable there.~~

393 \*16(a), 16(b) and 16(c) are alternatives; delete whichever is not applicable. In the absence of  
394 deletions, alternative 16(a) shall apply.

#### 395 17. Notices

396 All notices to be provided under this Agreement shall be in writing **on email and pass via the  
brokers Arrow Sale and Purchase (UK) Ltd.**

397 Contact details for recipients of notices are as follows:

398 For the Buyers:

399 For the Sellers:

#### 400 18. Entire Agreement

401 The written terms of this Agreement comprise the entire agreement between the Buyers and  
402 the Sellers in relation to the sale and purchase of the Vessel and supersede all previous  
403 agreements whether oral or written between the Parties in relation thereto.

404 Each of the Parties acknowledges that in entering into this Agreement it has not relied on and  
405 shall have no right or remedy in respect of any statement, representation, assurance or  
406 warranty (whether or not made negligently) other than as is expressly set out in this Agreement.

407 Any terms implied into this Agreement by any applicable statute or law are hereby excluded to  
408 the extent that such exclusion can legally be made. Nothing in this Clause shall limit or exclude  
409 any liability for fraud.

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For and on behalf of the Sellers

/s/ Sandeep Kadwe

Name: Sandeep Kadwe

Title: Director

For and of behalf of the Buyers

/s/ Svein M. Harfjeld

Name: Svein M. Harfjeld

Title: CEO

This Charter Party is a computer generated copy of the "SALEFORM 2012" form printed by authority of Norwegian Shipbrokers' Association using software which is the copyright of SDSD. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the preprinted text of this document which is not clearly visible, the text of the original approved document shall apply. Norwegian Shipbrokers' Association and SDSD assume no responsibility for any loss or damage caused as a result of discrepancies between the original approved document and this document.

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First Original

Norwegian Shipbrokers' Association's  
Memorandum of Agreement for sale and  
purchase of ships. Adopted by BIMCO in 1956.  
Code-name

**SALEFORM 2012**

Revised 1966, 1983 and 1986/87, 1993 and 2012

**MEMORANDUM OF AGREEMENT**

- 1 Dated: **22nd January 2014**
- 2 **Gulf Sheba Shipping Ltd, 7/F, EIB Centre, 40 Bonham Strand, Sheung Wan, Hong Kong** (Name of  
sellers), hereinafter called the "Sellers", have agreed to sell, and
- 3 **DHT Holdings Inc. Clarendon House, 2 Church Street, Hamilton bermuda or guarantee nominee**  
(Name of buyers), hereinafter called the "Buyers", have agreed to buy:
- 4 Name of vessel: **MT "GULF SHEBA"**
- 5 IMO Number: **9310159**
- 6 Classification Society: **LR**
- 7 Class Notation: **+100A1, Double Hull Oil tanker, ESP, LI, LMC, UMS, IGS**
- 8 Year of Build: **2007** \_\_\_ Builder/Yard: **Nantong Cosco KHI Engineering Co. Ltd, P.R.C.**
- 9 Flag: **Hong Hong** Place of Registration: **Hong Kong** GT/NT: **160322/95817**
- 10 hereinafter called the "Vessel", on the following terms and conditions:
- 11 **Definitions**
- 12 "Banking Days" are days on which banks are open both in the country of the currency stipulated for  
13 the Purchase Price in Clause 1 (Purchase Price) and in the place of closing stipulated in Clause 8  
14 (Documentation) and **Norway and Dubai, U.A.E.** (add additional jurisdictions as appropriate).
- 15 "Buyers'Nominated Flag State" means (state flag state).
- 16 "Class" means the class notation referred to above.
- 17 "Classification Society" means the Society referred to above.
- 18 "Deposit" shall have the meaning given in Clause 2 (Deposit)
- 19 "Deposit Holder" means **DNB Bank London branch** (state name and location of Deposit Holder) or, if  
left blank, the  
20 Sellers' Bank, which shall hold and release the Deposit in accordance with this Agreement.
- 21 "In writing" or "written" means a letter handed over from the Sellers to the Buyers or vice versa, a  
22 registered letter, e-mail or telefax.
- 23 "Parties" means the Sellers and the Buyers.
- 24 "Purchase Price" means the price for the Vessel as stated in Clause 1 (Purchase Price).
- 25 "Sellers' Account" means (state details of bank account) at the Sellers' Bank.
- 26 "Sellers' Bank" means (state name of bank, branch and details) or, if left blank, the bank  
27 notified by the Sellers to the Buyers for receipt of the balance of the Purchase Price.
- 28 **1. Purchase Price**
- 29 The Purchase Price is **US\$ 50,500,000- (United States Dollars Fifty Million Five Hundred  
Thousand only)** (state currency and amount both in words and figures).
- 30 **2. Deposit**
- 31 As security for the correct fulfilment of this Agreement the Buyers shall lodge a deposit of





78 Notice of Readiness shall not be tendered before: **29th January 2014** (date)  
79 Cancelling Date (see Clauses 5(c), 6 (a)(i), 6(a) (iii) and 14): **15th February 2014**

80 **(b)** The Sellers shall keep the **Vessel in her current position until time of delivery**. Buyers  
well informed of the Vessel's itinerary and shall  
81 provide the Buyers with ~~twenty (20), ten (10),~~ **seven (7)**, five (5) and three (3) days' notice of the date  
the  
82 Sellers intend to tender Notice of Readiness and of the intended place of delivery.

83 When the Vessel is at the place of delivery and physically ready for delivery in accordance with  
84 this Agreement, the Sellers shall give the Buyers a written Notice of Readiness for delivery.

85 **(c)** If the Sellers anticipate that, notwithstanding the exercise of due diligence by them, the  
86 Vessel will not be ready for delivery by the Cancelling Date they may notify the Buyers in writing  
87 stating the date when they anticipate that the Vessel will be ready for delivery and proposing a  
88 new Cancelling Date. Upon receipt of such notification the Buyers shall have the option of  
89 either cancelling this Agreement in accordance with Clause 14 (Sellers' Default) within three (3)  
90 Banking Days of receipt of the notice or of accepting the new date as the new Cancelling Date.  
91 If the Buyers have not declared their option within three (3) Banking Days of receipt of the  
92 Sellers' notification or if the Buyers accept the new date, the date proposed in the Sellers'  
93 notification shall be deemed to be the new Cancelling Date and shall be substituted for the  
94 Cancelling Date stipulated in line 79.

95 If this Agreement is maintained with the new Cancelling Date all other terms and conditions  
96 hereof including those contained in Clauses 5(b) and 5(d) shall remain unaltered and in full  
97 force and effect.

98 **(d)** Cancellation, failure to cancel or acceptance of the new Cancelling Date shall be entirely  
99 without prejudice to any claim for damages the Buyers may have under Clause 14 (Sellers'  
100 Default) for the Vessel not being ready by the original Cancelling Date.

101 **(e)** Should the Vessel become an actual, constructive or compromised total loss before delivery  
102 the Deposit together with interest earned, if any, shall be released immediately to the Buyers  
103 whereafter this Agreement shall be null and void.

## 104 **6. Divers Inspection / Drydocking**

105 **(a)\***

106 **(i)** The Buyers shall have the option at their cost and expense to arrange for an underwater  
107 inspection by a diver approved by the Classification Society prior to the delivery of the  
108 Vessel. Such option shall be declared latest nine (9) days prior to the Vessel's intended  
109 date of readiness for delivery as notified by the Sellers pursuant to Clause 5(b) of this  
110 Agreement. The Sellers shall at their cost and expense make the Vessel available for  
111 such inspection. This inspection shall be carried out without undue delay and in the  
112 presence of a Classification Society surveyor arranged for by the Sellers and paid for by  
113 the Buyers. The Buyers' representative<sup>^</sup> shall have the right to be present at the diver's  
114 inspection as observer(s) only without interfering with the work or decisions of the  
115 Classification Society surveyor. The extent of the inspection and the conditions under  
116 which it is performed shall be to the satisfaction of the Classification Society. If the  
117 conditions at the place of delivery are unsuitable for such inspection, the Sellers shall at  
118 their cost and expense make the Vessel available at a suitable alternative place near to  
119 the delivery port, in which event the Cancelling Date shall be extended by the additional  
120 time required for such positioning and the subsequent re-positioning. The Sellers may  
121 not tender Notice of Readiness prior to completion of the underwater inspection.

122 **(ii)** If the rudder, propeller, bottom or other underwater parts below the deepest load line are  
123 found broken, damaged or defective so as to affect the Vessel's class, then (1) unless  
124 repairs can be carried out afloat to the satisfaction of the Classification Society, the  
125 Sellers shall arrange for the Vessel to be drydocked at their expense for inspection by  
126 the Classification Society of the Vessel's underwater parts below the deepest load line,  
127 the extent of the inspection being in accordance with the Classification Society's rules (2)  
128 such defects shall be made good by the Sellers at their cost and expense to the  
129 satisfaction of the Classification Society without condition/recommendation\*\* and (3) the  
130 Sellers shall pay for the underwater inspection and the Classification Society's  
131 attendance.

132 Notwithstanding anything to the contrary in this Agreement, if the Classification Society  
133 do not require the aforementioned defects to be rectified before the next class  
134 drydocking survey, the Sellers shall be entitled to deliver the Vessel with these defects  
135 against a deduction from the Purchase Price of the estimated direct cost (of labour and  
136 materials) of carrying out the repairs to the satisfaction of the Classification Society,  
137 whereafter the Buyers shall have no further rights whatsoever in respect of the defects  
138 and/or repairs. The estimated direct cost of the repairs shall be the average of quotes for  
139 the repair work obtained from two reputable independent shipyards at or in the vicinity of  
140 the port of delivery, one to be obtained by each of the Parties within two (2) Banking  
141 Days from the date of the imposition of the condition/recommendation, unless the Parties  
142 agree otherwise. Should either of the Parties fail to obtain such a quote within the  
143 stipulated time then the quote duly obtained by the other Party shall be the sole basis for  
144 the estimate of the direct repair costs. The Sellers may not tender Notice of Readiness  
145 prior to such estimate having been established.

- 146 **(iii)** If the Vessel is to be drydocked pursuant to Clause 6(a) (ii) and no suitable dry-docking  
147 facilities are available at the port of delivery, the Sellers shall take the Vessel to a port  
148 where suitable drydocking facilities are available, whether within or outside the delivery  
149 range as per Clause 5(a). Once drydocking has taken place the Sellers shall deliver the  
150 Vessel at a port within the delivery range as per Clause 5(a) which shall, for the purpose  
151 of this Clause, become the new port of delivery. In such event the Cancelling Date shall  
152 be extended by the additional time required for the drydocking and extra steaming, but  
153 limited to a maximum of fourteen (14) days.

154 ~~**(b)** \*The Sellers shall place the Vessel in drydock at the port of delivery for inspection by the  
155 Classification Society of the Vessel's underwater parts below the deepest load line, the extent  
156 of the inspection being in accordance with the Classification Society's rules. If the rudder,  
157 propeller, bottom or other underwater parts below the deepest load line are found broken,  
158 damaged or defective so as to affect the Vessel's class, such defects shall be made good at the  
159 Sellers' cost and expense to the satisfaction of the Classification Society without  
160 condition/recommendation\*\*. In such event the Sellers are also to pay for the costs and  
161 expenses in connection with putting the Vessel in and taking her out of drydock, including the  
162 drydock dues and the Classification Society's fees. The Sellers shall also pay for these costs  
163 and expenses if parts of the tailshaft system are condemned or found defective or broken so as  
164 to affect the Vessel's class. In all other cases, the Buyers shall pay the aforesaid costs and  
165 expenses, dues and fees.~~

- 166 **(c)** If the Vessel is drydocked pursuant to Clause 6(a) (ii) or 6(b) above:

- 167 **(i)** The Classification Society may require survey of the tailshaft system, the extent of the  
168 survey being to the satisfaction of the Classification Society surveyor. If such survey is  
169 not required by the Classification Society, the Buyers shall have the option to require the  
170 tailshaft to be drawn and surveyed by the Classification Society, the extent of the survey  
171 being in accordance with the Classification Society's rules for tailshaft survey and  
172 consistent with the current stage of the Vessel's survey cycle. The Buyers shall declare  
173 whether they require the tailshaft to be drawn and surveyed not later than by the  
174 completion of the inspection by the Classification Society. The drawing and refitting of  
175 the tailshaft shall be arranged by the Sellers. Should any parts of the tailshaft system be  
176 condemned or found defective so as to affect the Vessel's class, those parts shall be  
177 renewed or made good at the Sellers' cost and expense to the satisfaction of the  
178 Classification Society without condition/recommendation\*\*.

- 179 **(ii)** The costs and expenses relating to the survey of the tailshaft system shall be borne by  
180 the Buyers unless the Classification Society requires such survey to be carried out or if  
181 parts of the system are condemned or found defective or broken so as to affect the  
182 Vessel's class, in which case the Sellers shall pay these costs and expenses.

- 183 **(iii)** The Buyers' representative(s) shall have the right to be present in the drydock, as  
184 observer(s) only without interfering with the work or decisions of the Classification  
185 Society surveyor.

- 186 **(iv)** The Buyers shall have the right to have the underwater parts of the Vessel cleaned  
187 and painted at their risk, cost and expense without interfering with the Sellers' or the  
188 Classification Society surveyor's work, if any, and without affecting the Vessel's timely

189 delivery. If, however, the Buyers' work in drydock is still in progress when the  
190 Sellers have completed the work which the Sellers are required to do, the additional  
191 docking time needed to complete the Buyers' work shall be for the Buyers' risk, cost and  
192 expense. In the event that the Buyers' work requires such additional time, the Sellers  
193 may upon completion of the Sellers' work tender Notice of Readiness for delivery whilst  
194 the Vessel is still in drydock and, notwithstanding Clause 5(a), the Buyers shall be  
195 obliged to take delivery in accordance with Clause 3 (Payment), whether the Vessel is in  
196 drydock or not.

197 *\*6(a) and 6(b) are alternatives; delete whichever is not applicable. In the absence of deletions,*  
198 *alternative 6(a) shall apply.*

199 *\*\*Notes or memoranda, if any, in the surveyor's report which are accepted by the Classification*  
200 *Society without condition/recommendation are not to be taken into account.*

## 201 7. Spares, bunkers and other items

202 The Sellers shall deliver the Vessel to the Buyers with everything belonging to her on board  
203 and on shore. All spare parts and spare equipment including spare tail-end shaft(s) and/or  
204 spare propeller(s)/propeller blade(s), if any, belonging to the Vessel at the time of inspection  
205 used or unused, whether on board or not shall become the Buyers' property, ~~but spares on~~  
206 ~~order are excluded.~~ Forwarding charges, if any, shall be for the Buyers' account. The Sellers  
207 are not required to replace spare parts including spare tail-end shaft(s) and spare  
208 propeller(s)/propeller blade(s) which are taken out of spare and used as replacement prior to  
209 delivery, but the replaced items shall be the property of the Buyers. Unused stores and  
210 provisions shall be included in the sale and be taken over by the Buyers without extra payment.

211 Library and forms exclusively for use in the Sellers' vessel(s) and captain's, officers' and crew's  
212 personal belongings including the slop chest are excluded from the sale without compensation,  
213 as well as the following additional items: *(include list)*

214 Items on board which are on hire or owned by third parties, listed as follows, are excluded from  
215 the sale without compensation:

- **GSSM SMS manuals.**
  - **GSSM printed stationary/letter heads/forms etc.**
  - **Original Eng & Deck Log books.**
  - **Computer hard drives, server, CDs, DVDs, USBs, Backup Tapes, Back Device/s with Hard Disk, External Hard Disks (except printer installations CD's)**
  - **Oxy/Act/Freon gas cylinders (unless Buyers can take over Sellers' current rental contracts)**
  - **Life rafts (Buyers to take over Sellers' current rental contracts)**
  - **Mobile phone/camera**
- (include list)*

216 Items on board at the time of inspection which are on hire or owned by third parties, not listed  
217 above, shall be replaced or procured by the Sellers prior to delivery at their cost and expense.

218 The Buyers shall take over remaining bunkers and unused lubricating **which have not passed**  
219 **through the Vessel's systems** and hydraulic oils and greases in storage tanks and unopened drums and pay either:

220 **(a)** \*the actual net price (excluding barging expenses) as evidenced by invoices or vouchers; or

221 ~~**(b)** \*the current net market price (excluding barging expenses) at the port and date of delivery~~  
222 ~~of the Vessel or, if unavailable, at the nearest bunkering port,~~

223 for the quantities taken over.

224 Payment under this Clause shall be made at the same time and place and in the same  
225 currency as the Purchase Price.

226 "inspection" in this Clause 7, shall mean the Buyers' inspection according to Clause 4(a) or(b)  
227 (Inspection), if applicable. If the Vessel is taken over without inspection, the date of this  
228 Agreement shall be the relevant date.

229 *\*(a) and (b) are alternatives, delete whichever is not applicable. In the absence of deletions*  
230 *alternative (a) shall apply.*

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**8. Documentation**

The place of closing: *DNB Bank, London branch*

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**(a)** In exchange for payment of the Purchase Price the Sellers shall provide the Buyers with the following delivery documents:

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**(i)** Legal Bill(s) of Sale in a form recordable in the Buyers' Nominated Flag State, transferring title of the Vessel and stating that the Vessel is free from all mortgages, encumbrances and maritime liens or any other debts whatsoever, duly notarially attested and legalised or apostilled, as required by the Buyers' Nominated Flag State;

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**(ii)** Evidence that all necessary corporate, shareholder and other action has been taken by the Sellers to authorise the execution, delivery and performance of this Agreement;

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**(iii)** Power of Attorney of the Sellers appointing one or more representatives to act on behalf of the Sellers in the performance of this Agreement, duly notarially attested and legalised or apostilled (as appropriate);

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**(iv)** Certificate or Transcript of Registry issued by the competent authorities of the flag state on the date of delivery evidencing the Sellers' ownership of the Vessel and that the Vessel is free from registered encumbrances and mortgages, to be faxed or e-mailed by such authority to the closing meeting with the original to be sent to the Buyers as soon as possible after delivery of the Vessel;

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**(v)** Declaration of Class or (depending on the Classification Society) a Class Maintenance Certificate issued within three (3) Banking Days prior to delivery confirming that the Vessel is in Class free of condition/recommendation;

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**(vi)** Certificate of Deletion of the Vessel from the Vessel's registry or other official evidence of deletion appropriate to the Vessel's registry at the time of delivery, or, in the event that the registry does not as a matter of practice issue such documentation immediately, a written undertaking by the Sellers to effect deletion from the Vessel's registry forthwith and provide a certificate or other official evidence of deletion to the Buyers promptly and latest within four (4) weeks after the Purchase Price has been paid and the Vessel has been delivered;

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**(vii)** A copy of the Vessel's Continuous Synopsis Record certifying the date on which the Vessel ceased to be registered with the Vessel's registry, or, in the event that the registry does not as a matter of practice issue such certificate immediately, a written undertaking from the Sellers to provide the copy of this certificate promptly upon it being issued together with evidence of submission by the Sellers of a duly executed Form 2 stating the date on which the Vessel shall cease to be registered with the Vessel's registry;

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**(viii)** Commercial Invoice for the Vessel;

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**(ix)** Commercial Invoice(s) for bunkers, lubricating and hydraulic oils and greases;

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**(x)** A copy of the Sellers' letter to their satellite communication provider cancelling the Vessel's communications contract which is to be sent immediately after delivery of the Vessel;

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**(xi)** Any additional documents as may reasonably be required by the competent authorities of the Buyers' Nominated Flag State for the purpose of registering the Vessel, provided the Buyers notify the Sellers of any such documents as soon as possible after the date of this Agreement; and

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**(xii)** The Sellers' letter of confirmation that to the best of their knowledge, the Vessel is not black listed by any nation or international organisation.

276

**(b)** At the time of delivery the Buyers shall provide the Sellers with:

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**(i)** Evidence that all necessary corporate, shareholder and other action has been taken by the Buyers to authorise the execution, delivery and performance of this Agreement; and

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279 (ii) Power of Attorney of the Buyers appointing one or more representatives to act on behalf  
280 of the Buyers in the performance of this Agreement, duly notarially attested and legalised  
281 or apostilled (as appropriate).

282 (c) If any of the documents listed in Sub-clauses (a) and (b) above are not in the English  
283 language they shall be accompanied by an English translation by an authorised translator or  
284 certified by a lawyer qualified to practice in the country of the translated language.

285 (d) The Parties shall to the extent possible exchange copies, drafts or samples of the  
286 documents listed in Sub-clause (a) and Sub-clause (b) above for review and comment by the  
287 other party not later than (state number of days), or if left blank, nine (9) days prior to  
288 the Vessel's intended date of readiness for delivery as notified by the Sellers pursuant to  
289 Clause 5(b) of this Agreement.

290 (e) Concurrent with the exchange of documents in Sub-clause (a) and Sub-clause (b) above,  
291 the Sellers shall also hand to the Buyers the classification certificate(s) as well as all plans,  
292 drawings and manuals, (excluding ISM/ISPS manuals), which are on board the Vessel. Other  
293 certificates which are on board the Vessel shall also be handed over to the Buyers unless the  
294 Sellers are required to retain same, in which case the Buyers have the right to take copies.

295 (f) Other technical documentation **and plans, etc** which may be in the Sellers' possession shall  
promptly after  
296 delivery be forwarded to the Buyers at their expense, if they so request. The Sellers may keep  
297 for the Vessel's log books **and copy of PMS database as available on board will be made available  
for Buyer's reference in good faith however, with clear understanding that no due/overdue/  
Defect/ Damages to Machinery/Hull or other equipment shall be referred to Sellers at any  
stage, whatever the case may be** but the Buyers have the right to take copies of **log books.** same.

298 (g) The Parties shall sign and deliver to each other a Protocol of Delivery and Acceptance  
299 confirming the date and time of delivery of the Vessel from the Sellers to the Buyers.

## 300 9. Encumbrances

301 The Sellers warrant that the Vessel, at the time of delivery, is free from all charters,  
302 encumbrances, mortgages, **arrests** and maritime liens or any other debts whatsoever, and is not  
subject  
303 to Port State or other administrative detentions. The Sellers hereby undertake to indemnify the  
304 Buyers against all consequences of claims made against the Vessel which have been incurred  
305 prior to the time of delivery.

## 306 10. Taxes, fees and expenses

307 Any taxes, fees and expenses in connection with the purchase and registration in the Buyers'  
308 Nominated Flag State shall be for the Buyers' account, whereas similar charges in connection  
309 with the closing of the Sellers' register shall be for the Sellers' account.

## 310 11. Condition on delivery

311 The Vessel with everything belonging to her shall be at the Sellers' risk and expense until she is  
312 delivered to the Buyers, but subject to the terms and conditions of this Agreement she shall be  
313 delivered and taken over as she was at the time of inspection, fair wear and tear excepted.

314 However, the Vessel shall be delivered free of cargo and free of stowaways with her Class  
315 maintained without condition/recommendation\*, free of average damage affecting the Vessel's  
316 class, and with her classification certificates and national certificates, as well as all other  
317 certificates the Vessel had at the time of inspection, valid and unextended without  
318 condition/recommendation\* by the Classification Society or the relevant authorities at the time  
319 of delivery. **and for at least 3 months after the date of delivery. Vessel's Continuous Machinery  
Surveys to be valid and up to date. All plans, drawings and instruction manuals (excluding ISM  
manuals, and any other company documents or software) which are on board shall be delivered  
to the Buyers Master upon delivery of the vessel. All remaining plans, drawings, instruction  
manuals in the Sellers possession shall be forwarded to the Buyers technical management after  
delivery. Ships computers and network shall remain onboard but computer hard drives and  
server to be removed, as per excluded items referred to in line 215.**

320 "inspection" in this Clause 11, shall mean the Buyers' inspection according to Clause 4(a) or  
321 4(b) (Inspection), if applicable. If the Vessel is taken over without inspection, the date of this

322 Agreement shall be the relevant date.

323 *\*Notes and memoranda, if any, in the surveyor's report which are accepted by the Classification*  
324 *Society without condition/recommendation are not to be taken into account.*

325 **12. Name/markings**

326 Upon delivery the Buyers undertake to change the name of the Vessel and alter funnel  
327 markings.

328 **13. Buyers' default**

329 Should the Deposit not be lodged in accordance with Clause 2 (Deposit), the Sellers have the  
330 right to cancel this Agreement, and they shall be entitled to claim compensation for their losses  
331 and for all expenses incurred together with interest.

332 Should the Purchase Price not be paid in accordance with Clause 3 (Payment), the Sellers  
333 have the right to cancel this Agreement, in which case the Deposit together with interest  
334 earned, if any, shall be released to the Sellers. If the Deposit does not cover their loss, the  
335 Sellers shall be entitled to claim further compensation for their losses and for all expenses  
336 incurred together with interest.

337 **14. Sellers' default**

338 Should the Sellers fail to give Notice of Readiness in accordance with Clause 5(b) or fail to be  
339 ready to validly complete a legal transfer by the Cancelling Date the Buyers shall have the  
340 option of cancelling this Agreement. If after Notice of Readiness has been given but before  
341 the Buyers have taken delivery, the Vessel ceases to be physically ready for delivery and is not  
342 made physically ready again by the Cancelling Date and new Notice of Readiness given, the  
343 Buyers shall retain their option to cancel. In the event that the Buyers elect to cancel this  
344 Agreement, the Deposit together with interest earned, if any, shall be released to them  
345 immediately.

346 Should the Sellers fail to give Notice of Readiness by the Cancelling Date or fail to be ready to  
347 validly complete a legal transfer as aforesaid they shall make due compensation to the Buyers  
348 for their loss and for all expenses together with interest if their failure is due to proven  
349 negligence and whether or not the Buyers cancel this Agreement.

350 **15. Buyers' representatives**

351 After this Agreement has been signed by the Parties and the Deposit has been lodged, the  
352 Buyers have the right to place **four (4) two (2)** representatives on board the Vessel at their sole risk  
and  
353 expense.

354 These representatives are on board for the purpose of familiarisation and in the capacity of  
355 observers only, and they shall not interfere in any respect with the operation of the Vessel. The  
356 Buyers and the Buyers' representatives shall sign the Sellers' P&I Club's standard letter of  
357 indemnity prior to their embarkation.

358 **16. Law and Arbitration**

359 **(a)** This Agreement shall be governed by and construed in accordance with English law and  
360 any dispute arising out of or in connection with this Agreement shall be referred to arbitration in  
361 London in accordance with the Arbitration Act 1996 or any statutory modification or re-  
362 enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

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

366 The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall  
367 appoint its arbitrator and send notice of such appointment in writing to the other party requiring  
368 the other party to appoint its own arbitrator within fourteen (14) calendar days of that notice and  
369 stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own  
370 arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the  
371 other party does not appoint its own arbitrator and give notice that it has done so within the  
372 fourteen (14) days specified, the party referring a dispute to arbitration may, without the  
373 requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator  
374 and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on  
375 both Parties as if the sole arbitrator had been appointed by agreement.

376 In cases where neither the claim nor any counterclaim exceeds the sum of US\$100,000 the  
377 arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at  
378 the time when the arbitration proceedings are commenced.

379 ~~(b) \*This Agreement shall be governed by and construed in accordance with Title 9 of the~~  
380 ~~United States Code and the substantive law (not including the choice of law rules) of the State~~  
381 ~~of New York and any dispute arising out of or in connection with this Agreement shall be~~  
382 ~~referred to three (3) persons at New York, one to be appointed by each of the parties hereto,~~  
383 ~~and the third by the two so chosen; their decision or that of any two of them shall be final, and~~  
384 ~~for the purposes of enforcing any award, judgment may be entered on an award by any court of~~  
385 ~~competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the~~  
386 ~~Society of Maritime Arbitrators, Inc.~~

387 In cases where neither the claim nor any counterclaim exceeds the sum of US\$ 100,000 the  
388 arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the  
389 Society of Maritime Arbitrators, Inc.

390 (c) This Agreement shall be governed by and construed in accordance with the laws of  
391 (state place) and any dispute arising out of or in connection with this Agreement shall be  
392 referred to arbitration at (state place), subject to the procedures applicable there.

393 \*16(a), 16(b) and 16(c) are alternatives; delete whichever is not applicable. In the absence of  
394 deletions, alternative 16(a) shall apply.

395 **17. Notices**

396 All notices to be provided under this Agreement shall be in writing **on email and pass via the**  
**brokers Arrow Sale and Purchase (UK) Ltd.**

397 Contact details for recipients of notices are as follows:

398 For the Buyers:

399 For the Sellers:

400 **18. Entire Agreement**

401 The written terms of this Agreement comprise the entire agreement between the Buyers and  
402 the Sellers in relation to the sale and purchase of the Vessel and supersede all previous  
403 agreements whether oral or written between the Parties in relation thereto.

404 Each of the Parties acknowledges that in entering into this Agreement it has not relied on and  
405 shall have no right or remedy in respect of any statement, representation, assurance or  
406 warranty (whether or not made negligently) other than as is expressly set out in this Agreement.

407 Any terms implied into this Agreement by any applicable statute or law are hereby excluded to  
408 the extent that such exclusion can legally be made. Nothing in this Clause shall limit or exclude  
409 any liability for fraud.

For and on behalf of the Sellers

For and of behalf of the Buyers

/s/ Sandeep Kadwe

/s/ Svein M. Harfjeld

Name: Sandeep Kadwe

Name: Svein M. Harfjeld

Title: Director

Title: CEO

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SHIPBUILDING CONTRACT

FOR

THE CONSTRUCTION OF

ONE (1) 300,000 DWT CLASS CRUDE OIL CARRIER

HULL NO. 2748

BETWEEN

DHT HOLDINGS, INC.

(AS BUYER)

AND

HYUNDAI HEAVY INDUSTRIES CO., LTD.

(AS BUILDER)

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SCHEDULES

EXHIBIT "A" REFUND GUARANTEE

**SHIPBUILDING CONTRACT**

THIS CONTRACT, made on this 28<sup>th</sup> day of November, 2013 by and between DHT HOLDINGS, INC., a corporation incorporated and existing under the laws of the Marshall Islands with its principal office at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda (hereinafter called the "BUYER"), the party of the first part and HYUNDAI HEAVY INDUSTRIES CO., LTD., a company organized and existing under the laws of the Republic of Korea, having its principal office at 1000 Bangeojinsunhwan-Doro, Dong-Gu, Ulsan, Korea (hereinafter called the "BUILDER"), the party of the second part,

## W I T N E S S E T H :

In consideration of the mutual covenants contained herein, the BUILDER agrees to design, build, launch, equip and complete one (1) 300,000 DWT CLASS CRUDE OIL CARRIER as described in Article I hereof, including her machinery, engine, boiler, equipment, fittings, appurtenances, materials, articles and all things specified under this CONTRACT (hereinafter called the "VESSEL") at the BUILDER's shipyard located at Ulsan, Korea (hereinafter called the "SHIPYARD") and to deliver and sell the VESSEL to the BUYER, and the BUYER agrees to accept delivery of and purchase from the BUILDER the VESSEL, according to the terms and conditions hereinafter set forth:

(End of Preamble)

**ARTICLE I : DESCRIPTION AND CLASS****1. DESCRIPTION**

The VESSEL shall have the BUILDER's Hull No. 2748 and shall be designed, constructed, equipped, completed and delivered in accordance with the terms of this CONTRACT, the specifications No. CODH300-FS-P1 dated 27 November, 2013 and the general arrangement plan No. 1G-7000-201 dated 27 November, 2013 (hereinafter called respectively the "SPECIFICATIONS" and the "PLAN") signed by both parties, which shall constitute an integral part of this CONTRACT although not attached hereto.

The SPECIFICATIONS and the PLAN are intended to explain each other and anything shown on the PLAN and not stipulated in the SPECIFICATIONS or anything stipulated in the SPECIFICATIONS and not shown on the PLAN shall be deemed and considered as if included in both. Should there be any inconsistencies or contradictions between the SPECIFICATIONS and the PLAN, the SPECIFICATIONS shall prevail. Should there be any inconsistencies or contradictions between this CONTRACT and the SPECIFICATIONS, this CONTRACT shall prevail.

**2. BASIC DIMENSIONS AND PRINCIPAL PARTICULARS OF THE VESSEL**

(a) The basic dimensions and principal particulars of the VESSEL shall be :

Length, overall	about	333 M
Length, between perpendiculars		322 M
Breadth, moulded		60 M
Depth to Upper Deck, moulded		29.4 M
Design draft, moulded, in seawater of specific gravity of 1.025		20.5 M
Scantling draft, moulded, in seawater of specific gravity of 1.025		21.6 M
Deadweight on the above moulded design draft of 20.5 M	about	280,310 M/T
Deadweight on the above moulded scantling draft of 21.6 M	about	299,910 M/T
Main propulsion engine:	one (1)	HYUNDAI-MAN B&W 7G80ME-C9.2

Max. Continuous Rating (MCR) :	24,400 kW x 66 rpm
Normal Continuous Rating (NCR):	17,080 kW x 58.6 rpm

Trial speed at 20.5 meters design draft at the condition of clean bottom and in calm and deep sea with main engine developing a NCR of 17,080 kW with fifteen per cent (15%) sea margin: 14.8 KNOTS

Specific Fuel consumption of the main engine applying I.S.O. reference conditions to the result of official shop test at a NCR of 17,080 kW using marine diesel oil having lower calorific value of 42,700 kJ per kg. 154 gr/kW.HR

The details of the above particulars as well as the definitions and method of measurements and calculations are as indicated in the SPECIFICATIONS.

- (b) The dimensions may be slightly modified by the BUILDER, who also reserves the right to make changes to the SPECIFICATIONS and the PLAN if found necessary to suit the local conditions and facilities of the SHIPYARD, the availability of materials and equipment, the introduction of improved production methods or otherwise, subject to the approval of the BUYER, which the BUYER shall not withhold unreasonably.

### 3. CLASSIFICATION, RULES AND REGULATIONS

- (a) The VESSEL shall be built in compliance with the rules and regulations of the American Bureau of Shipping (ABS), (hereinafter called the "CLASSIFICATION SOCIETY"), in force as of the date of this CONTRACT, to be classed and registered with the following class notation:

**+A1, Oil Carrier, +AMS, +ACCU, ESP, CSR, AB-CM, UWILD, TCM, SPMA, CPS, VEC, BWE, BWT, RW, ENVIRO+, POT, GP, NBLES**

and also to fully comply in all respects with the rules and regulations of the other Regulatory Bodies and authorities, in force as of the date of this CONTRACT, as described in the SPECIFICATIONS.

- (b) The BUILDER shall arrange with the CLASSIFICATION SOCIETY for the assignment by the CLASSIFICATION SOCIETY of representative(s) to the SHIPYARD for supervision of the construction of the VESSEL. All fees and charges incidental to classification of the VESSEL in compliance with the above specified rules, regulations and requirements of this CONTRACT, and compliance with all other specified rules, regulations and requirements of the SPECIFICATIONS shall be for the account of the BUILDER.
- (c) The decision of the CLASSIFICATION SOCIETY as to whether the VESSEL complies with the regulations of the CLASSIFICATION SOCIETY shall be final and binding upon the BUILDER and the BUYER.
- (d) The BUILDER undertakes to notify the CLASSIFICATION SOCIETY that the BUILDER agrees to the CLASSIFICATION SOCIETY releasing to the BUYER, upon the BUYER's request, such information as the BUYER may request and the BUILDER approves (such approval not to be unreasonably withheld), from the CLASSIFICATION SOCIETY regarding correspondence related to plan approval, rules, regulations, certification criteria issues, design assumptions relating to the classification and certification of the VESSEL.

#### 4. **SUBCONTRACTING**

The BUILDER may, at its sole discretion and responsibility, subcontract any portion of the work, but not the whole or a substantial portion of construction work of the VESSEL, but delivery and final assembly into the VESSEL of any such work subcontracted shall be at the SHIPYARD. The BUILDER shall remain liable for the due performance of such subcontracted work as if done by the BUILDER at the SHIPYARD.

**5. NATIONALITY OF THE VESSEL**

The VESSEL shall be registered by the BUYER at its own cost and expense under the laws of the Marshall Islands with its home port of Majuro at the time of its delivery and acceptance hereunder. However, the BUYER shall have the right by notifying the BUILDER within two (2) months of the date of this CONTRACT and at no additional cost to the BUYER, to elect the register the VESSEL (at the BUYER's own cost and expense) under the laws of Hong Kong at the time of its delivery and acceptance hereunder.

(End of Article)



**ARTICLE II : CONTRACT PRICE**

The contract price of the VESSEL delivered to the BUYER at the SHIPYARD shall be United States Dollars Ninety Two Million, Seven Hundred and Thirty Seven Thousand (US\$ 92,737,000) (hereinafter called the "CONTRACT PRICE") which shall be paid plus any increases or less any decreases due to adjustment or modifications, if any, as set forth in this CONTRACT. The above CONTRACT PRICE shall include payment for services in the inspection, tests, survey and classification of the VESSEL which will be rendered by the CLASSIFICATION SOCIETY and shall not include the cost of the BUYER's supplies as stipulated in Article XII.

The CONTRACT PRICE also includes all costs and expenses for supplying all necessary drawings as stipulated in the SPECIFICATIONS except those to be furnished by the BUYER for the VESSEL in accordance with the SPECIFICATIONS.

(End of Article)

**ARTICLE III : ADJUSTMENT OF THE CONTRACT PRICE**

The CONTRACT PRICE of the VESSEL shall be adjusted as hereinafter set forth in the event of the following contingencies. It is hereby understood by both parties that any adjustment of the CONTRACT PRICE as provided for in this Article is by way of liquidated damages and not by way of penalty.

**1. DELAYED DELIVERY**

- (a) No adjustment shall be made and the CONTRACT PRICE shall remain unchanged for the first thirty (30) days of the delay in delivery of the VESSEL ending as of 12 o'clock midnight Korean Standard Time on the thirtieth (30th) day of delay beyond the DELIVERY DATE calculated as provided in Article VII.1. hereof.
- (b) If delivery of the VESSEL is delayed more than thirty (30) days beyond the DELIVERY DATE then, in such event, beginning at midnight of the thirtieth (30th) day after such due date, the CONTRACT PRICE of the VESSEL shall be reduced by U.S. Dollars Twenty Three Thousand (US\$ 23,000) for each full day of delay.

However, unless the parties agree otherwise, the total amount of deduction from the CONTRACT PRICE shall not exceed the amount due to cover the delay of one hundred and eighty (180) days after thirty (30) days of the delay in delivery of the VESSEL at the rate of deduction as specified hereinabove.

- (c) But, if the delay in delivery of the VESSEL continues for a period of more than two hundred and ten (210) days beyond the DELIVERY DATE then, in such event, and after such period has expired, the BUYER may, at its option, rescind or cancel this CONTRACT, by serving upon the BUILDER a notice of cancellation by email or facsimile to be confirmed by a registered letter via airmail directed to the BUILDER at the address given in this CONTRACT. Such cancellation shall be effective as of the date the notice thereof is received by the BUILDER. If the BUYER has not served the notice of cancellation after the aforementioned two hundred and ten (210) days delay in delivery, the BUILDER may demand the BUYER to make an election in accordance with Article VIII.3. hereof.
- (d) For the purpose of this Article, the delivery of the VESSEL shall be deemed to be delayed when and if the VESSEL, after taking into full account extension of the

DELIVERY DATE or permissible delays as specifically provided in Articles V, VI, VIII, XI or elsewhere in this CONTRACT, is delivered beyond the date upon which delivery would then be due under the terms of this CONTRACT.

**2. INSUFFICIENT SPEED**

- (a) The CONTRACT PRICE of the VESSEL shall not be affected or changed, if the actual speed, as determined by trial runs more fully described in Article VI hereof, is less than the speed required under the terms of this CONTRACT and the SPECIFICATIONS provided such deficiency in actual speed is not more than three tenths (3/10) of a knot below the guaranteed speed.
- (b) However, as for the deficiency of more than three-tenths (3/10) of a knot in actual speed below the speed guaranteed under this CONTRACT, the CONTRACT PRICE shall be reduced by U.S. Dollars Seventy Nine Thousand (U.S.\$ 79,000) for each full one-tenth (1/10) of a knot in excess of the said three tenths (3/10) of a knot of deficiency in speed, with fractions of less than one-tenth (1/10) of a knot being regarded as a full one-tenth (1/10) of a knot of deficiency. However, unless the parties agree otherwise, the total amount of reduction from the CONTRACT PRICE shall not exceed the amount due to cover the deficiency of nine tenths (9/10) of a knot below the guaranteed speed at the rate of reduction as specified above.
- (c) If the deficiency in actual speed of the VESSEL is more than nine tenths (9/10) of a knot below the speed guaranteed under this CONTRACT, then the BUYER, at its option, may, subject to the BUILDER's right to effect alterations or corrections as provided in Article VI.5. hereof, reject the VESSEL and cancel this CONTRACT or may accept the VESSEL at a reduction in the CONTRACT PRICE as above provided for nine tenths (9/10) of a knot of deficiency only.

**3. EXCESSIVE FUEL CONSUMPTION**

- (a) The CONTRACT PRICE shall not be affected or changed by reason of the fuel consumption of the VESSEL's main engine, as determined by the engine manufacturer's shop trial as per the SPECIFICATIONS being more than the guaranteed fuel consumption of the VESSEL's main engine, if such excess is not more than six per cent (6%) over the guaranteed fuel consumption.
- (b) However, if the actual fuel consumption as determined by the shop trial is

greater than the six percent (6%) over the guaranteed fuel consumption of the VESSEL's main engine, then the CONTRACT PRICE shall be reduced by U.S. Dollars Forty Five Thousand (US\$ 45,000) for each full one per cent (1%) increase in fuel consumption in excess of the said six per cent (6%) increase in fuel consumption, with fractions of less than one per cent (1%) being regarded as a full one per cent (1%) of deficiency. However, unless the parties agree otherwise, the total amount of reduction from the CONTRACT PRICE shall not exceed the amount due to cover the excess of ten per cent (10%) over the guaranteed fuel consumption of the VESSEL's main engine at the rate of reduction as specified above.

- (c) If such actual fuel consumption exceeds the guaranteed fuel consumption (shop trial) of the VESSEL's main engine by more than ten per cent (10%), the BUYER, at its option, may, subject to the BUILDER's right to effect alterations or corrections as specified in Article VI.5. hereof, reject the VESSEL and cancel this CONTRACT or may accept the VESSEL at a reduction in the CONTRACT PRICE as above provided for the ten per cent (10%) increase only.

#### **4. DEADWEIGHT BELOW CONTRACT REQUIREMENTS**

- (a) The CONTRACT PRICE of the VESSEL shall not be affected or changed, if actual deadweight, determined as provided in this CONTRACT and the SPECIFICATIONS, is below the deadweight of 299,910 metric tons on the moulded scantling draft of 21.6 metres required by this CONTRACT and the SPECIFICATIONS by an amount of 3,000 metric tons or less.
- (b) However, should the deficiency in the actual deadweight of the VESSEL be more than 3,000 metric tons below the said required deadweight, then the CONTRACT PRICE of the VESSEL shall be reduced for each full one (1) metric ton, (with fractions of less than one (1) metric ton being disregarded) of decreased deadweight in excess of 3,000 metric tons by the sum of U.S. Dollars Four Hundred and Fifty (US\$ 450) per metric ton. However, unless the parties agree otherwise, total amount of deduction from the CONTRACT PRICE shall not exceed the amount due to cover the deficiency of 5,800 metric tons below the said required deadweight hereinabove.
- (c) If the deficiency in the deadweight of the VESSEL is more than 5,800 metric tons below the said required deadweight, then the BUYER, at its option, may, subject to the BUILDER's right to effect alterations or corrections without the BUYER's prior consent as specified in Article VI.5. hereof, reject the VESSEL and cancel this

CONTRACT or may accept the VESSEL at a reduction in the CONTRACT PRICE as above provided for 5,800 metric tons of deficiency only.

**5. EFFECT OF CANCELLATION**

It is expressly understood and agreed by the parties hereto that in any case, if the BUYER cancels this CONTRACT under this Article, the BUYER shall not be entitled to any damages and BUYER's remedies shall be limited to BUYER's rights set out in Article X hereof.

(End of Article)

**ARTICLE IV : INSPECTION AND APPROVAL****1. APPOINTMENT OF BUYER'S REPRESENTATIVE**

The BUYER shall timely despatch to and maintain at the SHIPYARD, at its own cost, expense and risk, one or more representatives (hereinafter called the "BUYER'S REPRESENTATIVE"), who shall be duly accredited in writing by the BUYER to supervise the construction by the BUILDER and his subcontractors of the VESSEL, her equipment and all accessories.

The BUILDER shall before the commencement of any item of work under this CONTRACT, exhibit and furnish to the BUYER any and all plans and drawings prepared in connection therewith.

Upon appointment of the BUYER'S REPRESENTATIVE, the BUYER shall notify the BUILDER in writing of the name and the scope of the authority of the BUYER'S REPRESENTATIVE and his assistants.

**2. AUTHORITY OF THE BUYER'S REPRESENTATIVE**

The BUYER'S REPRESENTATIVE and his assistants shall, at all times during working hours of the construction until delivery of the VESSEL, have the right to inspect the VESSEL, her equipment and all accessories, and work in progress, or materials utilized in connection with the construction of the VESSEL, wherever such work is being done or such materials are stored, for the purpose of determining that the VESSEL, her equipment and accessories are being constructed in accordance with the terms of this CONTRACT and/or the SPECIFICATIONS and the PLAN.

The BUILDER will endeavor to arrange for the inspection by the BUYER'S REPRESENTATIVE and his assistants during working hours of the BUILDER. However, such inspection may be arranged beyond the BUILDER's normal working hours, including weekend and/or holiday if this is considered necessary by the BUILDER in order to meet the BUILDER's construction schedule or his assistants, on the condition that the BUILDER will inform the BUYER'S REPRESENTATIVE at least two (2) days in advance of such inspection.

The BUYER'S REPRESENTATIVE shall, within the limits of the authority conferred upon

him by the BUYER, make decisions or give advice to the BUILDER on behalf of the BUYER promptly on all issues arising out of, or in connection with, the construction of the VESSEL and generally act in a reasonable manner with a view to cooperating with the BUILDER in the construction process of the VESSEL.

The decision, approval or advice of the BUYER'S REPRESENTATIVE shall be deemed to have been given by the BUYER and once given shall not be withdrawn, revoked or modified except with consent of the BUILDER. Provided that the BUYER'S REPRESENTATIVE or his assistants shall comply with the foregoing obligations, no act or omission of the BUYER'S REPRESENTATIVE or his assistants shall, in any way, diminish the liability of the BUILDER under this CONTRACT.

The BUYER'S REPRESENTATIVE shall notify the BUILDER promptly in writing of his discovery of any construction or materials, which he believes do not or will not conform to the requirements of the CONTRACT and the SPECIFICATIONS or the PLAN and likewise advise and consult with the BUILDER on all matters pertaining to the construction of the VESSEL, as may be required by the BUILDER, or as he may deem necessary.

However, if the BUYER'S REPRESENTATIVE fails to submit to the BUILDER without delay any such demand concerning alterations or changes with respect to the construction, arrangement or outfit of the VESSEL, which the BUYER'S REPRESENTATIVE has examined, inspected or attended at the test thereof under this CONTRACT or the SPECIFICATIONS, the BUYER'S REPRESENTATIVE shall be deemed to have approved the same and shall be precluded from making any demand for alterations, changes, or complaints with respect thereto at a later date.

The BUILDER shall comply with any such demand which is not contradictory to this CONTRACT and the SPECIFICATIONS or the PLAN, provided that any and all such demands by the BUYER'S REPRESENTATIVE with regard to construction, arrangement and outfit of the VESSEL shall be submitted in writing to the authorised representative of the BUILDER. The BUILDER shall notify the BUYER'S REPRESENTATIVE of the names of the persons who are from time to time authorised by the BUILDER for this purpose.

It is agreed upon between the BUYER and the BUILDER that the modifications, alterations or changes and other measures necessary to comply with such demand may be effected at a convenient time and place at the BUILDER's reasonable discretion in view of the construction schedule of the VESSEL.

In the event that the BUYER'S REPRESENTATIVE shall advise the BUILDER that he has discovered or believes the construction or materials do not or will not conform to the requirements of this CONTRACT and the SPECIFICATIONS or the PLAN, and the BUILDER shall not agree with the views of the BUYER'S REPRESENTATIVE in such respect, either the BUYER or the BUILDER may, with the agreement of the other party, seek an opinion of the CLASSIFICATION SOCIETY or failing such agreement, request an arbitration in accordance with the provisions of Article XIII hereof. The CLASSIFICATION SOCIETY or the arbitration tribunal, as the case may be, shall determine whether or not a nonconformity with the provisions of this CONTRACT, the SPECIFICATIONS and the PLAN exists. If the CLASSIFICATION SOCIETY or the arbitration tribunal, as the case may be, enters a determination in favour of the BUYER, then in such case the BUILDER shall make the necessary alterations or changes. If the CLASSIFICATION SOCIETY or the arbitration tribunal, as the case may be, enters a determination in favour of the BUILDER, then the time for delivery of the VESSEL shall be extended for the period of delay in construction, if any, occasioned by such proceedings, and the BUYER shall compensate the BUILDER for the proven loss and damages incurred by the BUILDER as a result of the dispute herein referred to.

### **3. APPROVAL OF DRAWINGS**

- (a) The BUILDER shall submit to the BUYER three (3) copies of each of the plans and drawings to be submitted to the BUYER for its approval at its address as set forth in Article XIX hereof. The BUYER shall, within twenty one (21) days after receipt thereof return to the BUILDER one (1) copy of such plans and drawings with the approval or comments, if any, of the BUYER. A list of the plans and drawings to be so submitted to the BUYER shall be mutually agreed upon between the parties hereto.
- (b) When and if the BUYER'S REPRESENTATIVE shall have been sent by the BUYER to the SHIPYARD in accordance with Paragraph 1 of this Article, the BUILDER may submit the remainder, if any, of the plans and drawings in the agreed list, to the BUYER'S REPRESENTATIVE for his approval, unless otherwise agreed upon between the parties hereto.

The BUYER'S REPRESENTATIVE shall, within seven (7) days after receipt thereof, return to the BUILDER one (1) copy of such plans and drawings with his approval or comments written thereon, if any. Approval by the BUYER'S REPRESENTATIVE of the plans and drawings duly submitted to him shall be deemed to be the approval by the BUYER for all purposes of this CONTRACT.



- (c) In the event that the BUYER or the BUYER'S REPRESENTATIVE shall fail to return the plans and drawings to the BUILDER within the time limit as hereinabove provided, such plans and drawings shall be deemed to have been automatically approved without any comment.
- (d) Within seven (7) days after receipt of BUYER's or the BUYER's REPRESENTATIVE's comments, if any, to such plans and drawings, BUILDER shall (x) deliver the revised plans and drawings or (y) explain in writing the reasons for its objection, unless otherwise mutually agreed between the parties. In this case the parties will act in good faith to resolve any issues as soon as possible thereafter, following which BUILDER will promptly issue the revised plans and drawings.
- (e) In the event the plans and drawings submitted by the BUILDER to the BUYER or the BUYER'S REPRESENTATIVE in accordance with this Article do not meet with the BUYER's or the BUYER'S REPRESENTATIVE's approval, the matter may be submitted by either party hereto for determination pursuant to Article XIII hereof.
- (f) Any actual or deemed approval of the plans and drawings by BUYER or the BUYER'S REPRESENTATIVE shall not in any way diminish the obligations of BUILDER or relieve BUILDER of his obligations hereunder, nor shall any such approval be deemed a waiver by the BUYER of any of its rights or constitute a request for modification, unless otherwise agreed by the BUYER.

#### **4. SALARIES AND EXPENSES**

All salaries and expenses of the BUYER'S REPRESENTATIVE or any other person or persons employed by the BUYER hereunder shall be for the BUYER's account.

#### **5. RESPONSIBILITY OF THE BUILDER**

- (a) The BUILDER shall provide the BUYER'S REPRESENTATIVE and his assistants free of charge with suitably furnished office space at, or in the immediate vicinity of, the SHIPYARD together with telephone, facsimile, internet and printing facilities , and access to photocopying machines in commonly shared areas, as may be necessary to enable the BUYER'S REPRESENTATIVE and his assistants to carry out their work under this CONTRACT. However, the BUYER shall pay for the telephone or facsimile facilities used by the BUYER'S REPRESENTATIVE or his assistants.

The BUILDER, its employees, agents and subcontractors, during its working hours until delivery of the VESSEL, shall arrange for the BUYER'S REPRESENTATIVE and his assistants to have free and ready access to the VESSEL, her equipment and accessories, and to any other place (except the areas controlled for the purpose of national security) where work is being done, or materials are being processed or stored in connection with the construction of the VESSEL including the premises of sub-contractors.

The BUYER'S REPRESENTATIVE or his assistants or employees shall observe the work's rules, regulations and the guidances prevailing at the BUILDER's and its sub-contractor's premises. The BUILDER shall promptly provide to the BUYER'S REPRESENTATIVE and/or his assistants and shall ensure that its sub-contractors shall promptly provide all such information as he or they may reasonably request in connection with the construction of the VESSEL and her engines, equipment and machinery.

## 6. DIVISION OF LIABILITY

- (a) The BUYER'S REPRESENTATIVE and his assistants shall at all times remain the employees of the BUYER.
- (b) The BUILDER shall not be liable to the BUYER or the BUYER'S REPRESENTATIVE or to his assistants or to the BUYER'S employees or agents for personal injuries, including death, during the time they, or any of them, are on the VESSEL, or within the premises of either the BUILDER or its sub-contractors, or are otherwise engaged in and about the construction of the VESSEL, unless, however, such personal injuries, including death, are caused by the gross negligence of the BUILDER, its sub-contractors, or its or their employees or agents. The BUILDER shall not be liable to the BUYER for damages to, or destruction of property of the BUYER or of the BUYER'S REPRESENTATIVE or his assistants or the BUYER's employees or agents, unless such damages, loss or destruction is caused by the gross negligence of the BUILDER, its sub-contractors, or its or their employees or agents.
- (c) The BUYER and the BUYER'S REPRESENTATIVE and his assistants shall not be liable to the BUILDER or to the BUILDER's employees or agents for personal injuries, including death, to any of the BUILDER's personnel unless however, such personal injuries, including death, are caused by the gross negligence of the BUYER, the BUYER's

REPRESENTATIVE or his assistants. The BUYER and the BUYER'S REPRESENTATIVE and his assistants shall not be liable to the BUILDER or to the BUILDER's employees or agents for damages to, or destruction of property of the BUILDER, the BUILDER's employees or agents, unless such damages, loss or destruction is caused by the gross negligence of the BUYER, the BUYER'S REPRESENTATIVE or his assistants.

**7. RESPONSIBILITY OF THE BUYER**

The BUYER shall undertake and assure that the BUYER'S REPRESENTATIVE and his assistants shall carry out their duties hereunder in accordance with the normal shipbuilding practice and in such a way as to avoid any unnecessary increase in building cost, delay in the construction of the VESSEL, and/or any disturbance in the construction schedule of the BUILDER.

The BUILDER has the right to request the BUYER to replace any of the BUYER'S REPRESENTATIVE and/or his assistants who are deemed unsuitable and unsatisfactory for the proper progress of the VESSEL's construction. The BUYER shall investigate the situation by sending its representative(s) to the SHIPYARD and if the BUYER considers that such BUILDER's request is justified, the BUYER shall effect the replacement as soon as conveniently arrangeable.

(End of Article)

**ARTICLE V : MODIFICATIONS, CHANGES AND EXTRAS****1. HOW EFFECTED**

Minor modifications or changes to the SPECIFICATIONS and the PLAN under which the VESSEL is to be constructed may be made at any time hereafter by written agreement of the parties hereto. Any modification or change requested by the BUYER which does not substantially amend the SPECIFICATIONS, shall be agreed to by the BUILDER if the BUYER agrees to adjustment of the CONTRACT PRICE, deadweight and/or cubic capacity, speed requirements, the DELIVERY DATE and other terms and conditions of this CONTRACT, reasonably required as a result of such modification or change. The BUILDER has the right to continue construction of the VESSEL on the basis of the SPECIFICATIONS and the PLAN until the BUYER has agreed to such adjustments. The BUILDER shall be entitled to refuse to make any alteration, change or modification of the SPECIFICATIONS and/or the PLAN requested by the BUYER, if the BUYER does not agree to the aforesaid adjustments within seven (7) days of the BUILDER's notification of the same to the BUYER, or, if, in the BUILDER's reasonable judgement, the compliance with such request of the BUYER would cause an unreasonable disruption of the normal working schedule of the SHIPYARD.

The BUILDER, however, agrees to exert its best efforts to accommodate such reasonable request by the BUYER so that the said change and modification shall be made at a reasonable cost and within the shortest period of time reasonably possible. The aforementioned agreement to modify and change the SPECIFICATIONS and the PLAN may be effected by exchange of letters, email or facsimiles manifesting the agreement.

The letters, emails and facsimiles exchanged by the parties pursuant to the foregoing shall constitute an amendment to this CONTRACT and the SPECIFICATIONS or the PLAN under which the VESSEL shall be built. Upon consummation of such an agreement to modify and change the SPECIFICATIONS or the PLAN, the BUILDER shall alter the construction of the VESSEL in accordance therewith including any addition to, or deduction from, the work to be performed in connection with such construction.

**2. SUBSTITUTION OF MATERIAL**

If any materials, machinery or equipment required for the construction of the VESSEL by the SPECIFICATIONS and the PLAN or otherwise under this CONTRACT cannot be

procured in time to meet the BUILDER's construction schedule for the VESSEL, the BUILDER may supply, subject to the BUYER's prior approval, other materials, machinery or equipment of equal quality and effect capable of meeting the requirements of the CLASSIFICATION SOCIETY and the rules, regulations and requirements with which the construction of the VESSEL must comply.

### **3. CHANGES IN RULES AND REGULATIONS**

- (a) If, after the date of signing of this CONTRACT, the specified rules and regulations with which the construction of the VESSEL is required to comply are altered or changed by the CLASSIFICATION SOCIETY or regulatory bodies authorised to make such alterations or changes, or there are any new rules or regulations coming into force that the VESSEL is required to comply with, either the BUYER or the BUILDER, upon receipt of due notice thereof, shall forthwith give notice thereof to the other party in writing. Thereupon, within ten (10) days after giving the notice to the BUILDER or receiving the notice from the BUILDER, the BUYER shall advise the BUILDER as to the alterations and changes, if any, to be made on the VESSEL which the BUYER, in its sole discretion, shall decide. The BUILDER shall not be obliged to comply with such alterations and/or changes if the BUYER fails to notify the BUILDER of its decision within the time limit stated above.
- (b) The BUILDER shall comply promptly with the said request of the BUYER, provided that the BUILDER and the BUYER shall, acting reasonably, first agree to:
- (i) any reasonable increase or decrease in the CONTRACT PRICE of the VESSEL that is occasioned by such compliance;
  - (ii) any reasonable extension or advancement in the Delivery Date of the VESSEL that is occasioned by such compliance;
  - (iii) any reasonable increase or decrease in the deadweight and/or cubic capacity of the VESSEL, if such compliance results in any increase or reduction in the deadweight and/or cubic capacity;
  - (iv) any reasonable adjustment of the speed requirements if such compliance results in any increase or reduction in the speed;  
and
  - (v) any other reasonable alterations in the terms of this CONTRACT or of

the SPECIFICATIONS or the PLAN or both, if such compliance makes such alterations of the terms necessary.

Such agreement between the BUYER and the BUILDER shall be effected in the same manner as provided above for modification and change of the SPECIFICATIONS and the PLAN. Any failure by the parties to reach such agreement shall be referred to arbitration in accordance with Article XIII hereof.

Any delay in the construction of the VESSEL caused by the BUYER's delay in making a decision or by reaching an agreement as above, shall constitute a permissible delay under this CONTRACT.

(End of Article)

**ARTICLE VI : TRIALS AND COMPLETION****1. NOTICE**

The BUILDER shall notify the BUYER by email or facsimile at least fourteen (14) days in advance of the time and place of the trial run of the VESSEL. Such notice shall specify the place from which the VESSEL will commence her trial run and approximate date upon which the trial run is expected to take place. Such date shall be further confirmed by the BUILDER five (5) days in advance of the trial run by email or facsimile.

The BUYER'S REPRESENTATIVE and any of his assistants who is to witness the performance of the VESSEL during such trial run, shall be present at such place on the date specified in such notice. Should the BUYER'S REPRESENTATIVE fail to be present after the BUILDER's due notice to the BUYER as provided above, the BUILDER shall be entitled to conduct such trial run with the presence of the representative(s) of the CLASSIFICATION SOCIETY only, and without the BUYER'S REPRESENTATIVE being present. In such case, the BUYER shall be obliged to accept the VESSEL on the basis of a certificate jointly issued by the BUILDER and the CLASSIFICATION SOCIETY certifying that the VESSEL, after the trial run, subject to minor alterations and corrections as provided in this Article, if any, has been found to conform with the SPECIFICATIONS and this CONTRACT and is otherwise satisfactory in all respects.

**2. WEATHER CONDITION**

In the event of unfavourable weather on the date specified for the trial run, the trial run shall take place on the first available day that weather conditions permit. The parties hereto recognise that the weather conditions in Korean waters, in which the trial run is to take place, are such that great changes in weather may arise momentarily and without warning and therefore, it is agreed that if, during the trial run, the weather should become so unfavourable that the trial run cannot be continued, then the trial run shall be discontinued and postponed until the first favourable day next following, unless the BUYER shall assent to the acceptance of the VESSEL by notification in writing on the basis of such trial run so far made prior to such change in weather conditions. Any delay of the trial run caused by weather conditions in excess of Beaufort 5 shall also operate to extend the DELIVERY DATE of the VESSEL for the period of delay occasioned by such unfavourable weather conditions.

**3. HOW CONDUCTED**

All expenses in connection with the trials of the VESSEL are to be for the account of the BUILDER, which, during the trials, is to provide at its own expense the necessary crew to comply with conditions of safe navigation. The trials shall be conducted in the manner prescribed in this CONTRACT and the SPECIFICATIONS, and shall prove fulfilment of the performance requirements for the trials as set forth in the SPECIFICATIONS.

The BUILDER shall be entitled to conduct preliminary sea trials, during which the propulsion plant and/or its appurtenance shall be adjusted according to the BUILDER's judgement. The BUILDER shall have the right to repeat any trial whatsoever as it deems necessary.

**4. CONSUMABLE STORES**

The BUILDER shall load the VESSEL with the required quantity of fuel oil, lubricating oil and greases, fresh water, and other stores necessary to conduct the trials as set forth in the SPECIFICATIONS. The necessary ballast (fuel oil, fresh water and such other ballast as may be required) to bring the VESSEL to the trial load draft, as specified in the SPECIFICATIONS, shall be supplied and paid for by the BUILDER, whilst lubricating oil and greases shall be supplied and paid for by the BUYER within the time advised by the BUILDER for the conduct of sea trials as well as for use before the delivery of VESSEL to the BUYER. The fuel oil as well as lubricating oil and greases shall be supplied in accordance with the specifications of the main engine and other machinery and the BUYER shall decide and advise the BUILDER of the supplier's name for lubricating oil and greases before the work-commencement of the VESSEL, provided that the supplier shall be acceptable to the BUILDER and/or the makers of all the machinery.

Any fuel oil, fresh water or other consumable stores furnished and paid for by the BUILDER for trial runs remaining on board the VESSEL, at the time of acceptance of the VESSEL by the BUYER, shall be bought by the BUYER from the BUILDER at the BUILDER's original purchase price supported by invoices, and payment by the BUYER thereof shall be made at the time of delivery of the VESSEL. The BUILDER shall pay the BUYER at the time of delivery of the VESSEL for the consumed quantity of any lubricating oil and greases which were furnished and paid for by the BUYER at the BUYER's purchase price thereof. The consumed quantity of lubricating oils and greases shall be calculated on the basis of the difference between the remaining amount, including the



same remaining in the main engine, other machinery and their pipes, stern tube and the like, and the supplied amount.

## 5. ACCEPTANCE OR REJECTION

- (a) If, during any sea trial, any breakdown occurs entailing interruption or irregular performance which can be repaired on board, the trial shall be continued after such repairs and be valid in all respects.
- (b) However, if during or after the trial run, it becomes apparent that the VESSEL or any part of her equipment does not conform to the requirements of this CONTRACT, the SPECIFICATIONS and the PLAN, the BUILDER shall notify the BUYER promptly by e-mail or facsimile to such effect and shall simultaneously advise the BUYER of the estimated additional time required for the necessary alterations or corrections to be made- to correct such non-conformity.

The BUYER shall, within two (2) days of receipt from the BUILDER of notice of completion of such alterations or corrections and after such further trials or tests as necessary, notify the BUILDER by email or facsimile confirmed in writing of its acceptance, qualified acceptance or rejection of the VESSEL, all in accordance with the SPECIFICATIONS, the PLAN and this CONTRACT, and shall not be entitled to reject the VESSEL on such grounds until such time.

- (c) Save as above provided, the BUYER shall, within two (2) days after completion of the trial run, notify the BUILDER by email or facsimile confirmed in writing of its acceptance of the VESSEL or of the details in respect of which the VESSEL does not conform to the SPECIFICATIONS or this CONTRACT.

If the BUILDER is in agreement with the BUYER's determinations as to non-conformity, the BUILDER shall make such alterations or changes as may be necessary to correct such non-conformity and shall prove the fulfilment of this CONTRACT, the SPECIFICATIONS and the PLAN by such tests or trials as may be necessary.

The BUYER shall, within two (2) days after completion of such tests and/or trials, notify the BUILDER by email or facsimile confirmed in writing of its acceptance or rejection of the VESSEL.

- (d) However, the BUYER shall not be entitled to reject the VESSEL by reason of any minor or insubstantial items judged from the point of view of standard shipbuilding and shipping practice as not being in conformity with the CONTRACT, the SPECIFICATIONS and the PLAN, and which do not effect the issuance of the required certificates from the CLASSIFICATION SOCIETY and regulatory bodies, but that in such case, the BUILDER shall not be released from the obligation to correct and/or remedy such minor or insubstantial items as soon as practicable after the delivery of the VESSEL.

## **6. EFFECT OF ACCEPTANCE**

The BUYER's written, facsimiled or emailed notification of acceptance delivered to the BUILDER as above provided, shall be final and binding insofar as the trial results demonstrate conformity of the VESSEL with this CONTRACT, the SPECIFICATIONS and the PLAN is concerned and shall preclude the BUYER from refusing formal delivery of the VESSEL as hereinafter provided, if the BUILDER complies with all conditions of delivery, as herein set forth and provided that, in the case of qualified acceptance, any matters which were mentioned in the notice of the qualified acceptance by the BUYER as requiring correction have been corrected satisfactorily.

If the BUYER fails to notify the BUILDER of its acceptance or rejection of the VESSEL as hereinabove provided, the BUYER shall be deemed to have accepted the VESSEL. Nothing contained in this Article shall preclude the BUILDER from exercising any and all rights which the BUILDER has under this CONTRACT if the BUILDER disagrees with the BUYER's rejection of the VESSEL or any reasons given for such rejection, including arbitration provided in Article XIII hereof.

(End of Article)

**ARTICLE VII : DELIVERY****1. TIME AND PLACE**

The VESSEL shall be delivered by the BUILDER to the BUYER at the SHIPYARD, safely afloat on July 29, 2016 (hereinafter called the "DELIVERY DATE") after completion of satisfactory trials and acceptance by the BUYER in accordance with the terms of Article VI, except that, in the event of delays in delivery of the VESSEL by the BUILDER due to causes which under the terms of this CONTRACT permit extensions of the time for delivery of the VESSEL, the aforementioned DELIVERY DATE shall be extended accordingly.

**2. WHEN AND HOW EFFECTED**

Provided that the BUYER shall concurrently with delivery of the VESSEL release to the BUILDER the fifth instalment as set forth in Article X.2. hereof and shall have fulfilled all of its obligations provided for in this CONTRACT, delivery of the VESSEL shall be forthwith effected upon acceptance thereof by the BUYER, as hereinabove provided, by the concurrent delivery by each of the parties hereto to the other of a PROTOCOL OF DELIVERY AND ACCEPTANCE acknowledging delivery of the VESSEL by the BUILDER and acceptance thereof by the BUYER, which PROTOCOL shall be prepared in duplicate and signed by each of the parties hereto.

**3. DOCUMENTS TO BE DELIVERED TO THE BUYER**

Upon delivery and acceptance of the VESSEL, the BUILDER shall deliver to the BUYER the following documents, which shall accompany the aforementioned PROTOCOL OF DELIVERY AND ACCEPTANCE:

- (a) PROTOCOL OF TRIALS of the VESSEL made pursuant to this CONTRACT and the SPECIFICATIONS,
- (b) PROTOCOL OF INVENTORY of the equipment of the VESSEL, including spare parts, all as specified in the SPECIFICATIONS,
- (c) PROTOCOL OF STORES OF CONSUMABLE NATURE, such as all fuel oil and fresh water remaining in tanks if its cost is charged to the BUYER, and all consumed

lubricating oils and greases if its cost is charged to the BUILDER, in each case under Article VI.4. hereof,

- (d) DRAWINGS AND PLANS pertaining to the VESSEL as stipulated in the SPECIFICATIONS, which shall be furnished to the BUYER at no additional cost,
- (e) ALL CERTIFICATES, clean and free of recommendations (unless otherwise mutually agreed by the parties), required to be furnished upon delivery of the VESSEL pursuant to this CONTRACT, the SPECIFICATIONS and the customary shipbuilding practice, including
  - (i) Classification Certificate
  - (ii) Safety Construction Certificate
  - (iii) Safety Equipment Certificate
  - (iv) Safety Radio Certificate
  - (v) International Loadline Certificate
  - (vi) International Tonnage Certificate
  - (vii) BUILDER's Certificate
  - (viii) Ship Sanitation Control Exemption Certificate

However, it is agreed by the parties that if the Classification Certificate and/or other certificates are not available at the time of delivery of the VESSEL, provisional certificates shall be accepted by the BUYER, provided that the BUILDER shall furnish the BUYER with formal certificates as promptly as possible after such formal certificates have been issued and in any event before the expiry of the provisional certificates unless otherwise mutually agreed.

- (f) DECLARATION OF WARRANTY of the BUILDER that the VESSEL is delivered to the BUYER free and clear of any liens, claims, mortgages, or other encumbrances upon the BUYER's title thereto, and in particular, that the VESSEL is absolutely free of all burdens in the nature of imposts, taxes, or charges imposed by the prefecture or country of the port of delivery, as well as of all liabilities of the BUILDER to its sub-contractors and employees and of all liabilities arising from the operation of the VESSEL in trial runs, or otherwise, prior to delivery.
- (g) COMMERCIAL INVOICE (issued by the BUILDER).
- (h) BILL OF SALE (issued by the BUILDER).

- (i) BUILDER's CERTIFICATE (issued by the BUILDER).
- (j) Any other documents reasonably required by the BUYER to be supplied by the BUILDER.

All such documents shall be in the English language and the documents listed in (g), (h) and (i) above, shall be notarized and/or legalized as may be required by the BUYER in order for the BUYER to register the VESSEL in its name in accordance with Article 1.5.

#### **4. TENDER OF THE VESSEL**

If the BUYER fails to take delivery of the VESSEL after completion thereof according to this CONTRACT, the SPECIFICATIONS and the PLAN, the BUILDER shall have the right to tender delivery of the VESSEL after compliance with all procedural requirements as provided above.

#### **5. TITLE AND RISK**

Title and risk shall pass to the BUYER upon delivery of the VESSEL being effected as stated above and the BUILDER shall be free of all responsibility or liability whatsoever related with this CONTRACT except for the warranty of quality contained in Article IX and the obligation to correct and/or remedy, as provided in Article VI.5.(d), if any, it being expressly understood that, until such delivery is effected, the VESSEL and equipment thereof are at the entire risk of the BUILDER including but not confined to, risks of war, insurrection and seizure by Governments or Authorities, whether Korean or foreign, and whether at war or at peace. The title to the BUYER's supplies as provided in Article XII shall remain with the BUYER and the BUILDER's responsibility for such BUYER's supplies shall be as described in Article XII.2.

#### **6. REMOVAL OF THE VESSEL**

The BUYER shall take possession of the VESSEL immediately upon delivery thereof and shall remove the VESSEL from the SHIPYARD within three (3) days after delivery thereof is effected. Port dues and other charges levied by the Korean Government Authorities after delivery of the VESSEL and any other costs related to the removal of the VESSEL shall be borne by the BUYER.

(End of Article)

**ARTICLE VIII : DELAYS AND EXTENSIONS OF TIME (FORCE MAJEURE)****1. CAUSES OF DELAY**

If, at any time after signing this CONTRACT, either the construction or delivery of the VESSEL or any performance required hereunder as a prerequisite to the delivery thereof is delayed by any of the following events, namely: war, acts of state or government, blockade, revolution, insurrections, mobilization, civil commotion, riots or sabotage; strikes, lockouts or other labour disturbances happening generally in the relevant location or industry sector; Acts of God or the public enemy, quarantines, plague or other epidemics; shortage or prolonged failure of electric current, freight embargoes, or shortage of materials, machinery or equipment or an inability to obtain delivery or delays in delivery of materials, machinery or equipment, provided that at the time of ordering the same could reasonably be expected by the BUILDER to be delivered in time; earthquakes, tidal waves, typhoons, hurricanes, prolonged or unusually severe weather conditions; or destruction of the premises or works of the BUILDER or its sub-contractors, or of the VESSEL, or any part thereof, by fire, landslides, flood, lightning or explosion; or delays in the BUILDER's other commitments directly related to the construction activities at the SHIPYARD resulting from any such causes as described in this Paragraph 1, which in turn delay the construction of the VESSEL or the BUILDER's performance under the CONTRACT; or other causes beyond the control of the BUILDER, or its sub-contractors, as the case may be, which are not due to the negligence or default of the BUILDER or its subcontractors using reasonable care; or for any other causes which, under the terms of this CONTRACT, authorise and permit extension of the time for delivery of the VESSEL, then, in the event of delays due to the happening of any of the aforementioned contingencies, the DELIVERY DATE of the VESSEL under this CONTRACT shall be extended for the period of time that the VESSEL is delayed which shall not exceed the total accumulated time of all such delays.

The BUILDER shall, however, always do his utmost to minimise the delay in delivery of the VESSEL.

**2. NOTICE OF DELAYS**

Within two (2) weeks from the date of commencement of any delay on account of which the BUILDER claims that it is entitled under this CONTRACT to an extension of the DELIVERY DATE of the VESSEL, excluding delays due to arbitration, the BUILDER shall

advise the BUYER by email or facsimile of the date such delay commenced, the reasons thereof and, if possible, its estimated duration of the probable delay in the delivery of the VESSEL, and shall supply the BUYER if reasonably available with evidence to justify the delay claimed. Failure of the BUILDER to issue a notification and/or claim for an extension of the DELIVERY DATE within two (2) weeks as aforesaid, shall be deemed to be a waiver by the BUILDER of its right to seek such extension.

Within one (1) week after such delay ends, the BUILDER shall likewise advise the BUYER by email or facsimile of the date that such delay ended, and also, shall specify the period of time by which the BUILDER claims the DELIVERY DATE should be extended by reason of such delay. Failure of the BUYER to object to the BUILDER's notification of any claim for extension of the DELIVERY DATE within one (1) week after receipt by the BUYER of such notification shall be deemed to be a waiver by the BUYER of its right to object to such extension.

### **3. RIGHT TO CANCEL FOR EXCESSIVE DELAY**

If the total accumulated time of all permissible and non-permissible delays, excluding delays due to (i) arbitration under Article XIII, (ii) the BUYER's defaults under Article XI, (iii) modifications and changes under Article V or (iv) delays or defects in the BUYER's supplies as stipulated in Article XII, aggregates two hundred and seventy (270) days or more, then, the BUYER may, at any time thereafter, cancel this CONTRACT by giving a written notice of cancellation to the BUILDER. Such cancellation shall be effective as of the date the notice thereof is received by the BUILDER.

If the BUYER has not served the notice of cancellation as provided in the above or Article III.1. hereof, the BUILDER may, at any time after expiration of the accumulated time of the delay in delivery, either two hundred and seventy (270) days in case of the delay in this Paragraph or two hundred and ten (210) days in case of the delay in Article III.1, notify the BUYER of the future date upon which the BUILDER estimates the VESSEL will be ready for delivery and demand by email or facsimile that the BUYER make an election either to cancel this CONTRACT or to consent to the delivery of the VESSEL at such future date, in which case the BUYER shall, within seven (7) days after receipt of such demand, make and notify the BUILDER of such election. If the BUYER elects to consent to the delivery of the VESSEL at such future date (or other future date as the parties may agree):

- (a) Such future date shall become the contractual delivery date for the purposes of this

CONTRACT and shall be subject to extension by reason of permissible delays as herein provided, and

- (b) If the VESSEL is not delivered by such revised contractual delivery date (as extended by reason of permissible delays), the BUYER shall have the same right of cancellation upon the same terms as provided in the above and Article III. 1.

If the BUYER shall not make an election within seven (7) days as provided hereinabove, the BUYER shall be deemed to have accepted such extension of the DELIVERY DATE to the future delivery date indicated by the BUILDER.

**4. DEFINITION OF PERMISSIBLE DELAYS**

Delays on account of the foregoing causes shall be understood to be permissible delays, and are to be distinguished from non-permissible unauthorised delays on account of which the CONTRACT PRICE of the VESSEL is subject to adjustment as provided in Article III hereof.

(End of Article)



**ARTICLE IX : WARRANTY OF QUALITY****1. GUARANTEE OF MATERIAL AND WORKMANSHIP**

The BUILDER, for the period of twelve (12) months from the date of delivery of the VESSEL to the BUYER, guarantees the VESSEL and all parts and equipment thereof that are manufactured or furnished or supplied by the BUILDER and/or its subcontractors under this CONTRACT against all defects which are due to defective materials, faulty design, poor workmanship and/or defective equipment, provided such defects have not been caused by perils of the sea, rivers or navigations, or by normal wear and tear, or by incompetence, mismanagement, negligence or wilful neglect of the BUYER, its employees or agents, or by fire or accidents at sea not themselves caused by defective materials, faulty design, poor workmanship and/or defective equipment.

The BUILDER, for a further period of twelve (12) months in addition to the twelve (12) month period stipulated above, guarantees the main engine of the VESSEL, against all defects which are due to defective materials, faulty design, poor workmanship and/or defective equipment.

Furthermore, for any item replaced or repaired, or any problem rectified in accordance with this Article, the BUILDER shall guarantee the aforementioned item(s) for a period of twelve (12) months from the date of completion or such repair or replacement, provided that such extended warranty period shall not exceed thirty-six (36) months in total from the actual date of delivery of the VESSEL.

**2. NOTICE OF DEFECTS**

The BUYER or its duly authorised representative will notify the BUILDER by email or facsimile promptly after discovery of any defect for which a claim is to be made under this guarantee.

The BUYER's written notice shall include full particulars as to the nature of the defect and the extent of the damage caused thereby, but excluding consequential damage as hereinafter provided. The BUILDER will be under no obligation with respect to this guarantee in respect of any claim for defects discovered prior to the expiry date of the guarantee, unless notice of such defects is received by the BUILDER before the expiry date. However, email or facsimiled advice received by the BUILDER within three (3) days

after such expiry date that a claim is forthcoming will be sufficient compliance with the requirement as to time, provided that such emailed or facsimiled advice shall include at least a brief description of the defect including the identity of the equipment, extent of damage, name and number of any replacement part and description of any remedial work required, and that full particulars are given to the BUILDER not later than seven (7) days after the expiry date.

### **3. REMEDY OF DEFECTS**

- (a) The BUILDER shall remedy, at its expense, any defects, against which the VESSEL is guaranteed under this Article, by making all necessary repairs or replacements at the SHIPYARD or elsewhere as provided for in (b) hereinbelow.

In such case, the VESSEL shall be taken at the BUYER's cost and responsibility to the place selected, ready in all respects for such repairs or replacements and in any event, the BUILDER shall not be responsible for towage, dockage, wharfage, port charges and anything else incurred for the BUYER's getting and keeping the VESSEL ready for such repairing or replacing.

- (b) However, if it is impractical (which shall include, but not be limited to, an emergency) to bring the VESSEL to the SHIPYARD, the BUYER may cause the necessary repairs or replacements to be made elsewhere which is deemed by the BUYER with the consent of the BUILDER which shall not be unreasonably withheld, to be suitable for the purpose, provided that, in such event, the BUILDER may forward or supply replacement parts or materials under the terms described in (c) hereinbelow, unless forwarding or supplying thereof under the terms described in (c) hereinbelow would impair or delay the operation or working schedule of the VESSEL. In the event that the BUYER proposes to cause the necessary repairs or replacements to be made to the VESSEL at any shipyard or works other than the SHIPYARD, the BUYER shall first (but in all events as soon as reasonably possible) give the BUILDER notice by email or facsimile of the time and place such repairs will be made, and if the VESSEL is not thereby delayed, or her operation or working schedule is not thereby impaired, the BUILDER shall have the right to verify by its own representative(s) the nature and extent of the defects complained of. The BUILDER shall, in such case, promptly advise the BUYER by email or facsimile, after such examination has been completed, of its acceptance or rejection of the defects as ones that are covered by the guarantee herein provided.

Upon the BUILDER's acceptance of the defects as justifying remedy under this Article, or upon award of the arbitration so determining, the BUILDER shall compensate the BUYER an amount equal to the reasonable cost of making the same repairs or replacements at the SHIPYARD.

- (c) In the event that it is necessary for the BUILDER to forward a replacement for a defective part under this guarantee, replacement parts shall be shipped to the BUYER under the C.I.F terms to the BUYER's nominated port. The BUILDER reserves the option to retrieve, at the BUILDER's cost, any of the replaced equipment/parts in case defects are remedied in accordance with the provisions in this Article.
- (d) Any dispute under this Article shall be referred to arbitration in accordance with the provisions of Article XIII hereof.

#### **4. EXTENT OF THE BUILDER'S LIABILITY**

- (a) After delivery of the VESSEL the responsibility of the BUILDER in respect of and/or in connection with the VESSEL and/or this CONTRACT shall be limited to the extent expressly provided in this Article. Except as expressly provided in the foregoing Paragraph, in no circumstances and on no ground whatsoever shall the BUILDER have any responsibility or liability whatsoever or howsoever arising in respect of or in connection with the VESSEL or this CONTRACT after the delivery of the VESSEL. Further, but without in any way limiting the generality of the foregoing, the BUILDER shall have no liability or responsibility whatsoever or howsoever arising for or in connection with any consequential or special losses, damages or expenses (including but not limited to loss of time, loss of profit or earnings or demurrage directly or indirectly caused), any pecuniary loss or expense, any liability to any third party or any fine, compensation, penalty or other payment or sanction incurred by or imposed upon the BUYER or any other party whatsoever in relation to or in connection with this CONTRACT or the VESSEL.
- (b) The BUILDER shall be under no obligation with respect to defects in respect of which the BUILDER has not received notice in accordance with Paragraph 2 of this Article by the expiry date of the guarantee specified in Paragraph 1, nor in any event shall the BUILDER be liable for any worsening of the defects after the expiry date of the guarantee specified in Paragraph 1.
- (c) The BUILDER shall under no circumstances be liable for defects in the VESSEL or

any part of equipment thereof caused by perils of the sea, rivers or navigations, or by normal wear and tear, or by incompetence, mismanagement, negligence or wilful neglect of the BUYER, its employees or agents, or by fire or accidents at sea not themselves caused by defective materials, faulty design, poor workmanship and/or defective equipment. Likewise, the BUILDER shall not be liable for defects in the VESSEL or any part of equipment thereof that are due to repairs or replacements carried out by any other than the BUILDER or which have not been carried out in accordance with the procedure set out in Paragraph 3 (b) of this Article.

- (d) The BUILDER shall not be obliged to repair, not be liable for, damage to the VESSEL or any part of the equipment thereof, which after delivery of the VESSEL, is caused other than by the defects of the nature specified in this Article. The guarantees contained as hereinabove in this Article replace and exclude any other liability, guarantee, warranty and/or condition imposed or implied by statute, common law, custom, contract (including this CONTRACT) or otherwise on the part of the BUILDER by reason of the construction and sale of the VESSEL for and to the BUYER or for any other reason whatsoever.

(End of Article)

**ARTICLE X : PAYMENT****1. CURRENCY**

All payments under this CONTRACT shall be made in United States Dollars.

**2. TERMS OF PAYMENT**

The payments of the CONTRACT PRICE shall be made as follows :

**(a) First Instalment**

Twenty per cent (20%) of the CONTRACT PRICE amounting to U.S.Dollars Eighteen Million Five Hundred and Forty Seven Thousand Four Hundred (US\$ 18,547,400) shall be paid within three (3) business days after either the BUYER's receipt of Letter of Guarantee or the BUYER's bank's receipt of Letter of Guarantee by SWIFT, as the case may be, duly issued in accordance with Paragraph 8 of this Article.

Under this CONTRACT, in counting the business days, only Saturdays and Sundays are excepted. When a due date falls on a day when banks are not open for business in New York, N.Y., U.S.A., Amsterdam, The Netherlands and in Oslo, Norway, such due date shall fall due upon the first business day next following.

**(b) Second Instalment**

Ten per cent (10%) of the CONTRACT PRICE amounting to U.S.Dollars Nine Million Two Hundred and Seventy Three Thousand Seven Hundred (US\$ 9,273,700) shall be paid on the date falling six (6) months from the date of signing this CONTRACT.

**(c) Third Instalment**

Ten per cent (10%) of the CONTRACT PRICE amounting to U.S.Dollars Nine Million Two Hundred and Seventy Three Thousand Seven Hundred (US\$ 9,273,700) shall be paid within three (3) business days after the BUILDER has notified the BUYER by email or facsimile accompanied by a certificate signed by the

CLASSIFICATION SOCIETY stating that steel cutting of the VESSEL has been commenced.

(d) Fourth Instalment

Ten per cent (10%) of the CONTRACT PRICE amounting to U.S. Dollars Nine Million Two Hundred and Seventy Three Thousand Seven Hundred (US\$ 9,273,700) shall be paid within three (3) business days after the BUILDER has notified the BUYER by email or facsimile accompanied by a certificate signed by the CLASSIFICATION SOCIETY, stating that the first block of the keel has been laid.

(e) Fifth Instalment

Fifty per cent (50%) of the CONTRACT PRICE amounting to U.S.Dollars Forty Six Million Three Hundred and Sixty Eight Thousand Five Hundred (US\$ 46,368,500) plus or minus any increase or decrease due to modifications and/or adjustment, if any, arising prior to delivery of the VESSEL of the CONTRACT PRICE under Articles III and V of this CONTRACT shall be paid to the BUILDER concurrently with the execution of the PROTOCOL OF DELIVERY AND ACCEPTANCE of the VESSEL, as provided for in Article VII.

(The date stipulated for payment of each of the five instalments mentioned above is hereinafter in this Article and in Article XI referred to as the "DUE DATE" of that instalment).

It is understood and agreed upon by the BUILDER and the BUYER that all payments under the provisions of this Article shall not be delayed or withheld by the BUYER due to any dispute or disagreement of whatsoever nature arising between the BUILDER and the BUYER. Should there be any dispute in this connection, the matter shall be dealt with in accordance with the provisions of arbitration in Article XIII hereof. Expenses for remitting payments and any other expenses connected with such payments shall be for the account of the BUYER.

**3. DEMAND FOR PAYMENT**

At least fourteen (14) days prior to the date of each event provided in Paragraph 2 of this Article on which any payment shall fall due hereunder, with the exception of the payment of the first and second instalments, the BUILDER shall notify the BUYER by email or

facsimile of the date such payment shall become due.

The BUYER shall immediately acknowledge receipt of such notification by email or facsimile to the BUILDER, and make payment as set forth in this Article. If the BUILDER fails to receive the BUYER's said acknowledgement within three (3) days after sending the aforementioned notification, the BUILDER shall promptly email or facsimile to the BUYER a second notification of similar import. The BUYER shall immediately acknowledge by email or facsimile receipt of the foregoing second notification regardless of whether or not the first notification was acknowledged as aforesaid.

#### **4. METHOD OF PAYMENT**

- (a) All the pre-delivery payments and the payment due on delivery in settlement of the CONTRACT PRICE as provided for in Paragraph 2 of this Article shall be made in U.S. Dollars on or before the DUE DATE thereof by telegraphic transfer as follows;
- (i) The payment of the first, second, third and fourth instalments shall be made to the account (Account No.: 001-1-545027) of the Hana Bank (hereinafter called the "Hana Bank") with JP MORGAN CHASE BANK, N.A., 4 New York Plaza Floor 15, New York, NY 10004, USA. In the event that the BUILDER nominates a bank other than the Hana Bank, the BUILDER shall notify the BUYER of the designated bank and account at least ten (10) business days prior to the DUE DATE.
- (ii) The fifth instalment as provided for in Paragraph 2.(e) of this Article shall be deposited in an account in the name of the BUILDER with the Hana Bank, Seoul branch, or, if the BUILDER requires, at the account of the BUILDER with another internationally recognized bank that is approved by the BUYER (acting reasonably) by telegraphic transfer remittance at least three (3) business days prior to the scheduled delivery date of the VESSEL notified by the BUILDER, with instructions that the said instalment is payable to the BUILDER against presentation by the BUILDER to the Hana Bank or such other bank nominated by the BUILDER (and approved by the BUYER), as the case may be, of a duplicate original copy of the PROTOCOL OF DELIVERY AND ACCEPTANCE of the VESSEL signed by the BUILDER and the BUYER.

The BUILDER shall advise the BUYER of the details of its account with the Hana Bank, Seoul Branch or such other internationally recognized bank for the

BUYER's approval (acting reasonably), at least fifteen (15) business days prior to the scheduled delivery date of the VESSEL.

The instruction by the BUYER to the Hana Bank or such other bank nominated by the BUILDER shall include instructions that the Hana Bank or such other bank nominated by the BUILDER shall return the amount deposited to the account specified by the BUYER or by the BUYER's financing bank in the event that delivery of the VESSEL is not effected with fifteen (15) days of the BUYER making the deposit. However, if the BUILDER and the SELLER both agree on a newly scheduled delivery date, the BUYER shall make the cash deposit in accordance with the same terms and conditions as set out above.

- (b) Simultaneously with each of such payments, the BUYER shall advise the BUILDER of the details of the payments by e-mail or facsimile and at the same time, the BUYER shall cause the BUYER's remitting Bank to advise the Hana Bank or such other bank nominated by the BUILDER of the details of such payments by authenticated bank cable or telex.

## **5. REFUND BY THE BUILDER**

The payments made by the BUYER to the BUILDER prior to delivery of the VESSEL shall constitute advances to the BUILDER. If the VESSEL is rejected by the BUYER in accordance with the terms of this CONTRACT, or except in the case of rescission or cancellation of this CONTRACT by the BUILDER under the provisions of Article XI hereof, if the BUYER terminates, cancels or rescinds this CONTRACT pursuant to any of the provisions of this CONTRACT specifically permitting the BUYER to do so, the BUILDER shall forthwith refund to the BUYER, in U.S. Dollars, the full amount of total sums paid by the BUYER to the BUILDER in advance of delivery together with interest thereon as herein provided.

The transfer and other bank charges of such refund shall be for the BUILDER's account. The interest rate of the refund, as above provided, shall be five per cent (5%) per annum from the date following the date of receipt by the BUILDER of the pre-delivery instalment(s) to the date of remittance by telegraphic transfer of such refund, provided, however, that if the cancellation of this CONTRACT by the BUYER is based solely upon delays due to force majeure or other causes beyond the control of the BUILDER as provided for in Paragraph 1 of Article VIII hereof, then in such event, the interest rate of refund shall be reduced to four per cent (4%) per annum.



It is hereby understood by both parties that payment of any interest provided herein is by way of liquidated damages due to cancellation of this CONTRACT and not by way of compensation for use of money.

If, the BUILDER is required to refund to the BUYER the instalments paid by the BUYER to the BUILDER as provided in this Paragraph, the BUILDER shall return to the BUYER all of the BUYER's supplies as stipulated in Article XII which were not incorporated into the VESSEL and pay to the BUYER an amount equal to the cost to the BUYER of those supplies incorporated into the VESSEL.

## **6. TOTAL LOSS**

If there is a total loss or a constructive total loss of the VESSEL prior to delivery thereof, the BUILDER shall proceed according to the mutual agreement of the parties hereto either:

- (a) to build another vessel in place of the VESSEL so lost and deliver it under this CONTRACT to the BUYER, provided that the parties hereto shall have agreed in writing to a reasonable cost and time for the construction of such vessel in place of the lost VESSEL; or
- (b) to refund to the BUYER the full amount of the total sums paid by the BUYER to the BUILDER under the provisions of Paragraph 2 of this Article together with interest thereon at the rate of five per cent (5%) per annum from the date following the date of receipt by the BUILDER of such pre-delivery instalment(s) to the date of payment by the BUILDER to the BUYER of the refund.

If the parties hereto fail to reach such agreement within two (2) months after the VESSEL is determined to be a total loss or constructive total loss, the provisions of (b) hereinabove shall be applied.

## **7. INSOLVENCY**

In addition to the other provisions of the CONTRACT permitting the BUYER to rescind or cancel this CONTRACT, if an order of an effective resolution shall be passed for the winding up of the BUILDER (except for the purpose of reorganization, merger or amalgamation), then the BUYER shall have the right to terminate this Contract and the provisions of Paragraph 5 of

this Article shall apply.

**8. DISCHARGE OF OBLIGATIONS**

Such refund as provided in the foregoing Paragraphs 5 and 6 by the BUILDER to the BUYER shall forthwith discharge all the obligations, duties and liabilities of each of the parties hereto to the other.

Any and all refunds or payments due to the BUYER under this CONTRACT shall be effected by telegraphic transfer to the account specified by the BUYER.

**9. REFUND GUARANTEE**

The BUILDER shall deliver to the BUYER by hard copy or by SWIFT through the BUYER's bank an assignable letter of guarantee issued by the Hana Bank or any other bank acceptable to the BUYER for the refund of the pre-delivery instalments plus interest as aforesaid to the BUYER under or pursuant to Paragraphs 5 and 6 above in the form annexed hereto as Exhibit "A". All expenses in issuing and maintaining the letter of guarantee described in this Paragraph shall be borne by the BUILDER. In case of SWIFT, the BUYER shall advise the BUILDER of the details of the BUYER's bank including the SWIFT address upon execution of this CONTRACT.

(End of Article)

**ARTICLE XI : BUYER'S DEFAULT****1. DEFINITION OF DEFAULT**

The BUYER shall be deemed to be in default under this CONTRACT in the following cases :

- (a) If the first, second, third, or fourth instalment is not paid to the BUILDER within respective DUE DATE of such instalments; or
- (b) If the fifth instalment is not deposited in an account in the name of the BUILDER with the Hana Bank, or in an account of the BUILDER with any other internationally recognized bank nominated by the BUILDER in accordance with Article X.4.(a)(ii) hereof, or if the said fifth instalment deposit is not released to the BUILDER against presentation by the BUILDER of a duplicate original copy of the PROTOCOL OF DELIVERY AND ACCEPTANCE; or
- (c) If the BUYER fails to take delivery of the VESSEL when the VESSEL is duly tendered for delivery by the BUILDER under the provisions of Article VII hereof; or
- (d) If an order or an effective resolution shall be passed for winding up of the BUYER (except for the purpose of reorganization, merger or amalgamation).

In case the BUYER is in default of any of its obligations under this CONTRACT, the BUILDER is entitled to and shall have the following rights, powers and remedies in addition to such other rights, powers and remedies as the BUILDER may have elsewhere in this CONTRACT and/or at law, at equity or otherwise.

**2. EFFECT OF THE BUYER'S DEFAULT ON OR BEFORE THE DELIVERY OF THE VESSEL**

If the BUYER shall be in default as provided in Paragraph 1 above of its obligations under this CONTRACT, then;

- (a) The DELIVERY DATE of the VESSEL shall be extended automatically for the actual period of such default and the BUILDER shall not be obliged to pay any liquidated damages for the delay in delivery of the VESSEL caused thereby.

- (b) The BUYER shall pay to the BUILDER interest at the rate of four per cent (4%) per annum in respect of the instalment(s) in default from the respective DUE DATE to the date of actual receipt by the BUILDER of the full amount of such instalment(s).
- (c) If the BUYER is in default in payment of any of the instalment(s) due and payable prior to or simultaneously with the delivery of the VESSEL, the BUILDER shall, by email or facsimile, notify the BUYER to that effect, and the BUYER shall, upon receipt of such notification, forthwith acknowledge by email or facsimile to the BUILDER that such notification has been received.
- (d) If any of the BUYER's default continues for a period of seven (7) days after the BUILDER's notification to the BUYER of such default, the BUILDER may, at its option, rescind this CONTRACT by serving upon the BUYER a written notice or a facsimile notice of rescission confirmed in writing.
- (e) In the event of such cancellation by the BUILDER of this CONTRACT due to the BUYER's default as provided for in paragraph 1 above, the BUILDER shall be entitled to retain and apply the instalments already paid by the BUYER to the recovery of the BUILDER's loss and damage including, but not being limited to, reasonable estimated profit.

### **3. SALE OF VESSEL**

If the BUILDER terminates this CONTRACT as provided in this Article XI, the BUILDER shall have the full right and power either to complete or not to complete the VESSEL which is the sole property of the BUILDER as it deems fit, and to sell the VESSEL at a public or private sale on such terms and conditions as the BUILDER thinks fit without being answerable for any loss or damage.

The proceeds received by the BUILDER from the sale shall be applied in addition to the instalment(s) retained by the BUILDER as mentioned hereinabove as follows : -

First, in payment of all reasonable costs and expenses of the sale of the VESSEL, including interest thereon at five per cent (5%) per annum from the respective date of payment of such costs and expenses aforesaid to the date of sale on account of the BUYER's default.

Second, if the VESSEL has been completed, in or towards satisfaction of the unpaid balance of the CONTRACT PRICE, to which shall be added the cost of all additional work and extras agreed by the BUYER including interest thereon at five per cent (5%) per annum from the respective DUE DATE of the instalment in default to the date of sale, or if the VESSEL has not been completed, in or towards satisfaction of the unpaid amount of the cost incurred by the BUILDER prior to the date of sale on account of construction of the VESSEL, including work, labour, materials and reasonably estimated profit which the BUILDER would have been entitled to receive if the VESSEL had been completed and delivered plus interest thereon at five per cent (5%) per annum from the respective DUE DATE of the instalment in default to the date of sale.

Third, the balance of the proceeds, if any, shall belong to the BUYER, and shall forthwith be paid over to the BUYER by the BUILDER.

In the event of the proceeds from the sale together with instalment(s) retained by the BUILDER being insufficient to pay the BUILDER, the BUYER shall be liable for the deficiency and shall pay the same to the BUILDER upon its demand.

(End of Article)

**ARTICLE XII : BUYER'S SUPPLIES****1. RESPONSIBILITY OF THE BUYER**

The BUYER shall, at its cost and expense, supply all the BUYER'S SUPPLIES as specified in Paragraph 0.16 of the SPECIFICATIONS (hereinafter called the "BUYER'S SUPPLIES"), to the BUILDER at the SHIPYARD in good condition ready for installation and in accordance with the time schedule to be furnished by the BUILDER to meet the building schedule of the VESSEL.

In order to facilitate the installation of the BUYER'S SUPPLIES by the BUILDER, the BUYER shall furnish the BUILDER with the necessary plans, instruction books, test report and all test certificates required by the BUILDER and shall cause the representative(s) of the makers of the BUYER'S SUPPLIES to give the BUILDER any advice, instructions or assistance which the BUILDER may reasonably require in the installation or adjustment thereof at the SHIPYARD, all without cost or expense to the BUILDER.

The BUYER shall be liable for any expense incurred by the BUILDER for repair of the BUYER'S SUPPLIES due to defective design or materials, poor workmanship or performance or due to damage in transit and the DELIVERY DATE of the VESSEL shall be extended for the period of such repair if such repair shall affect the delivery of the VESSEL.

Commissioning into good order of the BUYER'S SUPPLIES during and after installation on board shall be made at the BUYER's expense by the representative of respective maker or the person designated by the BUYER in accordance with the BUILDER's building schedule.

Should the BUYER fail to deliver to the BUILDER the BUYER'S SUPPLIES and the necessary document or advice for such supplies within the time specified by the BUILDER, the DELIVERY DATE of the VESSEL shall automatically be extended for the period of such delay if such delay in delivery shall affect the delivery of the VESSEL. In such event, the BUYER shall pay to the BUILDER all losses and damages sustained by the BUILDER due to such delay in the delivery of the BUYER'S SUPPLIES and such payment shall be made upon delivery of the VESSEL, provided, however, that the BUILDER shall have

- (a) furnished the BUYER with the time schedule referred to above, two (2) months prior to installation of the BUYER'S SUPPLIES and
- (b) given the BUYER written notice of any delay in delivery of the BUYER'S SUPPLIES and the necessary document or advice for such supplies as soon as the delay occurs which might give rise to a claim by the BUILDER under this Paragraph.

Furthermore, if the delay in delivery of the BUYER'S SUPPLIES and the necessary document or advice for such supplies should exceed ten (10) days from the date specified by the BUILDER, the BUILDER shall be entitled to proceed with construction of the VESSEL without installation of such items (regardless of their nature or importance to the BUYER or the VESSEL) in or on the VESSEL without prejudice to the BUILDER's right hereinabove provided, and the BUYER shall accept the VESSEL so completed.

## **2. RESPONSIBILITY OF THE BUILDER**

The BUILDER shall be responsible for storing, safekeeping and handling the BUYER'S SUPPLIES which the BUILDER is required to install on board the VESSEL under Paragraph 0.16 of the SPECIFICATIONS after delivery of such supplies to the SHIPYARD, and shall install such supplies on board the VESSEL at the BUILDER's expense unless otherwise specified in the SPECIFICATIONS.

However, the BUILDER shall not be responsible for the quality, performance or efficiency of any equipment included in the BUYER'S SUPPLIES and is under no obligation with respect to the guarantee of such equipment against any defects caused by poor quality, performance or efficiency of the BUYER'S SUPPLIES. If any of the BUYER'S SUPPLIES is lost or damaged while in the custody of the BUILDER, the BUILDER shall, if the loss or damage is due to wilful default or negligence on its part, be responsible for such loss or damage.

(End of Article)

**ARTICLE XIII : ARBITRATION****1. APPOINTMENT OF THE ARBITRATOR**

If any dispute or difference shall arise between the parties hereto concerning any matter or thing herein contained, or the operation or construction thereof, or any matter or thing in any way connected with this CONTRACT or the rights, duties or liabilities of either party under or in connection with this CONTRACT, then, in every such case, the dispute or difference shall be referred to arbitration in London by a sole arbitrator. The arbitrator shall be appointed by agreement within fourteen (14) days of first written notification of either party to the other of intention to arbitrate such dispute or difference, or in default of such agreement, upon the application of either of the parties, by the President for the time being of the London Maritime Arbitrators Association who shall in making any such appointment have due regard to the requirement for an expeditious resolution of the dispute and in particular the availability of any arbitrator so appointed for an early hearing date.

**2. LAWS APPLICABLE**

Any arbitration arising hereunder shall be governed by and construed in accordance with the Arbitration Act 1996 of England or any statutory modification or re-enactments thereof for the time being in force. The award of the arbitrator shall be final and binding upon parties hereto.

**3. PROCEEDINGS**

In the event of any dispute or difference arising or occurring prior to delivery to, or acceptance by, the BUYER of the VESSEL being referred to arbitration, the parties hereby acknowledge that time is of the essence in obtaining an award from the arbitrator on such dispute or difference and the parties hereby agree that the arbitration shall be conducted according to the following timetable:

- (a) The claimant in the arbitration to serve points of claim within fourteen (14) days of the appointment of the arbitrator.



- (b) The respondent in the arbitration to serve points of defence and points of counterclaim, if any, within fourteen (14) days thereafter.
- (c) The claimant to serve points of reply and defence to counterclaim, if any, within seven (7) days thereafter and the hearing of the arbitration to commence within twelve (12) weeks of the appointment of the arbitrator.

**4. ALTERATION OF DELIVERY OF THE VESSEL**

In the event of the arbitration of any dispute or difference arising or occurring prior to delivery to, or acceptance by the BUYER of the VESSEL, the award by the arbitrator shall include a finding as to whether or not the DELIVERY DATE of the VESSEL should, as a result of such dispute, be in any way altered thereby.

(End of Article)

**ARTICLE XIV : SUCCESSORS AND ASSIGNS**

Neither party shall assign or transfer all or any part of its rights or obligations under this CONTRACT to any third party without the prior written consent thereto of the other party.

Notwithstanding the foregoing, the BUYER shall have the right by giving notice in writing to the BUILDER, to assign the benefit of this CONTRACT and the Refund Guarantee:

- (i) to any subsidiary or affiliate company of the BUYER; and/or
- (ii) by way of security for any loan provided to the BUYER by any one or more banks or other financial institutions to finance its purchase of the VESSEL hereunder.

The BUILDER further agrees that, prior to delivery of the VESSEL, this CONTRACT may, with the prior written approval of the BUILDER, which the BUILDER shall not unreasonably withhold, be transferred to and the title thereof may be taken by another company. In the event of any assignment pursuant to the terms of this CONTRACT, the assignee, its successors and assigns shall succeed to all the rights and obligations of the BUYER under this CONTRACT. However, the BUYER shall remain responsible for performance by the assignee, its successors and assigns of all the BUYER's obligations, liabilities and responsibilities under this CONTRACT. It is understood that any expenses or charges incurred due to the transfer of this CONTRACT shall be for the account of the BUYER.

(End of Article)

**ARTICLE XV : TAXES AND DUTIES****1. TAXES AND DUTIES IN KOREA**

The BUILDER shall bear and pay all taxes and duties levied or imposed in Korea in connection with the execution and/or performance of this CONTRACT, except any taxes and duties imposed in Korea upon BUYER's Supplies or upon the activities of the BUYER's employees and agents.

**2. TAXES AND DUTIES OUTSIDE KOREA**

The BUYER shall bear and pay all taxes and duties levied or imposed outside Korea in connection with execution and/or performance of this CONTRACT except for any taxes and duties imposed upon those items or services to be procured by BUILDER for construction of the VESSEL.

(End of Article)

**ARTICLE XVI : PATENTS, TRADEMARKS AND COPYRIGHTS****1. PATENTS, TRADEMARKS AND COPYRIGHTS**

Machinery and equipment of the VESSEL, whether made or furnished by the BUILDER under this CONTRACT, may bear the patent numbers, trademarks, or trade names of the manufacturers. The BUILDER shall defend and save harmless the BUYER from all liabilities or claims for or on account of the use of any patents, copyrights or design of any nature or kind, or for the infringement thereof including any unpatented invention made or used in the performance of this CONTRACT and also for any costs and expenses of litigation, if any in connection therewith. No such liability or responsibility shall be with the BUILDER with regard to components and/or equipment and/or design supplied by the BUYER.

Nothing contained herein shall be construed as transferring any patent or trademark rights or copyrights in equipment covered by this CONTRACT, and all such rights are hereby expressly reserved to the true and lawful owners thereof.

**2. RIGHTS TO THE SPECIFICATIONS, PLANS, ETC.**

The BUILDER retains all rights with respect to the SPECIFICATIONS, plans and working drawings, technical descriptions, calculations, test results and other data, information and documents concerning the design and construction of the VESSEL and the BUYER shall not disclose the same or divulge any information contained therein to any third parties, including but not limited to any other shipbuilders, without the prior written consent of the BUILDER, excepting where it is necessary for usual operation, repair and maintenance of the VESSEL. In case the BUYER is in breach of its obligation under this Article, the BUILDER shall be entitled to any rights, powers and remedies in this CONTRACT and/or at law, at equity or otherwise to recover any damages caused by the breach of the BUYER.

(End of Article)

**ARTICLE XVII : COMPLIANCE AND ANTI-BRIBERY****1. REPRESENTATIONS OF THE PARTIES**

During the Term of this CONTRACT and for the duration of any services provided hereunder, each party certifies and represents as follows:

- (a) It will comply with the laws of any jurisdiction applicable to such party as it relates to this CONTRACT, including but not limited to any applicable anti-corruption and anti-bribery laws, also including, without limitation, the United States Foreign Corrupt Practices Act ("US FCPA"), the UK Bribery Act 2010 ("UK Bribery Act") and the anti-bribery or anti-corruption laws of South Korea as such laws may be amended from time to time.
- (b) In connection with this CONTRACT, it has not and will not make any payments or gifts or provide other advantages, or any offers or promises of payments or gifts or other advantages of any kind, directly or indirectly, to:
  - (i) any person or entity with the intention of obtaining or retaining a business advantage for itself or the other party to this CONTRACT;
  - (ii) any official or member of any government or any agency or instrumentality thereof; any official or member of any public international organisation or any agency or instrumentality thereof; any or official of a political party or any candidate for political office (herein 'public official'); or any person while knowing or reasonably suspecting that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to any public official, in violation of the UK Bribery Act, the US FCPA or the laws of South Korea.
- (c) In connection with this CONTRACT, it has not and will not request, agree to accept or accept from any person or entity any payments or gifts or other advantages, or any offers or promises of payments or gifts or other advantages of any kind, directly or indirectly, as a reward or inducement to perform its obligations under this CONTRACT in any way improperly.

**2. INDEMNIFICATION**

Each party agrees that it will fully indemnify, defend and hold harmless the other party from any claims, liabilities, damages, expenses, penalties, judgments and losses (including reasonable attorneys' fees) assessed or resulting by reason of a breach of the representations and undertakings contained in this Article XVII to the extent permitted by law.

(End of Article)

**ARTICLE XVIII : INTERPRETATION AND GOVERNING LAW**

This CONTRACT has been prepared in English and shall be executed in duplicate and in such number of additional copies as may be required by either party respectively. The parties hereto agree that the validity and interpretation of this CONTRACT and of each Article and part thereof shall be governed by the laws of England.

(End of Article)

**ARTICLE XIX : NOTICE**

Any and all notices, requests, demands, instructions, advices and communications in connection with this CONTRACT shall be written in English, sent by registered air mail, email or facsimile and shall be deemed to be given when first received whether by registered mail, email or facsimile. They shall be addressed as follows, unless and until otherwise advised: -

To the BUILDER : Hyundai Heavy Industries Co., Ltd.  
1000, Bangeojinsunhwan-doro,  
Dong-Gu, Ulsan, Korea

Attention: Mr. Y.H Kim / General Manager  
Contract Management Department  
Facsimile: +82-52-202-3448 / 3425  
Telephone: +82-52-202-3041  
E-Mail: cmdept@hhi.co.kr

To the BUYER: DHT Holdings, Inc.  
c/o DHT Management AS  
Haakon VIIs gt. 1, 6<sup>th</sup> floor,  
0125 Oslo, Norway

Attention: Svern Magne Edvardsen, Technical Director  
Facsimile: + 47 2311 5081  
Telephone: + 47 2311 5080  
E-Mail: sme@dhtankers.com

The said notices shall become effective upon receipt of the letter, email or facsimile communication by the receiver thereof. Where a notice by email or facsimile is concerned which is required to be confirmed by letter, then, unless the CONTRACT or the relevant Article thereof otherwise requires, the notice shall become effective upon receipt of such email or facsimile.

(End of Article)



**ARTICLE XX : EFFECTIVENESS OF THIS CONTRACT**

This CONTRACT shall become effective upon signing by the parties hereto.

(End of Article)

**ARTICLE XXI : EXCLUSIVENESS**

This CONTRACT shall constitute the only and entire agreement between the parties hereto, and unless otherwise expressly provided for in this CONTRACT, all other agreements, oral or written, made and entered into between the parties prior to the execution of this CONTRACT shall be null and void.

(End of Article)

IN WITNESS WHEREOF, the parties hereto have caused this CONTRACT to be duly executed on the date and year first above written.

BUYER

For and on behalf of DHT HOLDINGS, INC.

By /s/ Svein M. Harfjeld  
Name: Svein M. Harfjeld  
Title: CEO

By /s/ Trygve P. Munthe  
Name: Trygve P. Munthe  
Title: President

BUILDER

For and on behalf of HYUNDAI HEAVY  
INDUSTRIES CO., LTD.

By /s/ Sam H. Ka  
Name: Sam H. Ka  
Title: Attorney-in-fact

WITNESS: /s/ [illegible]

**EXHIBIT "A"**

OUR LETTER OF GUARANTEE NO. \_\_\_\_\_

DHT HOLDINGS, INC.  
 Clarendon House  
 2 Church Street  
 Hamilton HM11  
 Bermuda

Date : \_\_\_\_\_, 2013

Gentlemen:

We hereby open our irrevocable letter of guarantee number \_\_\_\_\_ in favour of DHT Holdings, Inc., Hamilton, Bermuda (hereinafter called the "**BUYER**") for account of Hyundai Heavy Industries Co., Ltd., Ulsan, Korea (hereinafter called the "**BUILDER**") as follows in connection with the shipbuilding contract dated \_\_\_\_\_, 2013 (hereinafter called the "**CONTRACT**") made by and between the BUYER and the BUILDER for the construction of one (1) \_\_\_\_\_ 300,000 DWT Class Crude Oil Carrier having the BUILDER's Hull No. \_\_\_\_\_ hereinafter called the "**VESSEL**").

In consideration of the BUYER entering into the CONTRACT with the BUILDER and agreeing to pay to the BUILDER the instalment(s) before delivery of the VESSEL under the CONTRACT, if, in connection with the terms of the CONTRACT, the BUYER shall become entitled to a refund of the advance instalment(s) of the Contract Price made to the BUILDER prior to the delivery of the VESSEL (the "**INSTALMENTS**"), we the undersigned as a primary obligor and not merely as a surety, hereby unconditionally and irrevocably guarantee the repayment of the same without any withholding taxes or deductions to the BUYER within ten (10) banking days after demand not exceeding the amount of INSTALMENTS previously received by the BUILDER together with interest thereon at the rate of five per cent (5%) per annum from the date following the date of receipt of each INSTALMENT by the BUILDER to the date of remittance by telegraphic transfer of such refund.

This Guarantee shall be in force and effect from the date of BUILDER's actual receipt of the first INSTALMENT or advance payment in the amount of United States Dollars\_[ ] .

This Guarantee shall cover the amount corresponding to but not exceeding the amount of the INSTALMENTS received by the BUILDER, but in any eventuality the amount of this guarantee shall not exceed the total sum of [GUARANTEE MAXIMUM] (Say U.S. Dollars [GUARANTEE MAXIMUM – IN WORDS] only) plus interest thereon at the rate of five per cent (5%) per annum from the date following the date of the BUILDER's receipt of each INSTALMENT to the date of remittance by telegraphic transfer of the refund. However, in the event of cancellation of the CONTRACT being based solely on delays due to force majeure or other causes beyond the control of the BUILDER as provided for in Article VIII of the CONTRACT, the interest rate of refund shall be reduced to four per cent (4%) per annum as provided in Article X of the CONTRACT.

In case any refund is made to you by the BUILDER or by us under this guarantee, our liability

hereunder shall be automatically reduced by the amount of such refund received by you. Any refund received by you which gives rise to an automatic reduction in accordance herewith shall be notified to us prior to submitting any claim for payment under this guarantee.

Any payment by the undersigned under this guarantee in accordance with its terms, shall be made within ten (10) banking days from the receipt by us of a written demand from you including a signed statement certifying that the BUYER's demand for refund has been made in conformity with Article X of the CONTRACT and the BUILDER has failed to make the refund within ten (10) banking days after your demand to the BUILDER.

Notwithstanding the provisions hereinabove, in the event that within ten (10) banking days from the date of your claim to the BUILDER referred to above, we receive written notification from you or the BUILDER confirmed by an arbitrator stating that your claim to cancel the CONTRACT or your claim for refundment thereunder has been disputed and referred to arbitration in accordance with the provisions of the CONTRACT, we shall under this guarantee, refund to you the sum adjudged to be due to you by the BUILDER pursuant to the award made under such arbitration within ten (10) banking days upon receipt from you of a demand for the sums so adjudged and a copy of the award.

Our liabilities under this letter of guarantee shall not be discharged, impaired or diminished by any period of time, grace period or indulgence granted by the BUYER to the BUILDER, or by any modification of or variation, amendment or supplement to the CONTRACT, or by any assignment of the CONTRACT, or by any invalidity, irregularity, unenforceability if any of the terms of the CONTRACT, or by any act, omission, fact or circumstances of whatsoever kind which could or might otherwise in any way discharge any of our liabilities of influence the performance of our obligations hereunder, or by any insolvency, bankruptcy or liquidation or reorganisation of the BUILDER.

This letter of guarantee shall become null and void upon receipt by the BUYER of the sum guaranteed hereby or upon acceptance by the BUYER of the delivery of the VESSEL in accordance with the terms of the CONTRACT and, in either case, the BUYER shall return this letter of guarantee to us or shall arrange with their bank to confirm us by SWIFT (our SWIFT address : \_\_\_\_\_) that this letter of guarantee has been null and void.

This letter of guarantee is assignable and valid from the date of this letter of guarantee until such time as the VESSEL is delivered by the BUILDER to the BUYER in accordance with the provisions of the CONTRACT.

We hereby certify, represent and warrant that all acts, conditions and things required to be done and performed and to have occurred precedent to the creation and issuance of this letter of guarantee, and to constitute the valid and legally binding obligations of the undersigned, enforceable in accordance with its terms, have been done and performed and have occurred in due and strict compliance with all applicable laws.

In the event that any withholding or deduction is imposed by any law, we will pay such additional amount as may be necessary in order that the actual amount received after deduction or withholding shall equal the amount that would have been received, if such deduction or withholding were not required.

This guarantee shall be governed by and construed in accordance with English law and the undersigned hereby submits to the exclusive jurisdiction of the Commercial Court in London, England.

---

The undersigned hereby appoints [INSERT PERSON] to receive service of proceedings in the court on its behalf.

Very truly yours,

for and on behalf of

By \_\_\_\_\_

Name:

Title:

---

SHIPBUILDING CONTRACT

FOR

THE CONSTRUCTION OF

ONE (1) 300,000 DWT CLASS CRUDE OIL CARRIER

HULL NO. 2749

BETWEEN

DHT HOLDINGS, INC.

(AS BUYER)

AND

HYUNDAI HEAVY INDUSTRIES CO., LTD.

(AS BUILDER)

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SCHEDULES

EXHIBIT "A" REFUND GUARANTEE



**SHIPBUILDING CONTRACT**

THIS CONTRACT, made on this 28<sup>th</sup> day of November, 2013 by and between DHT HOLDINGS, INC., a corporation incorporated and existing under the laws of the Marshall Islands with its principal office at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda (hereinafter called the "BUYER"), the party of the first part and HYUNDAI HEAVY INDUSTRIES CO., LTD., a company organized and existing under the laws of the Republic of Korea, having its principal office at 1000 Bangeojinsunhwan-Doro, Dong-Gu, Ulsan, Korea (hereinafter called the "BUILDER"), the party of the second part,

## WITNESSETH:

In consideration of the mutual covenants contained herein, the BUILDER agrees to design, build, launch, equip and complete one (1) 300,000 DWT CLASS CRUDE OIL CARRIER as described in Article I hereof, including her machinery, engine, boiler, equipment, fittings, appurtenances, materials, articles and all things specified under this CONTRACT (hereinafter called the "VESSEL") at the BUILDER's shipyard located at Ulsan, Korea (hereinafter called the "SHIPYARD") and to deliver and sell the VESSEL to the BUYER, and the BUYER agrees to accept delivery of and purchase from the BUILDER the VESSEL, according to the terms and conditions hereinafter set forth:

(End of Preamble)

**ARTICLE I : DESCRIPTION AND CLASS**

**1. DESCRIPTION**

The VESSEL shall have the BUILDER's Hull No. 2749 and shall be designed, constructed, equipped, completed and delivered in accordance with the terms of this CONTRACT, the specifications No. CODH300-FS-P1 dated 27 November, 2013 and the general arrangement plan No. 1G-7000-201 dated 27 November, 2013 (hereinafter called respectively the "SPECIFICATIONS" and the "PLAN") signed by both parties, which shall constitute an integral part of this CONTRACT although not attached hereto.

The SPECIFICATIONS and the PLAN are intended to explain each other and anything shown on the PLAN and not stipulated in the SPECIFICATIONS or anything stipulated in the SPECIFICATIONS and not shown on the PLAN shall be deemed and considered as if included in both. Should there be any inconsistencies or contradictions between the SPECIFICATIONS and the PLAN, the SPECIFICATIONS shall prevail. Should there be any inconsistencies or contradictions between this CONTRACT and the SPECIFICATIONS, this CONTRACT shall prevail.

**2. BASIC DIMENSIONS AND PRINCIPAL PARTICULARS OF THE VESSEL**

(a) The basic dimensions and principal particulars of the VESSEL shall be :

Length, overall	about	333 M
Length, between perpendiculars		322 M
Breadth, moulded		60 M
Depth to Upper Deck, moulded		29.4 M
Design draft, moulded, in seawater of specific gravity of 1.025		20.5 M
Scantling draft, moulded, in seawater of specific gravity of 1.025		21.6 M
Deadweight on the above moulded design draft of 20.5 M	about	280,310 M/T
Deadweight on the above moulded scantling draft of 21.6 M	about	299,910 M/T
Main propulsion engine:	one (1)	HYUNDAI-MAN B&W 7G80ME-C9.2

Max. Continuous Rating (MCR) :	24,400 kW x 66 rpm
Normal Continuous Rating (NCR):	17,080 kW x 58.6 rpm

Trial speed at 20.5 meters design draft at the condition of clean bottom and in calm and deep sea with main engine developing a NCR of 17,080 kW with fifteen per cent (15%) sea margin: 14.8 KNOTS

Specific Fuel consumption of the main engine applying I.S.O. reference conditions to the result of official shop test at a NCR of 17,080 kW using marine diesel oil having lower calorific value of 42,700 kJ per kg. 154 gr/kW.HR

The details of the above particulars as well as the definitions and method of measurements and calculations are as indicated in the SPECIFICATIONS.

- (b) The dimensions may be slightly modified by the BUILDER, who also reserves the right to make changes to the SPECIFICATIONS and the PLAN if found necessary to suit the local conditions and facilities of the SHIPYARD, the availability of materials and equipment, the introduction of improved production methods or otherwise, subject to the approval of the BUYER, which the BUYER shall not withhold unreasonably.

### 3. CLASSIFICATION, RULES AND REGULATIONS

- (a) The VESSEL shall be built in compliance with the rules and regulations of the American Bureau of Shipping (ABS), (hereinafter called the "CLASSIFICATION SOCIETY"), in force as of the date of this CONTRACT, to be classed and registered with the following class notation:

**+A1, Oil Carrier, +AMS, +ACCU, ESP, CSR, AB-CM, UWILD, TCM, SPMA, CPS, VEC, BWE, BWT, RW, ENVIRO+, POT, GP, NBLES**

and also to fully comply in all respects with the rules and regulations of the other Regulatory Bodies and authorities, in force as of the date of this CONTRACT, as described in the SPECIFICATIONS.

- (b) The BUILDER shall arrange with the CLASSIFICATION SOCIETY for the assignment by the CLASSIFICATION SOCIETY of representative(s) to the SHIPYARD for supervision of the construction of the VESSEL. All fees and charges incidental to classification of the VESSEL in compliance with the above specified rules, regulations and requirements of this CONTRACT, and compliance with all other specified rules, regulations and requirements of the SPECIFICATIONS shall be for the account of the BUILDER.
- (c) The decision of the CLASSIFICATION SOCIETY as to whether the VESSEL complies with the regulations of the CLASSIFICATION SOCIETY shall be final and binding upon the BUILDER and the BUYER.
- (d) The BUILDER undertakes to notify the CLASSIFICATION SOCIETY that the BUILDER agrees to the CLASSIFICATION SOCIETY releasing to the BUYER, upon the BUYER's request, such information as the BUYER may request and the BUILDER approves (such approval not to be unreasonably withheld), from the CLASSIFICATION SOCIETY regarding correspondence related to plan approval, rules, regulations, certification criteria issues, design assumptions relating to the classification and certification of the VESSEL.

#### **4. SUBCONTRACTING**

The BUILDER may, at its sole discretion and responsibility, subcontract any portion of the work, but not the whole or a substantial portion of construction work of the VESSEL, but delivery and final assembly into the VESSEL of any such work subcontracted shall be at the SHIPYARD. The BUILDER shall remain liable for the due performance of such subcontracted work as if done by the BUILDER at the SHIPYARD.

**5. NATIONALITY OF THE VESSEL**

The VESSEL shall be registered by the BUYER at its own cost and expense under the laws of the Marshall Islands with its home port of Majuro at the time of its delivery and acceptance hereunder. However, the BUYER shall have the right by notifying the BUILDER within two (2) months of the date of this CONTRACT and at no additional cost to the BUYER, to elect to register the VESSEL (at the BUYER's own cost and expense) under the laws of Hong Kong at the time of its delivery and acceptance hereunder.

(End of Article)

**ARTICLE II : CONTRACT PRICE**

The contract price of the VESSEL delivered to the BUYER at the SHIPYARD shall be United States Dollars Ninety Two Million, Seven Hundred and Thirty Seven Thousand (US\$ 92,737,000) (hereinafter called the "CONTRACT PRICE") which shall be paid plus any increases or less any decreases due to adjustment or modifications, if any, as set forth in this CONTRACT. The above CONTRACT PRICE shall include payment for services in the inspection, tests, survey and classification of the VESSEL which will be rendered by the CLASSIFICATION SOCIETY and shall not include the cost of the BUYER's supplies as stipulated in Article XII.

The CONTRACT PRICE also includes all costs and expenses for supplying all necessary drawings as stipulated in the SPECIFICATIONS except those to be furnished by the BUYER for the VESSEL in accordance with the SPECIFICATIONS.

(End of Article)

**ARTICLE III : ADJUSTMENT OF THE CONTRACT PRICE**

The CONTRACT PRICE of the VESSEL shall be adjusted as hereinafter set forth in the event of the following contingencies. It is hereby understood by both parties that any adjustment of the CONTRACT PRICE as provided for in this Article is by way of liquidated damages and not by way of penalty.

**1. DELAYED DELIVERY**

- (a) No adjustment shall be made and the CONTRACT PRICE shall remain unchanged for the first thirty (30) days of the delay in delivery of the VESSEL ending as of 12 o'clock midnight Korean Standard Time on the thirtieth (30th) day of delay beyond the DELIVERY DATE calculated as provided in Article VII.1. hereof.
- (b) If delivery of the VESSEL is delayed more than thirty (30) days beyond the DELIVERY DATE then, in such event, beginning at midnight of the thirtieth (30th) day after such due date, the CONTRACT PRICE of the VESSEL shall be reduced by U.S. Dollars Twenty Three Thousand (US\$ 23,000) for each full day of delay.

However, unless the parties agree otherwise, the total amount of deduction from the CONTRACT PRICE shall not exceed the amount due to cover the delay of one hundred and eighty (180) days after thirty (30) days of the delay in delivery of the VESSEL at the rate of deduction as specified hereinabove.

- (c) But, if the delay in delivery of the VESSEL continues for a period of more than two hundred and ten (210) days beyond the DELIVERY DATE then, in such event, and after such period has expired, the BUYER may, at its option, rescind or cancel this CONTRACT, by serving upon the BUILDER a notice of cancellation by email or facsimile to be confirmed by a registered letter via airmail directed to the BUILDER at the address given in this CONTRACT. Such cancellation shall be effective as of the date the notice thereof is received by the BUILDER. If the BUYER has not served the notice of cancellation after the aforementioned two hundred and ten (210) days delay in delivery, the BUILDER may demand the BUYER to make an election in accordance with Article VIII.3. hereof.
- (d) For the purpose of this Article, the delivery of the VESSEL shall be deemed to be delayed when and if the VESSEL, after taking into full account extension of the

DELIVERY DATE or permissible delays as specifically provided in Articles V, VI, VIII, XI or elsewhere in this CONTRACT, is delivered beyond the date upon which delivery would then be due under the terms of this CONTRACT.

**2. INSUFFICIENT SPEED**

- (a) The CONTRACT PRICE of the VESSEL shall not be affected or changed, if the actual speed, as determined by trial runs more fully described in Article VI hereof, is less than the speed required under the terms of this CONTRACT and the SPECIFICATIONS provided such deficiency in actual speed is not more than three tenths (3/10) of a knot below the guaranteed speed.
- (b) However, as for the deficiency of more than three-tenths (3/10) of a knot in actual speed below the speed guaranteed under this CONTRACT, the CONTRACT PRICE shall be reduced by U.S. Dollars Seventy Nine Thousand (U.S.\$ 79,000) for each full one-tenth (1/10) of a knot in excess of the said three tenths (3/10) of a knot of deficiency in speed, with fractions of less than one-tenth (1/10) of a knot being regarded as a full one-tenth (1/10) of a knot of deficiency. However, unless the parties agree otherwise, the total amount of reduction from the CONTRACT PRICE shall not exceed the amount due to cover the deficiency of nine tenths (9/10) of a knot below the guaranteed speed at the rate of reduction as specified above.
- (c) If the deficiency in actual speed of the VESSEL is more than nine tenths (9/10) of a knot below the speed guaranteed under this CONTRACT, then the BUYER, at its option, may, subject to the BUILDER's right to effect alterations or corrections as provided in Article VI.5. hereof, reject the VESSEL and cancel this CONTRACT or may accept the VESSEL at a reduction in the CONTRACT PRICE as above provided for nine tenths (9/10) of a knot of deficiency only.

**3. EXCESSIVE FUEL CONSUMPTION**

- (a) The CONTRACT PRICE shall not be affected or changed by reason of the fuel consumption of the VESSEL's main engine, as determined by the engine manufacturer's shop trial as per the SPECIFICATIONS being more than the guaranteed fuel consumption of the VESSEL's main engine, if such excess is not more than six per cent (6%) over the guaranteed fuel consumption.
- (b) However, if the actual fuel consumption as determined by the shop trial is



greater than the six percent (6%) over the guaranteed fuel consumption of the VESSEL's main engine, then the CONTRACT PRICE shall be reduced by U.S. Dollars Forty Five Thousand (US\$ 45,000) for each full one per cent (1%) increase in fuel consumption in excess of the said six per cent (6%) increase in fuel consumption, with fractions of less than one per cent (1%) being regarded as a full one per cent (1%) of deficiency. However, unless the parties agree otherwise, the total amount of reduction from the CONTRACT PRICE shall not exceed the amount due to cover the excess of ten per cent (10%) over the guaranteed fuel consumption of the VESSEL's main engine at the rate of reduction as specified above.

- (c) If such actual fuel consumption exceeds the guaranteed fuel consumption (shop trial) of the VESSEL's main engine by more than ten per cent (10%), the BUYER, at its option, may, subject to the BUILDER's right to effect alterations or corrections as specified in Article VI.5. hereof, reject the VESSEL and cancel this CONTRACT or may accept the VESSEL at a reduction in the CONTRACT PRICE as above provided for the ten per cent (10%) increase only.

#### **4. DEADWEIGHT BELOW CONTRACT REQUIREMENTS**

- (a) The CONTRACT PRICE of the VESSEL shall not be affected or changed, if actual deadweight, determined as provided in this CONTRACT and the SPECIFICATIONS, is below the deadweight of 299,910 metric tons on the moulded scantling draft of 21.6 metres required by this CONTRACT and the SPECIFICATIONS by an amount of 3,000 metric tons or less.
- (b) However, should the deficiency in the actual deadweight of the VESSEL be more than 3,000 metric tons below the said required deadweight, then the CONTRACT PRICE of the VESSEL shall be reduced for each full one (1) metric ton, (with fractions of less than one (1) metric ton being disregarded) of decreased deadweight in excess of 3,000 metric tons by the sum of U.S. Dollars Four Hundred and Fifty (US\$ 450) per metric ton. However, unless the parties agree otherwise, total amount of deduction from the CONTRACT PRICE shall not exceed the amount due to cover the deficiency of 5,800 metric tons below the said required deadweight hereinabove.
- (c) If the deficiency in the deadweight of the VESSEL is more than 5,800 metric tons below the said required deadweight, then the BUYER, at its option, may, subject to the BUILDER's right to effect alterations or corrections without the BUYER's prior consent as specified in Article VI.5. hereof, reject the VESSEL and cancel this

CONTRACT or may accept the VESSEL at a reduction in the CONTRACT PRICE as above provided for 5,800 metric tons of deficiency only.

**5. EFFECT OF CANCELLATION**

It is expressly understood and agreed by the parties hereto that in any case, if the BUYER cancels this CONTRACT under this Article, the BUYER shall not be entitled to any damages and BUYER's remedies shall be limited to BUYER's rights set out in Article X hereof.

(End of Article)

**ARTICLE IV : INSPECTION AND APPROVAL****1. APPOINTMENT OF BUYER'S REPRESENTATIVE**

The BUYER shall timely despatch to and maintain at the SHIPYARD, at its own cost, expense and risk, one or more representatives (hereinafter called the "BUYER'S REPRESENTATIVE"), who shall be duly accredited in writing by the BUYER to supervise the construction by the BUILDER and his subcontractors of the VESSEL, her equipment and all accessories.

The BUILDER shall before the commencement of any item of work under this CONTRACT, exhibit and furnish to the BUYER any and all plans and drawings prepared in connection therewith.

Upon appointment of the BUYER'S REPRESENTATIVE, the BUYER shall notify the BUILDER in writing of the name and the scope of the authority of the BUYER'S REPRESENTATIVE and his assistants.

**2. AUTHORITY OF THE BUYER'S REPRESENTATIVE**

The BUYER'S REPRESENTATIVE and his assistants shall, at all times during working hours of the construction until delivery of the VESSEL, have the right to inspect the VESSEL, her equipment and all accessories, and work in progress, or materials utilized in connection with the construction of the VESSEL, wherever such work is being done or such materials are stored, for the purpose of determining that the VESSEL, her equipment and accessories are being constructed in accordance with the terms of this CONTRACT and/or the SPECIFICATIONS and the PLAN.

The BUILDER will endeavor to arrange for the inspection by the BUYER'S REPRESENTATIVE and his assistants during working hours of the BUILDER. However, such inspection may be arranged beyond the BUILDER's normal working hours, including weekend and/or holiday if this is considered necessary by the BUILDER in order to meet the BUILDER's construction schedule or his assistants, on the condition that the BUILDER will inform the BUYER'S REPRESENTATIVE at least two (2) days in advance of such inspection.

The BUYER'S REPRESENTATIVE shall, within the limits of the authority conferred upon

him by the BUYER, make decisions or give advice to the BUILDER on behalf of the BUYER promptly on all issues arising out of, or in connection with, the construction of the VESSEL and generally act in a reasonable manner with a view to cooperating with the BUILDER in the construction process of the VESSEL.

The decision, approval or advice of the BUYER'S REPRESENTATIVE shall be deemed to have been given by the BUYER and once given shall not be withdrawn, revoked or modified except with consent of the BUILDER. Provided that the BUYER'S REPRESENTATIVE or his assistants shall comply with the foregoing obligations, no act or omission of the BUYER'S REPRESENTATIVE or his assistants shall, in any way, diminish the liability of the BUILDER under this CONTRACT.

The BUYER'S REPRESENTATIVE shall notify the BUILDER promptly in writing of his discovery of any construction or materials, which he believes do not or will not conform to the requirements of the CONTRACT and the SPECIFICATIONS or the PLAN and likewise advise and consult with the BUILDER on all matters pertaining to the construction of the VESSEL, as may be required by the BUILDER, or as he may deem necessary.

However, if the BUYER'S REPRESENTATIVE fails to submit to the BUILDER without delay any such demand concerning alterations or changes with respect to the construction, arrangement or outfit of the VESSEL, which the BUYER'S REPRESENTATIVE has examined, inspected or attended at the test thereof under this CONTRACT or the SPECIFICATIONS, the BUYER'S REPRESENTATIVE shall be deemed to have approved the same and shall be precluded from making any demand for alterations, changes, or complaints with respect thereto at a later date.

The BUILDER shall comply with any such demand which is not contradictory to this CONTRACT and the SPECIFICATIONS or the PLAN, provided that any and all such demands by the BUYER'S REPRESENTATIVE with regard to construction, arrangement and outfit of the VESSEL shall be submitted in writing to the authorised representative of the BUILDER. The BUILDER shall notify the BUYER'S REPRESENTATIVE of the names of the persons who are from time to time authorised by the BUILDER for this purpose.

It is agreed upon between the BUYER and the BUILDER that the modifications, alterations or changes and other measures necessary to comply with such demand may be effected at a convenient time and place at the BUILDER's reasonable discretion in view of the construction schedule of the VESSEL.

In the event that the BUYER'S REPRESENTATIVE shall advise the BUILDER that he has discovered or believes the construction or materials do not or will not conform to the requirements of this CONTRACT and the SPECIFICATIONS or the PLAN, and the BUILDER shall not agree with the views of the BUYER'S REPRESENTATIVE in such respect, either the BUYER or the BUILDER may, with the agreement of the other party, seek an opinion of the CLASSIFICATION SOCIETY or failing such agreement, request an arbitration in accordance with the provisions of Article XIII hereof. The CLASSIFICATION SOCIETY or the arbitration tribunal, as the case may be, shall determine whether or not a nonconformity with the provisions of this CONTRACT, the SPECIFICATIONS and the PLAN exists. If the CLASSIFICATION SOCIETY or the arbitration tribunal, as the case may be, enters a determination in favour of the BUYER, then in such case the BUILDER shall make the necessary alterations or changes. If the CLASSIFICATION SOCIETY or the arbitration tribunal, as the case may be, enters a determination in favour of the BUILDER, then the time for delivery of the VESSEL shall be extended for the period of delay in construction, if any, occasioned by such proceedings, and the BUYER shall compensate the BUILDER for the proven loss and damages incurred by the BUILDER as a result of the dispute herein referred to.

### **3. APPROVAL OF DRAWINGS**

- (a) The BUILDER shall submit to the BUYER three (3) copies of each of the plans and drawings to be submitted to the BUYER for its approval at its address as set forth in Article XIX hereof. The BUYER shall, within twenty one (21) days after receipt thereof return to the BUILDER one (1) copy of such plans and drawings with the approval or comments, if any, of the BUYER. A list of the plans and drawings to be so submitted to the BUYER shall be mutually agreed upon between the parties hereto.
- (b) When and if the BUYER'S REPRESENTATIVE shall have been sent by the BUYER to the SHIPYARD in accordance with Paragraph 1 of this Article, the BUILDER may submit the remainder, if any, of the plans and drawings in the agreed list, to the BUYER'S REPRESENTATIVE for his approval, unless otherwise agreed upon between the parties hereto.

The BUYER'S REPRESENTATIVE shall, within seven (7) days after receipt thereof, return to the BUILDER one (1) copy of such plans and drawings with his approval or comments written thereon, if any. Approval by the BUYER'S REPRESENTATIVE of the plans and drawings duly submitted to him shall be deemed to be the approval by the BUYER for all purposes of this CONTRACT.

- (c) In the event that the BUYER or the BUYER'S REPRESENTATIVE shall fail to return the plans and drawings to the BUILDER within the time limit as hereinabove provided, such plans and drawings shall be deemed to have been automatically approved without any comment.
- (d) Within seven (7) days after receipt of BUYER's or the BUYER's REPRESENTATIVE's comments, if any, to such plans and drawings, BUILDER shall (x) deliver the revised plans and drawings or (y) explain in writing the reasons for its objection, unless otherwise mutually agreed between the parties. In this case the parties will act in good faith to resolve any issues as soon as possible thereafter, following which BUILDER will promptly issue the revised plans and drawings.
- (e) In the event the plans and drawings submitted by the BUILDER to the BUYER or the BUYER'S REPRESENTATIVE in accordance with this Article do not meet with the BUYER's or the BUYER'S REPRESENTATIVE's approval, the matter may be submitted by either party hereto for determination pursuant to Article XIII hereof.
- (f) Any actual or deemed approval of the plans and drawings by BUYER or the BUYER'S REPRESENTATIVE shall not in any way diminish the obligations of BUILDER or relieve BUILDER of his obligations hereunder, nor shall any such approval be deemed a waiver by the BUYER of any of its rights or constitute a request for modification, unless otherwise agreed by the BUYER.

#### **4. SALARIES AND EXPENSES**

All salaries and expenses of the BUYER'S REPRESENTATIVE or any other person or persons employed by the BUYER hereunder shall be for the BUYER's account.

#### **5. RESPONSIBILITY OF THE BUILDER**

- (a) The BUILDER shall provide the BUYER'S REPRESENTATIVE and his assistants free of charge with suitably furnished office space at, or in the immediate vicinity of, the SHIPYARD together with telephone, facsimile, internet and printing facilities, and access to photocopying machines in commonly shared areas, as may be necessary to enable the BUYER'S REPRESENTATIVE and his assistants to carry out their work under this CONTRACT. However, the BUYER shall pay for the telephone or facsimile facilities used by the BUYER'S REPRESENTATIVE or his assistants.

The BUILDER, its employees, agents and subcontractors, during its working hours until delivery of the VESSEL, shall arrange for the BUYER's REPRESENTATIVE and his assistants to have free and ready access to the VESSEL, her equipment and accessories, and to any other place (except the areas controlled for the purpose of national security) where work is being done, or materials are being processed or stored in connection with the construction of the VESSEL including the premises of sub-contractors.

The BUYER'S REPRESENTATIVE or his assistants or employees shall observe the work's rules, regulations and the guidances prevailing at the BUILDER's and its sub-contractor's premises. The BUILDER shall promptly provide to the BUYER'S REPRESENTATIVE and/or his assistants and shall ensure that its sub-contractors shall promptly provide all such information as he or they may reasonably request in connection with the construction of the VESSEL and her engines, equipment and machinery.

## **6. DIVISION OF LIABILITY**

- (a) The BUYER'S REPRESENTATIVE and his assistants shall at all times remain the employees of the BUYER.
- (b) The BUILDER shall not be liable to the BUYER or the BUYER'S REPRESENTATIVE or to his assistants or to the BUYER's employees or agents for personal injuries, including death, during the time they, or any of them, are on the VESSEL, or within the premises of either the BUILDER or its sub-contractors, or are otherwise engaged in and about the construction of the VESSEL, unless, however, such personal injuries, including death, are caused by the gross negligence of the BUILDER, its sub-contractors, or its or their employees or agents. The BUILDER shall not be liable to the BUYER for damages to, or destruction of property of the BUYER or of the BUYER'S REPRESENTATIVE or his assistants or the BUYER's employees or agents, unless such damages, loss or destruction is caused by the gross negligence of the BUILDER, its sub-contractors, or its or their employees or agents.
- (c) The BUYER and the BUYER'S REPRESENTATIVE and his assistants shall not be liable to the BUILDER or to the BUILDER's employees or agents for personal injuries, including death, to any of the BUILDER's personnel unless however, such personal injuries, including death, are caused by the gross negligence of the BUYER, the BUYER's

REPRESENTATIVE or his assistants. The BUYER and the BUYER'S REPRESENTATIVE and his assistants shall not be liable to the BUILDER or to the BUILDER's employees or agents for damages to, or destruction of property of the BUILDER, the BUILDER's employees or agents, unless such damages, loss or destruction is caused by the gross negligence of the BUYER, the BUYER'S REPRESENTATIVE or his assistants.

**7. RESPONSIBILITY OF THE BUYER**

The BUYER shall undertake and assure that the BUYER'S REPRESENTATIVE and his assistants shall carry out their duties hereunder in accordance with the normal shipbuilding practice and in such a way as to avoid any unnecessary increase in building cost, delay in the construction of the VESSEL, and/or any disturbance in the construction schedule of the BUILDER.

The BUILDER has the right to request the BUYER to replace any of the BUYER'S REPRESENTATIVE and/or his assistants who are deemed unsuitable and unsatisfactory for the proper progress of the VESSEL's construction. The BUYER shall investigate the situation by sending its representative(s) to the SHIPYARD and if the BUYER considers that such BUILDER's request is justified, the BUYER shall effect the replacement as soon as conveniently arrangeable.

(End of Article)



**ARTICLE V : MODIFICATIONS, CHANGES AND EXTRAS****1. HOW EFFECTED**

Minor modifications or changes to the SPECIFICATIONS and the PLAN under which the VESSEL is to be constructed may be made at any time hereafter by written agreement of the parties hereto. Any modification or change requested by the BUYER which does not substantially amend the SPECIFICATIONS, shall be agreed to by the BUILDER if the BUYER agrees to adjustment of the CONTRACT PRICE, deadweight and/or cubic capacity, speed requirements, the DELIVERY DATE and other terms and conditions of this CONTRACT, reasonably required as a result of such modification or change. The BUILDER has the right to continue construction of the VESSEL on the basis of the SPECIFICATIONS and the PLAN until the BUYER has agreed to such adjustments. The BUILDER shall be entitled to refuse to make any alteration, change or modification of the SPECIFICATIONS and/or the PLAN requested by the BUYER, if the BUYER does not agree to the aforesaid adjustments within seven (7) days of the BUILDER's notification of the same to the BUYER, or, if, in the BUILDER's reasonable judgement, the compliance with such request of the BUYER would cause an unreasonable disruption of the normal working schedule of the SHIPYARD.

The BUILDER, however, agrees to exert its best efforts to accommodate such reasonable request by the BUYER so that the said change and modification shall be made at a reasonable cost and within the shortest period of time reasonably possible. The aforementioned agreement to modify and change the SPECIFICATIONS and the PLAN may be effected by exchange of letters, email or facsimiles manifesting the agreement.

The letters, emails and facsimiles exchanged by the parties pursuant to the foregoing shall constitute an amendment to this CONTRACT and the SPECIFICATIONS or the PLAN under which the VESSEL shall be built. Upon consummation of such an agreement to modify and change the SPECIFICATIONS or the PLAN, the BUILDER shall alter the construction of the VESSEL in accordance therewith including any addition to, or deduction from, the work to be performed in connection with such construction.

**2. SUBSTITUTION OF MATERIAL**

If any materials, machinery or equipment required for the construction of the VESSEL by the SPECIFICATIONS and the PLAN or otherwise under this CONTRACT cannot be

procured in time to meet the BUILDER's construction schedule for the VESSEL, the BUILDER may supply, subject to the BUYER's prior approval, other materials, machinery or equipment of equal quality and effect capable of meeting the requirements of the CLASSIFICATION SOCIETY and the rules, regulations and requirements with which the construction of the VESSEL must comply.

### **3. CHANGES IN RULES AND REGULATIONS**

- (a) If, after the date of signing of this CONTRACT, the specified rules and regulations with which the construction of the VESSEL is required to comply are altered or changed by the CLASSIFICATION SOCIETY or regulatory bodies authorised to make such alterations or changes, or there are any new rules or regulations coming into force that the VESSEL is required to comply with, either the BUYER or the BUILDER, upon receipt of due notice thereof, shall forthwith give notice thereof to the other party in writing. Thereupon, within ten (10) days after giving the notice to the BUILDER or receiving the notice from the BUILDER, the BUYER shall advise the BUILDER as to the alterations and changes, if any, to be made on the VESSEL which the BUYER, in its sole discretion, shall decide. The BUILDER shall not be obliged to comply with such alterations and/or changes if the BUYER fails to notify the BUILDER of its decision within the time limit stated above.
- (b) The BUILDER shall comply promptly with the said request of the BUYER, provided that the BUILDER and the BUYER shall, acting reasonably, first agree to:
- (i) any reasonable increase or decrease in the CONTRACT PRICE of the VESSEL that is occasioned by such compliance;
  - (ii) any reasonable extension or advancement in the Delivery Date of the VESSEL that is occasioned by such compliance;
  - (iii) any reasonable increase or decrease in the deadweight and/or cubic capacity of the VESSEL, if such compliance results in any increase or reduction in the deadweight and/or cubic capacity;
  - (iv) any reasonable adjustment of the speed requirements if such compliance results in any increase or reduction in the speed;  
and
  - (v) any other reasonable alterations in the terms of this CONTRACT or of

the SPECIFICATIONS or the PLAN or both, if such compliance makes such alterations of the terms necessary.

Such agreement between the BUYER and the BUILDER shall be effected in the same manner as provided above for modification and change of the SPECIFICATIONS and the PLAN. Any failure by the parties to reach such agreement shall be referred to arbitration in accordance with Article XIII hereof.

Any delay in the construction of the VESSEL caused by the BUYER's delay in making a decision or by reaching an agreement as above, shall constitute a permissible delay under this CONTRACT.

(End of Article)

**ARTICLE VI : TRIALS AND COMPLETION****1. NOTICE**

The BUILDER shall notify the BUYER by email or facsimile at least fourteen (14) days in advance of the time and place of the trial run of the VESSEL. Such notice shall specify the place from which the VESSEL will commence her trial run and approximate date upon which the trial run is expected to take place. Such date shall be further confirmed by the BUILDER five (5) days in advance of the trial run by email or facsimile.

The BUYER'S REPRESENTATIVE and any of his assistants who is to witness the performance of the VESSEL during such trial run, shall be present at such place on the date specified in such notice. Should the BUYER'S REPRESENTATIVE fail to be present after the BUILDER's due notice to the BUYER as provided above, the BUILDER shall be entitled to conduct such trial run with the presence of the representative(s) of the CLASSIFICATION SOCIETY only, and without the BUYER'S REPRESENTATIVE being present. In such case, the BUYER shall be obliged to accept the VESSEL on the basis of a certificate jointly issued by the BUILDER and the CLASSIFICATION SOCIETY certifying that the VESSEL, after the trial run, subject to minor alterations and corrections as provided in this Article, if any, has been found to conform with the SPECIFICATIONS and this CONTRACT and is otherwise satisfactory in all respects.

**2. WEATHER CONDITION**

In the event of unfavourable weather on the date specified for the trial run, the trial run shall take place on the first available day that weather conditions permit. The parties hereto recognise that the weather conditions in Korean waters, in which the trial run is to take place, are such that great changes in weather may arise momentarily and without warning and therefore, it is agreed that if, during the trial run, the weather should become so unfavourable that the trial run cannot be continued, then the trial run shall be discontinued and postponed until the first favourable day next following, unless the BUYER shall assent to the acceptance of the VESSEL by notification in writing on the basis of such trial run so far made prior to such change in weather conditions. Any delay of the trial run caused by weather conditions in excess of Beaufort 5 shall also operate to extend the DELIVERY DATE of the VESSEL for the period of delay occasioned by such unfavourable weather conditions.

### **3. HOW CONDUCTED**

All expenses in connection with the trials of the VESSEL are to be for the account of the BUILDER, which, during the trials, is to provide at its own expense the necessary crew to comply with conditions of safe navigation. The trials shall be conducted in the manner prescribed in this CONTRACT and the SPECIFICATIONS, and shall prove fulfilment of the performance requirements for the trials as set forth in the SPECIFICATIONS.

The BUILDER shall be entitled to conduct preliminary sea trials, during which the propulsion plant and/or its appurtenance shall be adjusted according to the BUILDER's judgement. The BUILDER shall have the right to repeat any trial whatsoever as it deems necessary.

### **4. CONSUMABLE STORES**

The BUILDER shall load the VESSEL with the required quantity of fuel oil, lubricating oil and greases, fresh water, and other stores necessary to conduct the trials as set forth in the SPECIFICATIONS. The necessary ballast (fuel oil, fresh water and such other ballast as may be required) to bring the VESSEL to the trial load draft, as specified in the SPECIFICATIONS, shall be supplied and paid for by the BUILDER, whilst lubricating oil and greases shall be supplied and paid for by the BUYER within the time advised by the BUILDER for the conduct of sea trials as well as for use before the delivery of VESSEL to the BUYER. The fuel oil as well as lubricating oil and greases shall be supplied in accordance with the specifications of the main engine and other machinery and the BUYER shall decide and advise the BUILDER of the supplier's name for lubricating oil and greases before the work-commencement of the VESSEL, provided that the supplier shall be acceptable to the BUILDER and/or the makers of all the machinery.

Any fuel oil, fresh water or other consumable stores furnished and paid for by the BUILDER for trial runs remaining on board the VESSEL, at the time of acceptance of the VESSEL by the BUYER, shall be bought by the BUYER from the BUILDER at the BUILDER's original purchase price supported by invoices, and payment by the BUYER thereof shall be made at the time of delivery of the VESSEL. The BUILDER shall pay the BUYER at the time of delivery of the VESSEL for the consumed quantity of any lubricating oil and greases which were furnished and paid for by the BUYER at the BUYER's purchase price thereof. The consumed quantity of lubricating oils and greases shall be calculated on the basis of the difference between the remaining amount, including the

same remaining in the main engine, other machinery and their pipes, stern tube and the like, and the supplied amount.

## 5. ACCEPTANCE OR REJECTION

- (a) If, during any sea trial, any breakdown occurs entailing interruption or irregular performance which can be repaired on board, the trial shall be continued after such repairs and be valid in all respects.
- (b) However, if during or after the trial run, it becomes apparent that the VESSEL or any part of her equipment does not conform to the requirements of this CONTRACT, the SPECIFICATIONS and the PLAN, the BUILDER shall notify the BUYER promptly by e-mail or facsimile to such effect and shall simultaneously advise the BUYER of the estimated additional time required for the necessary alterations or corrections to be made to correct such non-conformity.

The BUYER shall, within two (2) days of receipt from the BUILDER of notice of completion of such alterations or corrections and after such further trials or tests as necessary, notify the BUILDER by email or facsimile confirmed in writing of its acceptance, qualified acceptance or rejection of the VESSEL, all in accordance with the SPECIFICATIONS, the PLAN and this CONTRACT, and shall not be entitled to reject the VESSEL on such grounds until such time.

- (c) Save as above provided, the BUYER shall, within two (2) days after completion of the trial run, notify the BUILDER by email or facsimile confirmed in writing of its acceptance of the VESSEL or of the details in respect of which the VESSEL does not conform to the SPECIFICATIONS or this CONTRACT.

If the BUILDER is in agreement with the BUYER's determinations as to non-conformity, the BUILDER shall make such alterations or changes as may be necessary to correct such non-conformity and shall prove the fulfilment of this CONTRACT, the SPECIFICATIONS and the PLAN by such tests or trials as may be necessary.

The BUYER shall, within two (2) days after completion of such tests and/or trials, notify the BUILDER by email or facsimile confirmed in writing of its acceptance or rejection of the VESSEL.

- (d) However, the BUYER shall not be entitled to reject the VESSEL by reason of any minor or insubstantial items judged from the point of view of standard shipbuilding and shipping practice as not being in conformity with the CONTRACT, the SPECIFICATIONS and the PLAN, and which do not effect the issuance of the required certificates from the CLASSIFICATION SOCIETY and regulatory bodies, but that in such case, the BUILDER shall not be released from the obligation to correct and/or remedy such minor or insubstantial items as soon as practicable after the delivery of the VESSEL.

**6. EFFECT OF ACCEPTANCE**

The BUYER's written, facsimiled or emailed notification of acceptance delivered to the BUILDER as above provided, shall be final and binding insofar as the trial results demonstrate conformity of the VESSEL with this CONTRACT, the SPECIFICATIONS and the PLAN is concerned and shall preclude the BUYER from refusing formal delivery of the VESSEL as hereinafter provided, if the BUILDER complies with all conditions of delivery, as herein set forth and provided that, in the case of qualified acceptance, any matters which were mentioned in the notice of the qualified acceptance by the BUYER as requiring correction have been corrected satisfactorily.

If the BUYER fails to notify the BUILDER of its acceptance or rejection of the VESSEL as hereinabove provided, the BUYER shall be deemed to have accepted the VESSEL. Nothing contained in this Article shall preclude the BUILDER from exercising any and all rights which the BUILDER has under this CONTRACT if the BUILDER disagrees with the BUYER's rejection of the VESSEL or any reasons given for such rejection, including arbitration provided in Article XIII hereof.

(End of Article)

**ARTICLE VII : DELIVERY****1. TIME AND PLACE**

The VESSEL shall be delivered by the BUILDER to the BUYER at the SHIPYARD, safely afloat on September 30, 2016 (hereinafter called the "DELIVERY DATE") after completion of satisfactory trials and acceptance by the BUYER in accordance with the terms of Article VI, except that, in the event of delays in delivery of the VESSEL by the BUILDER due to causes which under the terms of this CONTRACT permit extensions of the time for delivery of the VESSEL, the aforementioned DELIVERY DATE shall be extended accordingly.

**2. WHEN AND HOW EFFECTED**

Provided that the BUYER shall concurrently with delivery of the VESSEL release to the BUILDER the fifth instalment as set forth in Article X.2. hereof and shall have fulfilled all of its obligations provided for in this CONTRACT, delivery of the VESSEL shall be forthwith effected upon acceptance thereof by the BUYER, as hereinabove provided, by the concurrent delivery by each of the parties hereto to the other of a PROTOCOL OF DELIVERY AND ACCEPTANCE acknowledging delivery of the VESSEL by the BUILDER and acceptance thereof by the BUYER, which PROTOCOL shall be prepared in duplicate and signed by each of the parties hereto.

**3. DOCUMENTS TO BE DELIVERED TO THE BUYER**

Upon delivery and acceptance of the VESSEL, the BUILDER shall deliver to the BUYER the following documents, which shall accompany the aforementioned PROTOCOL OF DELIVERY AND ACCEPTANCE :

- (a) PROTOCOL OF TRIALS of the VESSEL made pursuant to this CONTRACT and the SPECIFICATIONS,
- (b) PROTOCOL OF INVENTORY of the equipment of the VESSEL, including spare parts, all as specified in the SPECIFICATIONS,
- (c) PROTOCOL OF STORES OF CONSUMABLE NATURE, such as all fuel oil and fresh water remaining in tanks if its cost is charged to the BUYER, and all consumed



lubricating oils and greases if its cost is charged to the BUILDER, in each case under Article VI.4. hereof,

- (d) DRAWINGS AND PLANS pertaining to the VESSEL as stipulated in the SPECIFICATIONS, which shall be furnished to the BUYER at no additional cost,
- (e) ALL CERTIFICATES, clean and free of recommendations (unless otherwise mutually agreed by the parties), required to be furnished upon delivery of the VESSEL pursuant to this CONTRACT, the SPECIFICATIONS and the customary shipbuilding practice, including
  - (i) Classification Certificate
  - (ii) Safety Construction Certificate
  - (iii) Safety Equipment Certificate
  - (iv) Safety Radio Certificate
  - (v) International Loadline Certificate
  - (vi) International Tonnage Certificate
  - (vii) BUILDER's Certificate
  - (viii) Ship Sanitation Control Exemption Certificate

However, it is agreed by the parties that if the Classification Certificate and/or other certificates are not available at the time of delivery of the VESSEL, provisional certificates shall be accepted by the BUYER, provided that the BUILDER shall furnish the BUYER with formal certificates as promptly as possible after such formal certificates have been issued and in any event before the expiry of the provisional certificates unless otherwise mutually agreed.

- (f) DECLARATION OF WARRANTY of the BUILDER that the VESSEL is delivered to the BUYER free and clear of any liens, claims, mortgages, or other encumbrances upon the BUYER's title thereto, and in particular, that the VESSEL is absolutely free of all burdens in the nature of imposts, taxes, or charges imposed by the prefecture or country of the port of delivery, as well as of all liabilities of the BUILDER to its sub-contractors and employees and of all liabilities arising from the operation of the VESSEL in trial runs, or otherwise, prior to delivery.
- (g) COMMERCIAL INVOICE (issued by the BUILDER).
- (h) BILL OF SALE (issued by the BUILDER).

- (i) BUILDER's CERTIFICATE (issued by the BUILDER).
- (j) Any other documents reasonably required by the BUYER to be supplied by the BUILDER.

All such documents shall be in the English language and the documents listed in (g), (h) and (i) above, shall be notarized and/or legalized as may be required by the BUYER in order for the BUYER to register the VESSEL in its name in accordance with Article 1.5.

**4. TENDER OF THE VESSEL**

If the BUYER fails to take delivery of the VESSEL after completion thereof according to this CONTRACT, the SPECIFICATIONS and the PLAN, the BUILDER shall have the right to tender delivery of the VESSEL after compliance with all procedural requirements as provided above.

**5. TITLE AND RISK**

Title and risk shall pass to the BUYER upon delivery of the VESSEL being effected as stated above and the BUILDER shall be free of all responsibility or liability whatsoever related with this CONTRACT except for the warranty of quality contained in Article IX and the obligation to correct and/or remedy, as provided in Article VI.5.(d), if any, it being expressly understood that, until such delivery is effected, the VESSEL and equipment thereof are at the entire risk of the BUILDER including but not confined to, risks of war, insurrection and seizure by Governments or Authorities, whether Korean or foreign, and whether at war or at peace. The title to the BUYER's supplies as provided in Article XII shall remain with the BUYER and the BUILDER's responsibility for such BUYER's supplies shall be as described in Article XII.2.

**6. REMOVAL OF THE VESSEL**

The BUYER shall take possession of the VESSEL immediately upon delivery thereof and shall remove the VESSEL from the SHIPYARD within three (3) days after delivery thereof is effected. Port dues and other charges levied by the Korean Government Authorities after delivery of the VESSEL and any other costs related to the removal of the VESSEL shall be borne by the BUYER.

(End of Article)

**ARTICLE VIII : DELAYS AND EXTENSIONS OF TIME (FORCE MAJEURE)****1. CAUSES OF DELAY**

If, at any time after signing this CONTRACT, either the construction or delivery of the VESSEL or any performance required hereunder as a prerequisite to the delivery thereof is delayed by any of the following events, namely: war, acts of state or government, blockade, revolution, insurrections, mobilization, civil commotion, riots or sabotage; strikes, lockouts or other labour disturbances happening generally in the relevant location or industry sector; Acts of God or the public enemy, quarantines, plague or other epidemics; shortage or prolonged failure of electric current, freight embargoes, or shortage of materials, machinery or equipment or an inability to obtain delivery or delays in delivery of materials, machinery or equipment, provided that at the time of ordering the same could reasonably be expected by the BUILDER to be delivered in time; earthquakes, tidal waves, typhoons, hurricanes, prolonged or unusually severe weather conditions; or destruction of the premises or works of the BUILDER or its sub-contractors, or of the VESSEL, or any part thereof, by fire, landslides, flood, lightning or explosion; or delays in the BUILDER's other commitments directly related to the construction activities at the SHIPYARD resulting from any such causes as described in this Paragraph 1, which in turn delay the construction of the VESSEL or the BUILDER's performance under the CONTRACT; or other causes beyond the control of the BUILDER, or its sub-contractors, as the case may be, which are not due to the negligence or default of the BUILDER or its subcontractors using reasonable care; or for any other causes which, under the terms of this CONTRACT, authorise and permit extension of the time for delivery of the VESSEL, then, in the event of delays due to the happening of any of the aforementioned contingencies, the DELIVERY DATE of the VESSEL under this CONTRACT shall be extended for the period of time that the VESSEL is delayed which shall not exceed the total accumulated time of all such delays.

The BUILDER shall, however, always do his utmost to minimise the delay in delivery of the VESSEL.

**2. NOTICE OF DELAYS**

Within two (2) weeks from the date of commencement of any delay on account of which the BUILDER claims that it is entitled under this CONTRACT to an extension of the DELIVERY DATE of the VESSEL, excluding delays due to arbitration, the BUILDER shall

advise the BUYER by email or facsimile of the date such delay commenced, the reasons thereof and, if possible, its estimated duration of the probable delay in the delivery of the VESSEL, and shall supply the BUYER if reasonably available with evidence to justify the delay claimed. Failure of the BUILDER to issue a notification and/or claim for an extension of the DELIVERY DATE within two (2) weeks as aforesaid, shall be deemed to be a waiver by the BUILDER of its right to seek such extension.

Within one (1) week after such delay ends, the BUILDER shall likewise advise the BUYER by email or facsimile of the date that such delay ended, and also, shall specify the period of time by which the BUILDER claims the DELIVERY DATE should be extended by reason of such delay. Failure of the BUYER to object to the BUILDER's notification of any claim for extension of the DELIVERY DATE within one (1) week after receipt by the BUYER of such notification shall be deemed to be a waiver by the BUYER of its right to object to such extension.

**3. RIGHT TO CANCEL FOR EXCESSIVE DELAY**

If the total accumulated time of all permissible and non-permissible delays, excluding delays due to (i) arbitration under Article XIII, (ii) the BUYER's defaults under Article XI, (iii) modifications and changes under Article V or (iv) delays or defects in the BUYER's supplies as stipulated in Article XII, aggregates two hundred and seventy (270) days or more, then, the BUYER may, at any time thereafter, cancel this CONTRACT by giving a written notice of cancellation to the BUILDER. Such cancellation shall be effective as of the date the notice thereof is received by the BUILDER.

If the BUYER has not served the notice of cancellation as provided in the above or Article III.1. hereof, the BUILDER may, at any time after expiration of the accumulated time of the delay in delivery, either two hundred and seventy (270) days in case of the delay in this Paragraph or two hundred and ten (210) days in case of the delay in Article III.1, notify the BUYER of the future date upon which the BUILDER estimates the VESSEL will be ready for delivery and demand by email or facsimile that the BUYER make an election either to cancel this CONTRACT or to consent to the delivery of the VESSEL at such future date, in which case the BUYER shall, within seven (7) days after receipt of such demand, make and notify the BUILDER of such election. If the BUYER elects to consent to the delivery of the VESSEL at such future date (or other future date as the parties may agree):

- (a) Such future date shall become the contractual delivery date for the purposes of this

CONTRACT and shall be subject to extension by reason of permissible delays as herein provided, and

- (b) If the VESSEL is not delivered by such revised contractual delivery date (as extended by reason of permissible delays), the BUYER shall have the same right of cancellation upon the same terms as provided in the above and Article III. 1.

If the BUYER shall not make an election within seven (7) days as provided hereinabove, the BUYER shall be deemed to have accepted such extension of the DELIVERY DATE to the future delivery date indicated by the BUILDER.

**4. DEFINITION OF PERMISSIBLE DELAYS**

Delays on account of the foregoing causes shall be understood to be permissible delays, and are to be distinguished from non-permissible unauthorised delays on account of which the CONTRACT PRICE of the VESSEL is subject to adjustment as provided in Article III hereof.

(End of Article)

**ARTICLE IX : WARRANTY OF QUALITY****1. GUARANTEE OF MATERIAL AND WORKMANSHIP**

The BUILDER, for the period of twelve (12) months from the date of delivery of the VESSEL to the BUYER, guarantees the VESSEL and all parts and equipment thereof that are manufactured or furnished or supplied by the BUILDER and/or its subcontractors under this CONTRACT against all defects which are due to defective materials, faulty design, poor workmanship and/or defective equipment, provided such defects have not been caused by perils of the sea, rivers or navigations, or by normal wear and tear, or by incompetence, mismanagement, negligence or wilful neglect of the BUYER, its employees or agents, or by fire or accidents at sea not themselves caused by defective materials, faulty design, poor workmanship and/or defective equipment.

The BUILDER, for a further period of twelve (12) months in addition to the twelve (12) month period stipulated above, guarantees the main engine of the VESSEL, against all defects which are due to defective materials, faulty design, poor workmanship and/or defective equipment.

Furthermore, for any item replaced or repaired, or any problem rectified in accordance with this Article, the BUILDER shall guarantee the aforementioned item(s) for a period of twelve (12) months from the date of completion or such repair or replacement, provided that such extended warranty period shall not exceed thirty-six (36) months in total from the actual date of delivery of the VESSEL.

**2. NOTICE OF DEFECTS**

The BUYER or its duly authorised representative will notify the BUILDER by email or facsimile promptly after discovery of any defect for which a claim is to be made under this guarantee.

The BUYER's written notice shall include full particulars as to the nature of the defect and the extent of the damage caused thereby, but excluding consequential damage as hereinafter provided. The BUILDER will be under no obligation with respect to this guarantee in respect of any claim for defects discovered prior to the expiry date of the guarantee, unless notice of such defects is received by the BUILDER before the expiry date. However, email or facsimiled advice received by the BUILDER within three (3) days

after such expiry date that a claim is forthcoming will be sufficient compliance with the requirement as to time, provided that such emailed or facsimiled advice shall include at least a brief description of the defect including the identity of the equipment, extent of damage, name and number of any replacement part and description of any remedial work required, and that full particulars are given to the BUILDER not later than seven (7) days after the expiry date.

### **3. REMEDY OF DEFECTS**

- (a) The BUILDER shall remedy, at its expense, any defects, against which the VESSEL is guaranteed under this Article, by making all necessary repairs or replacements at the SHIPYARD or elsewhere as provided for in (b) hereinbelow.

In such case, the VESSEL shall be taken at the BUYER's cost and responsibility to the place selected, ready in all respects for such repairs or replacements and in any event, the BUILDER shall not be responsible for towage, dockage, wharfage, port charges and anything else incurred for the BUYER's getting and keeping the VESSEL ready for such repairing or replacing.

- (b) However, if it is impractical (which shall include, but not be limited to, an emergency) to bring the VESSEL to the SHIPYARD, the BUYER may cause the necessary repairs or replacements to be made elsewhere which is deemed by the BUYER with the consent of the BUILDER which shall not be unreasonably withheld, to be suitable for the purpose, provided that, in such event, the BUILDER may forward or supply replacement parts or materials under the terms described in (c) hereinbelow, unless forwarding or supplying thereof under the terms described in (c) hereinbelow would impair or delay the operation or working schedule of the VESSEL. In the event that the BUYER proposes to cause the necessary repairs or replacements to be made to the VESSEL at any shipyard or works other than the SHIPYARD, the BUYER shall first (but in all events as soon as reasonably possible) give the BUILDER notice by email or facsimile of the time and place such repairs will be made, and if the VESSEL is not thereby delayed, or her operation or working schedule is not thereby impaired, the BUILDER shall have the right to verify by its own representative(s) the nature and extent of the defects complained of. The BUILDER shall, in such case, promptly advise the BUYER by email or facsimile, after such examination has been completed, of its acceptance or rejection of the defects as ones that are covered by the guarantee herein provided.

Upon the BUILDER's acceptance of the defects as justifying remedy under this Article, or upon award of the arbitration so determining, the BUILDER shall compensate the BUYER an amount equal to the reasonable cost of making the same repairs or replacements at the SHIPYARD.

- (c) In the event that it is necessary for the BUILDER to forward a replacement for a defective part under this guarantee, replacement parts shall be shipped to the BUYER under the C.I.F terms to the BUYER's nominated port. The BUILDER reserves the option to retrieve, at the BUILDER's cost, any of the replaced equipment/parts in case defects are remedied in accordance with the provisions in this Article.
- (d) Any dispute under this Article shall be referred to arbitration in accordance with the provisions of Article XIII hereof.

#### **4. EXTENT OF THE BUILDER'S LIABILITY**

- (a) After delivery of the VESSEL the responsibility of the BUILDER in respect of and/or in connection with the VESSEL and/or this CONTRACT shall be limited to the extent expressly provided in this Article. Except as expressly provided in the foregoing Paragraph, in no circumstances and on no ground whatsoever shall the BUILDER have any responsibility or liability whatsoever or howsoever arising in respect of or in connection with the VESSEL or this CONTRACT after the delivery of the VESSEL. Further, but without in any way limiting the generality of the foregoing, the BUILDER shall have no liability or responsibility whatsoever or howsoever arising for or in connection with any consequential or special losses, damages or expenses (including but not limited to loss of time, loss of profit or earnings or demurrage directly or indirectly caused), any pecuniary loss or expense, any liability to any third party or any fine, compensation, penalty or other payment or sanction incurred by or imposed upon the BUYER or any other party whatsoever in relation to or in connection with this CONTRACT or the VESSEL.
- (b) The BUILDER shall be under no obligation with respect to defects in respect of which the BUILDER has not received notice in accordance with Paragraph 2 of this Article by the expiry date of the guarantee specified in Paragraph 1, nor in any event shall the BUILDER be liable for any worsening of the defects after the expiry date of the guarantee specified in Paragraph 1.
- (c) The BUILDER shall under no circumstances be liable for defects in the VESSEL or



any part of equipment thereof caused by perils of the sea, rivers or navigations, or by normal wear and tear, or by incompetence, mismanagement, negligence or wilful neglect of the BUYER, its employees or agents, or by fire or accidents at sea not themselves caused by defective materials, faulty design, poor workmanship and/or defective equipment. Likewise, the BUILDER shall not be liable for defects in the VESSEL or any part of equipment thereof that are due to repairs or replacements carried out by any other than the BUILDER or which have not been carried out in accordance with the procedure set out in Paragraph 3 (b) of this Article.

- (d) The BUILDER shall not be obliged to repair, not be liable for, damage to the VESSEL or any part of the equipment thereof, which after delivery of the VESSEL, is caused other than by the defects of the nature specified in this Article. The guarantees contained as hereinabove in this Article replace and exclude any other liability, guarantee, warranty and/or condition imposed or implied by statute, common law, custom, contract (including this CONTRACT) or otherwise on the part of the BUILDER by reason of the construction and sale of the VESSEL for and to the BUYER or for any other reason whatsoever.

(End of Article)

**ARTICLE X : PAYMENT****1. CURRENCY**

All payments under this CONTRACT shall be made in United States Dollars.

**2. TERMS OF PAYMENT**

The payments of the CONTRACT PRICE shall be made as follows :

**(a) First Instalment**

Twenty per cent (20%) of the CONTRACT PRICE amounting to U.S.Dollars Eighteen Million Five Hundred and Forty Seven Thousand Four Hundred (US\$ 18,547,400) shall be paid within three (3) business days after either the BUYER's receipt of Letter of Guarantee or the BUYER's bank's receipt of Letter of Guarantee by SWIFT, as the case may be, duly issued in accordance with Paragraph 8 of this Article.

Under this CONTRACT, in counting the business days, only Saturdays and Sundays are excepted. When a due date falls on a day when banks are not open for business in New York, N.Y., U.S.A., Amsterdam, The Netherlands and in Oslo, Norway, such due date shall fall due upon the first business day next following.

**(b) Second Instalment**

Ten per cent (10%) of the CONTRACT PRICE amounting to U.S.Dollars Nine Million Two Hundred and Seventy Three Thousand Seven Hundred (US\$ 9,273,700) shall be paid on the date falling six (6) months from the date of signing this CONTRACT.

**(c) Third Instalment**

Ten per cent (10%) of the CONTRACT PRICE amounting to U.S.Dollars Nine Million Two Hundred and Seventy Three Thousand Seven Hundred (US\$ 9,273,700) shall be paid within three (3) business days after the BUILDER has notified the BUYER by email or facsimile accompanied by a certificate signed by the

CLASSIFICATION SOCIETY stating that steel cutting of the VESSEL has been commenced.

(d) Fourth Instalment

Ten per cent (10%) of the CONTRACT PRICE amounting to U.S. Dollars Nine Million Two Hundred and Seventy Three Thousand Seven Hundred (US\$ 9,273,700) shall be paid within three (3) business days after the BUILDER has notified the BUYER by email or facsimile accompanied by a certificate signed by the CLASSIFICATION SOCIETY, stating that the first block of the keel has been laid.

(e) Fifth Instalment

Fifty per cent (50%) of the CONTRACT PRICE amounting to U.S.Dollars Forty Six Million Three Hundred and Sixty Eight Thousand Five Hundred (US\$ 46,368,500) plus or minus any increase or decrease due to modifications and/or adjustment, if any, arising prior to delivery of the VESSEL of the CONTRACT PRICE under Articles III and V of this CONTRACT shall be paid to the BUILDER concurrently with the execution of the PROTOCOL OF DELIVERY AND ACCEPTANCE of the VESSEL, as provided for in Article VII.

(The date stipulated for payment of each of the five instalments mentioned above is hereinafter in this Article and in Article XI referred to as the "DUE DATE" of that instalment).

It is understood and agreed upon by the BUILDER and the BUYER that all payments under the provisions of this Article shall not be delayed or withheld by the BUYER due to any dispute or disagreement of whatsoever nature arising between the BUILDER and the BUYER. Should there be any dispute in this connection, the matter shall be dealt with in accordance with the provisions of arbitration in Article XIII hereof. Expenses for remitting payments and any other expenses connected with such payments shall be for the account of the BUYER.

It is understood and agreed upon by the BUILDER and the BUYER that all payments under the provisions of this Article shall not be delayed or withheld by the BUYER due to any dispute or disagreement of whatsoever nature arising between the BUILDER and the BUYER. Should there be any dispute in this connection, the matter shall be dealt with in accordance with the provisions of arbitration in Article XIII hereof. Expenses for remitting payments and any other expenses connected with such payments shall be for the account of the BUYER.

**3. DEMAND FOR PAYMENT**

At least fourteen (14) days prior to the date of each event provided in Paragraph 2 of this Article on which any payment shall fall due hereunder, with the exception of the payment of the first and second instalments, the BUILDER shall notify the BUYER by email or

facsimile of the date such payment shall become due.

The BUYER shall immediately acknowledge receipt of such notification by email or facsimile to the BUILDER, and make payment as set forth in this Article. If the BUILDER fails to receive the BUYER's said acknowledgement within three (3) days after sending the aforementioned notification, the BUILDER shall promptly email or facsimile to the BUYER a second notification of similar import. The BUYER shall immediately acknowledge by email or facsimile receipt of the foregoing second notification regardless of whether or not the first notification was acknowledged as aforesaid.

#### **4. METHOD OF PAYMENT**

- (a) All the pre-delivery payments and the payment due on delivery in settlement of the CONTRACT PRICE as provided for in Paragraph 2 of this Article shall be made in U.S. Dollars on or before the DUE DATE thereof by telegraphic transfer as follows;
- (i) The payment of the first, second, third and fourth instalments shall be made to the account (Account No.: 001-1-545027) of the Hana Bank (hereinafter called the "Hana Bank") with JP MORGAN CHASE BANK, N.A., 4 New York Plaza Floor 15, New York, NY 10004, USA. In the event that the BUILDER nominates a bank other than the Hana Bank, the BUILDER shall notify the BUYER of the designated bank and account at least ten (10) business days prior to the DUE DATE.
  - (ii) The fifth instalment as provided for in Paragraph 2.(e) of this Article shall be deposited in an account in the name of the BUILDER with the Hana Bank, Seoul branch, or, if the BUILDER requires, at the account of the BUILDER with another internationally recognized bank that is approved by the BUYER (acting reasonably) by telegraphic transfer remittance at least three (3) business days prior to the scheduled delivery date of the VESSEL notified by the BUILDER, with instructions that the said instalment is payable to the BUILDER against presentation by the BUILDER to the Hana Bank or such other bank nominated by the BUILDER (and approved by the BUYER), as the case may be, of a duplicate original copy of the PROTOCOL OF DELIVERY AND ACCEPTANCE of the VESSEL signed by the BUILDER and the BUYER.

The BUILDER shall advise the BUYER of the details of its account with the Hana Bank, Seoul Branch or such other internationally recognized bank for the

BUYER's approval (acting reasonably), at least fifteen (15) business days prior to the scheduled delivery date of the VESSEL.

The instruction by the BUYER to the Hana Bank or such other bank nominated by the BUILDER shall include instructions that the Hana Bank or such other bank nominated by the BUILDER shall return the amount deposited to the account specified by the BUYER or by the BUYER's financing bank in the event that delivery of the VESSEL is not effected with fifteen (15) days of the BUYER making the deposit. However, if the BUILDER and the SELLER both agree on a newly scheduled delivery date, the BUYER shall make the cash deposit in accordance with the same terms and conditions as set out above.

- (b) Simultaneously with each of such payments, the BUYER shall advise the BUILDER of the details of the payments by e-mail or facsimile and at the same time, the BUYER shall cause the BUYER's remitting Bank to advise the Hana Bank or such other bank nominated by the BUILDER of the details of such payments by authenticated bank cable or telex.

#### **5. REFUND BY THE BUILDER**

The payments made by the BUYER to the BUILDER prior to delivery of the VESSEL shall constitute advances to the BUILDER. If the VESSEL is rejected by the BUYER in accordance with the terms of this CONTRACT, or except in the case of rescission or cancellation of this CONTRACT by the BUILDER under the provisions of Article XI hereof, if the BUYER terminates, cancels or rescinds this CONTRACT pursuant to any of the provisions of this CONTRACT specifically permitting the BUYER to do so, the BUILDER shall forthwith refund to the BUYER, in U.S. Dollars, the full amount of total sums paid by the BUYER to the BUILDER in advance of delivery together with interest thereon as herein provided.

The transfer and other bank charges of such refund shall be for the BUILDER's account. The interest rate of the refund, as above provided, shall be five per cent (5%) per annum from the date following the date of receipt by the BUILDER of the pre-delivery instalment(s) to the date of remittance by telegraphic transfer of such refund, provided, however, that if the cancellation of this CONTRACT by the BUYER is based solely upon delays due to force majeure or other causes beyond the control of the BUILDER as provided for in Paragraph 1 of Article VIII hereof, then in such event, the interest rate of refund shall be reduced to four per cent (4%) per annum.

It is hereby understood by both parties that payment of any interest provided herein is by way of liquidated damages due to cancellation of this CONTRACT and not by way of compensation for use of money.

If, the BUILDER is required to refund to the BUYER the instalments paid by the BUYER to the BUILDER as provided in this Paragraph, the BUILDER shall return to the BUYER all of the BUYER's supplies as stipulated in Article XII which were not incorporated into the VESSEL and pay to the BUYER an amount equal to the cost to the BUYER of those supplies incorporated into the VESSEL.

## **6. TOTAL LOSS**

If there is a total loss or a constructive total loss of the VESSEL prior to delivery thereof, the BUILDER shall proceed according to the mutual agreement of the parties hereto either:

- (a) to build another vessel in place of the VESSEL so lost and deliver it under this CONTRACT to the BUYER, provided that the parties hereto shall have agreed in writing to a reasonable cost and time for the construction of such vessel in place of the lost VESSEL; or
- (b) to refund to the BUYER the full amount of the total sums paid by the BUYER to the BUILDER under the provisions of Paragraph 2 of this Article together with interest thereon at the rate of five per cent (5%) per annum from the date following the date of receipt by the BUILDER of such pre-delivery instalment(s) to the date of payment by the BUILDER to the BUYER of the refund.

If the parties hereto fail to reach such agreement within two (2) months after the VESSEL is determined to be a total loss or constructive total loss, the provisions of (b) hereinabove shall be applied.

## **7. INSOLVENCY**

In addition to the other provisions of the CONTRACT permitting the BUYER to rescind or cancel this CONTRACT, if an order of an effective resolution shall be passed for the winding up of the BUILDER (except for the purpose of reorganization, merger or amalgamation), then the BUYER shall have the right to terminate this Contract and the provisions of Paragraph 5 of

this Article shall apply.

**8. DISCHARGE OF OBLIGATIONS**

Such refund as provided in the foregoing Paragraphs 5 and 6 by the BUILDER to the BUYER shall forthwith discharge all the obligations, duties and liabilities of each of the parties hereto to the other.

Any and all refunds or payments due to the BUYER under this CONTRACT shall be effected by telegraphic transfer to the account specified by the BUYER.

**9. REFUND GUARANTEE**

The BUILDER shall deliver to the BUYER by hard copy or by SWIFT through the BUYER's bank an assignable letter of guarantee issued by the Hana Bank or any other bank acceptable to the BUYER for the refund of the pre-delivery instalments plus interest as aforesaid to the BUYER under or pursuant to Paragraphs 5 and 6 above in the form annexed hereto as Exhibit "A". All expenses in issuing and maintaining the letter of guarantee described in this Paragraph shall be borne by the BUILDER. In case of SWIFT, the BUYER shall advise the BUILDER of the details of the BUYER's bank including the SWIFT address upon execution of this CONTRACT.

(End of Article)

**ARTICLE XI : BUYER'S DEFAULT****1. DEFINITION OF DEFAULT**

The BUYER shall be deemed to be in default under this CONTRACT in the following cases :

- (a) If the first, second, third, or fourth instalment is not paid to the BUILDER within respective DUE DATE of such instalments; or
- (b) If the fifth instalment is not deposited in an account in the name of the BUILDER with the Hana Bank, or in an account of the BUILDER with any other internationally recognized bank nominated by the BUILDER in accordance with Article X.4.(a)(ii) hereof, or if the said fifth instalment deposit is not released to the BUILDER against presentation by the BUILDER of a duplicate original copy of the PROTOCOL OF DELIVERY AND ACCEPTANCE; or
- (c) If the BUYER fails to take delivery of the VESSEL when the VESSEL is duly tendered for delivery by the BUILDER under the provisions of Article VII hereof; or
- (d) If an order or an effective resolution shall be passed for winding up of the BUYER (except for the purpose of reorganization, merger or amalgamation).

In case the BUYER is in default of any of its obligations under this CONTRACT, the BUILDER is entitled to and shall have the following rights, powers and remedies in addition to such other rights, powers and remedies as the BUILDER may have elsewhere in this CONTRACT and/or at law, at equity or otherwise.

**2. EFFECT OF THE BUYER'S DEFAULT ON OR BEFORE THE DELIVERY OF THE VESSEL**

If the BUYER shall be in default as provided in Paragraph 1 above of its obligations under this CONTRACT, then;

- (a) The DELIVERY DATE of the VESSEL shall be extended automatically for the actual period of such default and the BUILDER shall not be obliged to pay any liquidated damages for the delay in delivery of the VESSEL caused thereby.



- (b) The BUYER shall pay to the BUILDER interest at the rate of four per cent (4%) per annum in respect of the instalment(s) in default from the respective DUE DATE to the date of actual receipt by the BUILDER of the full amount of such instalment(s).
- (c) If the BUYER is in default in payment of any of the instalment(s) due and payable prior to or simultaneously with the delivery of the VESSEL, the BUILDER shall, by email or facsimile, notify the BUYER to that effect, and the BUYER shall, upon receipt of such notification, forthwith acknowledge by email or facsimile to the BUILDER that such notification has been received.
- (d) If any of the BUYER's default continues for a period of seven (7) days after the BUILDER's notification to the BUYER of such default, the BUILDER may, at its option, rescind this CONTRACT by serving upon the BUYER a written notice or a facsimile notice of rescission confirmed in writing.
- (e) In the event of such cancellation by the BUILDER of this CONTRACT due to the BUYER's default as provided for in paragraph 1 above, the BUILDER shall be entitled to retain and apply the instalments already paid by the BUYER to the recovery of the BUILDER's loss and damage including, but not being limited to, reasonable estimated profit.

### **3. SALE OF VESSEL**

If the BUILDER terminates this CONTRACT as provided in this Article XI, the BUILDER shall have the full right and power either to complete or not to complete the VESSEL which is the sole property of the BUILDER as it deems fit, and to sell the VESSEL at a public or private sale on such terms and conditions as the BUILDER thinks fit without being answerable for any loss or damage.

The proceeds received by the BUILDER from the sale shall be applied in addition to the instalment(s) retained by the BUILDER as mentioned hereinabove as follows : -

First, in payment of all reasonable costs and expenses of the sale of the VESSEL, including interest thereon at five per cent (5%) per annum from the respective date of payment of such costs and expenses aforesaid to the date of sale on account of the BUYER's default.

- Second, if the VESSEL has been completed, in or towards satisfaction of the unpaid balance of the CONTRACT PRICE, to which shall be added the cost of all additional work and extras agreed by the BUYER including interest thereon at five per cent (5%) per annum from the respective DUE DATE of the instalment in default to the date of sale, or if the VESSEL has not been completed, in or towards satisfaction of the unpaid amount of the cost incurred by the BUILDER prior to the date of sale on account of construction of the VESSEL, including work, labour, materials and reasonably estimated profit which the BUILDER would have been entitled to receive if the VESSEL had been completed and delivered plus interest thereon at five per cent (5%) per annum from the respective DUE DATE of the instalment in default to the date of sale.
- Third, the balance of the proceeds, if any, shall belong to the BUYER, and shall forthwith be paid over to the BUYER by the BUILDER.

In the event of the proceeds from the sale together with instalment(s) retained by the BUILDER being insufficient to pay the BUILDER, the BUYER shall be liable for the deficiency and shall pay the same to the BUILDER upon its demand.

(End of Article)

**ARTICLE XII : BUYER'S SUPPLIES****1. RESPONSIBILITY OF THE BUYER**

The BUYER shall, at its cost and expense, supply all the BUYER'S supplies as specified in Paragraph 0.16 of the SPECIFICATIONS (hereinafter called the "BUYER'S SUPPLIES"), to the BUILDER at the SHIPYARD in good condition ready for installation and in accordance with the time schedule to be furnished by the BUILDER to meet the building schedule of the VESSEL.

In order to facilitate the installation of the BUYER'S SUPPLIES by the BUILDER, the BUYER shall furnish the BUILDER with the necessary plans, instruction books, test report and all test certificates required by the BUILDER and shall cause the representative(s) of the makers of the BUYER'S SUPPLIES to give the BUILDER any advice, instructions or assistance which the BUILDER may reasonably require in the installation or adjustment thereof at the SHIPYARD, all without cost or expense to the BUILDER.

The BUYER shall be liable for any expense incurred by the BUILDER for repair of the BUYER'S SUPPLIES due to defective design or materials, poor workmanship or performance or due to damage in transit and the DELIVERY DATE of the VESSEL shall be extended for the period of such repair if such repair shall affect the delivery of the VESSEL.

Commissioning into good order of the BUYER'S SUPPLIES during and after installation on board shall be made at the BUYER's expense by the representative of respective maker or the person designated by the BUYER in accordance with the BUILDER's building schedule.

Should the BUYER fail to deliver to the BUILDER the BUYER'S SUPPLIES and the necessary document or advice for such supplies within the time specified by the BUILDER, the DELIVERY DATE of the VESSEL shall automatically be extended for the period of such delay if such delay in delivery shall affect the delivery of the VESSEL. In such event, the BUYER shall pay to the BUILDER all losses and damages sustained by the BUILDER due to such delay in the delivery of the BUYER'S SUPPLIES and such payment shall be made upon delivery of the VESSEL, provided, however, that the BUILDER shall have

- (a) furnished the BUYER with the time schedule referred to above, two (2) months prior to installation of the BUYER'S SUPPLIES and
- (b) given the BUYER written notice of any delay in delivery of the BUYER'S SUPPLIES and the necessary document or advice for such supplies as soon as the delay occurs which might give rise to a claim by the BUILDER under this Paragraph.

Furthermore, if the delay in delivery of the BUYER'S SUPPLIES and the necessary document or advice for such supplies should exceed ten (10) days from the date specified by the BUILDER, the BUILDER shall be entitled to proceed with construction of the VESSEL without installation of such items (regardless of their nature or importance to the BUYER or the VESSEL) in or on the VESSEL without prejudice to the BUILDER's right hereinabove provided, and the BUYER shall accept the VESSEL so completed.

## **2. RESPONSIBILITY OF THE BUILDER**

The BUILDER shall be responsible for storing, safekeeping and handling the BUYER'S SUPPLIES which the BUILDER is required to install on board the VESSEL under Paragraph 0.16 of the SPECIFICATIONS after delivery of such supplies to the SHIPYARD, and shall install such supplies on board the VESSEL at the BUILDER's expense unless otherwise specified in the SPECIFICATIONS.

However, the BUILDER shall not be responsible for the quality, performance or efficiency of any equipment included in the BUYER'S SUPPLIES and is under no obligation with respect to the guarantee of such equipment against any defects caused by poor quality, performance or efficiency of the BUYER'S SUPPLIES. If any of the BUYER'S SUPPLIES is lost or damaged while in the custody of the BUILDER, the BUILDER shall, if the loss or damage is due to wilful default or negligence on its part, be responsible for such loss or damage.

(End of Article)

**ARTICLE XIII : ARBITRATION****1. APPOINTMENT OF THE ARBITRATOR**

If any dispute or difference shall arise between the parties hereto concerning any matter or thing herein contained, or the operation or construction thereof, or any matter or thing in any way connected with this CONTRACT or the rights, duties or liabilities of either party under or in connection with this CONTRACT, then, in every such case, the dispute or difference shall be referred to arbitration in London by a sole arbitrator. The arbitrator shall be appointed by agreement within fourteen (14) days of first written notification of either party to the other of intention to arbitrate such dispute or difference, or in default of such agreement, upon the application of either of the parties, by the President for the time being of the London Maritime Arbitrators Association who shall in making any such appointment have due regard to the requirement for an expeditious resolution of the dispute and in particular the availability of any arbitrator so appointed for an early hearing date.

**2. LAWS APPLICABLE**

Any arbitration arising hereunder shall be governed by and construed in accordance with the Arbitration Act 1996 of England or any statutory modification or re-enactments thereof for the time being in force. The award of the arbitrator shall be final and binding upon parties hereto.

**3. PROCEEDINGS**

In the event of any dispute or difference arising or occurring prior to delivery to, or acceptance by, the BUYER of the VESSEL being referred to arbitration, the parties hereby acknowledge that time is of the essence in obtaining an award from the arbitrator on such dispute or difference and the parties hereby agree that the arbitration shall be conducted according to the following timetable:

- (a) The claimant in the arbitration to serve points of claim within fourteen (14) days of the appointment of the arbitrator.

- (b) The respondent in the arbitration to serve points of defence and points of counterclaim, if any, within fourteen (14) days thereafter.
- (c) The claimant to serve points of reply and defence to counterclaim, if any, within seven (7) days thereafter and the hearing of the arbitration to commence within twelve (12) weeks of the appointment of the arbitrator.

**4. ALTERATION OF DELIVERY OF THE VESSEL**

In the event of the arbitration of any dispute or difference arising or occurring prior to delivery to, or acceptance by the BUYER of the VESSEL, the award by the arbitrator shall include a finding as to whether or not the DELIVERY DATE of the VESSEL should, as a result of such dispute, be in any way altered thereby.

(End of Article)

**ARTICLE XIV : SUCCESSORS AND ASSIGNS**

Neither party shall assign or transfer all or any part of its rights or obligations under this CONTRACT to any third party without the prior written consent thereto of the other party.

Notwithstanding the foregoing, the BUYER shall have the right by giving notice in writing to the BUILDER, to assign the benefit of this CONTRACT and the Refund Guarantee:

- (i) to any subsidiary or affiliate company of the BUYER; and/or
- (ii) by way of security for any loan provided to the BUYER by any one or more banks or other financial institutions to finance its purchase of the VESSEL hereunder.

The BUILDER further agrees that, prior to delivery of the VESSEL, this CONTRACT may, with the prior written approval of the BUILDER, which the BUILDER shall not unreasonably withhold, be transferred to and the title thereof may be taken by another company. In the event of any assignment pursuant to the terms of this CONTRACT, the assignee, its successors and assigns shall succeed to all the rights and obligations of the BUYER under this CONTRACT. However, the BUYER shall remain responsible for performance by the assignee, its successors and assigns of all the BUYER's obligations, liabilities and responsibilities under this CONTRACT. It is understood that any expenses or charges incurred due to the transfer of this CONTRACT shall be for the account of the BUYER.

(End of Article)

**ARTICLE XV : TAXES AND DUTIES****1. TAXES AND DUTIES IN KOREA**

The BUILDER shall bear and pay all taxes and duties levied or imposed in Korea in connection with the execution and/or performance of this CONTRACT, except any taxes and duties imposed in Korea upon BUYER's Supplies or upon the activities of the BUYER's employees and agents.

**2. TAXES AND DUTIES OUTSIDE KOREA**

The BUYER shall bear and pay all taxes and duties levied or imposed outside Korea in connection with execution and/or performance of this CONTRACT except for any taxes and duties imposed upon those items or services to be procured by BUILDER for construction of the VESSEL.

(End of Article)



**ARTICLE XVI : PATENTS, TRADEMARKS AND COPYRIGHTS****1. PATENTS, TRADEMARKS AND COPYRIGHTS**

Machinery and equipment of the VESSEL, whether made or furnished by the BUILDER under this CONTRACT, may bear the patent numbers, trademarks, or trade names of the manufacturers. The BUILDER shall defend and save harmless the BUYER from all liabilities or claims for or on account of the use of any patents, copyrights or design of any nature or kind, or for the infringement thereof including any unpatented invention made or used in the performance of this CONTRACT and also for any costs and expenses of litigation, if any in connection therewith. No such liability or responsibility shall be with the BUILDER with regard to components and/or equipment and/or design supplied by the BUYER.

Nothing contained herein shall be construed as transferring any patent or trademark rights or copyrights in equipment covered by this CONTRACT, and all such rights are hereby expressly reserved to the true and lawful owners thereof.

**2. RIGHTS TO THE SPECIFICATIONS, PLANS, ETC.**

The BUILDER retains all rights with respect to the SPECIFICATIONS, plans and working drawings, technical descriptions, calculations, test results and other data, information and documents concerning the design and construction of the VESSEL and the BUYER shall not disclose the same or divulge any information contained therein to any third parties, including but not limited to any other shipbuilders, without the prior written consent of the BUILDER, excepting where it is necessary for usual operation, repair and maintenance of the VESSEL. In case the BUYER is in breach of its obligation under this Article, the BUILDER shall be entitled to any rights, powers and remedies in this CONTRACT and/or at law, at equity or otherwise to recover any damages caused by the breach of the BUYER.

(End of Article)

**ARTICLE XVII : COMPLIANCE AND ANTI-BRIBERY****1. REPRESENTATIONS OF THE PARTIES**

During the Term of this CONTRACT and for the duration of any services provided hereunder, each party certifies and represents as follows:

- (a) It will comply with the laws of any jurisdiction applicable to such party as it relates to this CONTRACT, including but not limited to any applicable anti-corruption and anti-bribery laws, also including, without limitation, the United States Foreign Corrupt Practices Act ("US FCPA"), the UK Bribery Act 2010 ("UK Bribery Act") and the anti-bribery or anti-corruption laws of South Korea as such laws may be amended from time to time.
- (b) In connection with this CONTRACT, it has not and will not make any payments or gifts or provide other advantages, or any offers or promises of payments or gifts or other advantages of any kind, directly or indirectly, to:
  - (i) any person or entity with the intention of obtaining or retaining a business advantage for itself or the other party to this CONTRACT;
  - (ii) any official or member of any government or any agency or instrumentality thereof; any official or member of any public international organisation or any agency or instrumentality thereof; any or official of a political party or any candidate for political office (herein 'public official'); or any person while knowing or reasonably suspecting that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to any public official, in violation of the UK Bribery Act, the US FCPA or the laws of South Korea.
- (c) In connection with this CONTRACT, it has not and will not request, agree to accept or accept from any person or entity any payments or gifts or other advantages, or any offers or promises of payments or gifts or other advantages of any kind, directly or indirectly, as a reward or inducement to perform its obligations under this CONTRACT in any way improperly.

**2. INDEMNIFICATION**

Each party agrees that it will fully indemnify, defend and hold harmless the other party from any claims, liabilities, damages, expenses, penalties, judgments and losses (including reasonable attorneys' fees) assessed or resulting by reason of a breach of the representations and undertakings contained in this Article XVII to the extent permitted by law.

(End of Article)

**ARTICLE XVIII : INTERPRETATION AND GOVERNING LAW**

This CONTRACT has been prepared in English and shall be executed in duplicate and in such number of additional copies as may be required by either party respectively. The parties hereto agree that the validity and interpretation of this CONTRACT and of each Article and part thereof shall be governed by the laws of England.

(End of Article)

**ARTICLE XIX : NOTICE**

Any and all notices, requests, demands, instructions, advices and communications in connection with this CONTRACT shall be written in English, sent by registered air mail, email or facsimile and shall be deemed to be given when first received whether by registered mail, email or facsimile. They shall be addressed as follows, unless and until otherwise advised: -

To the BUILDER : Hyundai Heavy Industries Co., Ltd.  
1000, Bangeojinsunhwan-doro,  
Dong-Gu, Ulsan, Korea

Attention: Mr. Y.H Kim / General Manager  
Contract Management Department  
Facsimile: +82-52-202-3448 / 3425  
Telephone: +82-52-202-3041  
E-Mail: cmdept@hhi.co.kr

To the BUYER: DHT Holdings, Inc.  
c/o DHT Management AS  
Haakon VII's gt. 1, 6<sup>th</sup> floor,  
0125 Oslo, Norway

Attention: Svern Magne Edvardsen, Technical Director  
Facsimile: + 47 2311 5081  
Telephone: + 47 2311 5080  
E-Mail: sme@dhtankers.com

The said notices shall become effective upon receipt of the letter, email or facsimile communication by the receiver thereof. Where a notice by email or facsimile is concerned which is required to be confirmed by letter, then, unless the CONTRACT or the relevant Article thereof otherwise requires, the notice shall become effective upon receipt of such email or facsimile.

(End of Article)

**ARTICLE XX : EFFECTIVENESS OF THIS CONTRACT**

This CONTRACT shall become effective upon signing by the parties hereto.

(End of Article)

**ARTICLE XXI : EXCLUSIVENESS**

This CONTRACT shall constitute the only and entire agreement between the parties hereto, and unless otherwise expressly provided for in this CONTRACT, all other agreements, oral or written, made and entered into between the parties prior to the execution of this CONTRACT shall be null and void.

(End of Article)

IN WITNESS WHEREOF, the parties hereto have caused this CONTRACT to be duly executed on the date and year first above written.

BUYER

For and on behalf of DHT HOLDINGS, INC.

By /s/ Trygve P. Munthe  
Name: Trygve P. Munthe  
Title: President

By /s/ Svein M. Harfjeld  
Name: Svein Harfjeld  
Title: CEO

BUILDER

For and on behalf of HYUNDAI HEAVY INDUSTRIES CO., LTD.

By /s/ Sam H. Ka  
Name: Sam H. Ka  
Title: Attorney-in-fact

WITNESS: /s/ [illegible]



**EXHIBIT "A"**

OUR LETTER OF GUARANTEE NO. \_\_\_\_\_

DHT HOLDINGS, INC.  
Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

Date : \_\_\_\_\_, 2013

Gentlemen:

We hereby open our irrevocable letter of guarantee number \_\_\_\_\_ in favour of DHT Holdings, Inc., Hamilton, Bermuda (hereinafter called the "**BUYER**") for account of Hyundai Heavy Industries Co., Ltd., Ulsan, Korea (hereinafter called the "**BUILDER**") as follows in connection with the shipbuilding contract dated \_\_\_\_\_, 2013 (hereinafter called the "**CONTRACT**") made by and between the BUYER and the BUILDER for the construction of one (1) 300,000 DWT Class Crude Oil Carrier having the BUILDER's Hull No. \_\_\_\_ hereinafter called the "**VESSEL**").

In consideration of the BUYER entering into the CONTRACT with the BUILDER and agreeing to pay to the BUILDER the instalment(s) before delivery of the VESSEL under the CONTRACT, if, in connection with the terms of the CONTRACT, the BUYER shall become entitled to a refund of the advance instalment(s) of the Contract Price made to the BUILDER prior to the delivery of the VESSEL (the "**INSTALMENTS**"), we the undersigned as a primary obligor and not merely as a surety, hereby unconditionally and irrevocably guarantee the repayment of the same without any withholding taxes or deductions to the BUYER within ten (10) banking days after demand not exceeding the amount of INSTALMENTS previously received by the BUILDER together with interest thereon at the rate of five per cent (5%) per annum from the date following the date of receipt of each INSTALMENT by the BUILDER to the date of remittance by telegraphic transfer of such refund.

This Guarantee shall be in force and effect from the date of BUILDER's actual receipt of the first INSTALMENT or advance payment in the amount of United States Dollars\_[ ] .

This Guarantee shall cover the amount corresponding to but not exceeding the amount of the INSTALMENTS received by the BUILDER, but in any eventuality the amount of this guarantee shall not exceed the total sum of [GUARANTEE MAXIMUM] (Say U.S. Dollars [GUARANTEE MAXIMUM – IN WORDS] only) plus interest thereon at the rate of five per cent (5%) per annum from the date following the date of the BUILDER's receipt of each INSTALMENT to the date of remittance by telegraphic transfer of the refund. However, in the event of cancellation of the CONTRACT being based solely on delays due to force majeure or other causes beyond the control of the BUILDER as provided for in Article VIII of the CONTRACT, the interest rate of refund shall be reduced to four per cent (4%) per annum as provided in Article X of the CONTRACT.

In case any refund is made to you by the BUILDER or by us under this guarantee, our liability

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hereunder shall be automatically reduced by the amount of such refund received by you. Any refund received by you which gives rise to an automatic reduction in accordance herewith shall be notified to us prior to submitting any claim for payment under this guarantee.

Any payment by the undersigned under this guarantee in accordance with its terms, shall be made within ten (10) banking days from the receipt by us of a written demand from you including a signed statement certifying that the BUYER's demand for refund has been made in conformity with Article X of the CONTRACT and the BUILDER has failed to make the refund within ten (10) banking days after your demand to the BUILDER.

Notwithstanding the provisions hereinabove, in the event that within ten (10) banking days from the date of your claim to the BUILDER referred to above, we receive written notification from you or the BUILDER confirmed by an arbitrator stating that your claim to cancel the CONTRACT or your claim for refundment thereunder has been disputed and referred to arbitration in accordance with the provisions of the CONTRACT, we shall under this guarantee, refund to you the sum adjudged to be due to you by the BUILDER pursuant to the award made under such arbitration within ten (10) banking days upon receipt from you of a demand for the sums so adjudged and a copy of the award.

Our liabilities under this letter of guarantee shall not be discharged, impaired or diminished by any period of time, grace period or indulgence granted by the BUYER to the BUILDER, or by any modification of or variation, amendment or supplement to the CONTRACT, or by any assignment of the CONTRACT, or by any invalidity, irregularity, unenforceability if any of the terms of the CONTRACT, or by any act, omission, fact or circumstances of whatsoever kind which could or might otherwise in any way discharge any of our liabilities or influence the performance of our obligations hereunder, or by any insolvency, bankruptcy or liquidation or reorganisation of the BUILDER.

This letter of guarantee shall become null and void upon receipt by the BUYER of the sum guaranteed hereby or upon acceptance by the BUYER of the delivery of the VESSEL in accordance with the terms of the CONTRACT and, in either case, the BUYER shall return this letter of guarantee to us or shall arrange with their bank to confirm us by SWIFT (our SWIFT address : \_\_\_\_\_) that this letter of guarantee has been null and void.

This letter of guarantee is assignable and valid from the date of this letter of guarantee until such time as the VESSEL is delivered by the BUILDER to the BUYER in accordance with the provisions of the CONTRACT.

We hereby certify, represent and warrant that all acts, conditions and things required to be done and performed and to have occurred precedent to the creation and issuance of this letter of guarantee, and to constitute the valid and legally binding obligations of the undersigned, enforceable in accordance with its terms, have been done and performed and have occurred in due and strict compliance with all applicable laws.

In the event that any withholding or deduction is imposed by any law, we will pay such additional amount as may be necessary in order that the actual amount received after deduction or withholding shall equal the amount that would have been received, if such deduction or withholding were not required.

This guarantee shall be governed by and construed in accordance with English law and the undersigned hereby submits to the exclusive jurisdiction of the Commercial Court in London, England.

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The undersigned hereby appoints [INSERT PERSON] to receive service of proceedings in the court on its behalf.

Very truly yours,

for and on behalf of

By

\_\_\_\_\_

Name:

Title:

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## OPTION AGREEMENT

This Agreement is made on this 28<sup>th</sup> day of November, 2013 by and between DHT HOLDINGS, INC., a corporation organized and existing under the laws of Marshall Islands, having its principal office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda (hereinafter called the "BUYER"), the party of the first part and HYUNDAI HEAVY INDUSTRIES CO., LTD., a company organized and existing under the laws of the Republic of Korea, having its principal office at 1000 Bangeojinsunhwan-doro, Dong-Gu, Ulsan, Korea (hereinafter called the "BUILDER"), the party of the second part.

WHEREAS :

- A. The BUYER and the BUILDER have entered into two shipbuilding contracts, each dated 28<sup>th</sup> day of November, 2013, (the "CONTRACTS ") for the construction and sale of two (2) units of 300,000 DWT Class Crude Oil Carrier having the BUILDER's Hull Nos. 2748 and 2749 (hereinafter called the "FIRM VESSELS")
- B. The BUILDER has granted to the BUYER an option to purchase a further one (1) identical vessel (hereinafter called the "OPTIONAL VESSEL") from the BUILDER on the terms and conditions stipulated hereunder.

NOW, THEREFORE, both parties hereby agree as below:

1. Type and Number of the OPTIONAL VESSEL

One (1) unit of 300,000 DWT Class Crude Oil Carrier

2. Price (Ex-yard & Net-Receiveable)

United States Dollars Ninety Two Million, Seven Hundred and Thirty Seven Thousand (US\$ 92,737,000.-)

3. Payment Terms

- Twenty percent (20%) of the price : upon Signing Contract
- Ten percent (10%) of the price : within Six (6) months after Signing Contract
- Ten percent (10%) of the price : upon Steel Cutting
- Ten percent (10%) of the price : upon Keel Laying
- Fifty percent (50%) of the price : upon Delivery

4. Delivery (Ex-yard)

The OPTIONAL VESSEL shall be delivered within the 4th quarter of 2016 at the BUILDER's shipyard in Ulsan, with the scheduled date of delivery of the OPTIONAL VESSEL being mutually agreed between the BUILDER and the BUYER at the time of entry into the OPTIONAL CONTRACT (as defined below).

5. Option Declaration

The BUYER's option for the OPTIONAL VESSEL shall be declared no later than midnight, Korean time on 27th day of December, 2013.

If the BUYER shall not declare the option within the time-limit above, then, this Agreement shall be automatically null and void without either party hereby incurring any liability to the other.

6. Contract

The shipbuilding contract for the OPTIONAL VESSEL (the "OPTIONAL CONTRACT") shall be executed by and between the BUYER and the BUILDER within close of business London time on the 8<sup>th</sup> day of January 2014, in the form identical to the CONTRACTS for the FIRM VESSELS with logical amendments only thereto.

7. Specifications/Plans

The Specifications for the OPTIONAL VESSEL shall be identical to the Contractual Specifications for the FIRM VESSELS.

The plans and drawings as applied or to be applied to the FIRM VESSELS and the selection of the makers from the Maker's List for the FIRM VESSELS shall apply to the OPTIONAL VESSEL and no further/separate submissions or approvals of the above mentioned plans and drawings shall be necessary.

Both parties hereby agree that any changes and/or modifications of the Specifications for the FIRM VESSELS agreed or to be agreed upon by the BUYER and the BUILDER during the construction of the FIRM VESSELS shall automatically apply to the OPTIONAL VESSEL in the same manner applied to the FIRM VESSELS, making the OPTIONAL VESSEL an identical ship to the FIRM VESSELS.

8. Refund Guarantee

The BUILDER shall provide the BUYER with the Refund Guarantee issued by a Korean bank or financial institutions acceptable to the BUYER.

9. Performance Guarantee

If the contractual buyers of the OPTIONAL VESSEL are to be a special purpose company or a company who has no substance, then the BUYER shall, upon signing contracts, provide the BUILDER with an irrevocable and unconditional Corporate Guarantee issued by the BUYER for the due and faithful performance by the buyer of all its liabilities and responsibilities under the OPTIONAL CONTRACT including, but not limited to, the payment of the contract price and taking delivery of the OPTIONAL VESSEL.

10. Entire Agreement

This Agreement shall constitute the only and entire agreement between the parties and unless otherwise expressly agreed between the parties, all other agreement oral or written, made and entered into between the parties prior to the execution of this Agreement shall be null and void.

11. Governing Law

This Agreement shall be governed by and construed in accordance with the English laws.

IN WITNESS WHEREOF, both parties have caused this Agreement to be duly executed on the day and year first above written.

For and on behalf of the BUYER

For and on behalf of the BUILDER

By : /s/ Trygve P. Munthe

By : /s/ Sam H. Ka

Name : Trygve P. Munthe

Name : Sam H. Ka

Title : President

Title : Attorney-in-fact

By : /s/ Svein M. Harfjeld

Name : Svein M. Harfjeld

Title : CEO

SHIPBUILDING CONTRACT

FOR

THE CONSTRUCTION OF

ONE (1) 300,000 DWT CLASS CRUDE OIL CARRIER

HULL NO. 2750

BETWEEN

DHT HOLDINGS, INC.

(AS BUYER)

AND

HYUNDAI HEAVY INDUSTRIES CO., LTD.

(AS BUILDER)

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### SCHEDULES

EXHIBIT "A" REFUND GUARANTEE



**SHIPBUILDING CONTRACT**

THIS CONTRACT, made on this 8<sup>th</sup> day of January, 2014 by and between DHT HOLDINGS, INC., a corporation incorporated and existing under the laws of the Marshall Islands with its principal office at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda (hereinafter called the "BUYER"), the party of the first part and HYUNDAI HEAVY INDUSTRIES CO., LTD., a company organized and existing under the laws of the Republic of Korea, having its principal office at 1000 Bangeojinsunhwan-Doro, Dong-Gu, Ulsan, Korea (hereinafter called the "BUILDER"), the party of the second part,

W I T N E S S E T H :

In consideration of the mutual covenants contained herein, the BUILDER agrees to design, build, launch, equip and complete one (1) 300,000 DWT CLASS CRUDE OIL CARRIER as described in Article I hereof, including her machinery, engine, boiler, equipment, fittings, appurtenances, materials, articles and all things specified under this CONTRACT (hereinafter called the "VESSEL") at the BUILDER's shipyard located at Ulsan, Korea (hereinafter called the "SHIPYARD") and to deliver and sell the VESSEL to the BUYER, and the BUYER agrees to accept delivery of and purchase from the BUILDER the VESSEL, according to the terms and conditions hereinafter set forth:

(End of Preamble)

## ARTICLE I : DESCRIPTION AND CLASS

### **1. DESCRIPTION**

The VESSEL shall have the BUILDER's Hull No. 2750 and shall be designed, constructed, equipped, completed and delivered in accordance with the terms of this CONTRACT, the specifications No. CODH300-FS-P1 dated 27 November, 2013 and the general arrangement plan No. 1G-7000-201 dated 27 November, 2013 (hereinafter called respectively the "SPECIFICATIONS" and the "PLAN") signed by both parties, which shall constitute an integral part of this CONTRACT although not attached hereto.

The SPECIFICATIONS and the PLAN are intended to explain each other and anything shown on the PLAN and not stipulated in the SPECIFICATIONS or anything stipulated in the SPECIFICATIONS and not shown on the PLAN shall be deemed and considered as if included in both. Should there be any inconsistencies or contradictions between the SPECIFICATIONS and the PLAN, the SPECIFICATIONS shall prevail. Should there be any inconsistencies or contradictions between this CONTRACT and the SPECIFICATIONS, this CONTRACT shall prevail.

### **2. BASIC DIMENSIONS AND PRINCIPAL PARTICULARS OF THE VESSEL**

(a) The basic dimensions and principal particulars of the VESSEL shall be :

Length, overall	about	333 M
Length, between perpendiculars		322 M
Breadth, moulded		60 M
Depth to Upper Deck, moulded		29.4 M
Design draft, moulded, in seawater of specific gravity of 1.025		20.5 M
Scantling draft, moulded, in seawater of specific gravity of 1.025		21.6 M
Deadweight on the above moulded design draft of 20.5 M	about	280,310 M/T
Deadweight on the above moulded scantling draft of 21.6 M	about	299,910 M/T
Main propulsion engine:	one (1)	HYUNDAI-MAN B&W 7G80ME-C9.2

Max. Continuous Rating (MCR) : 24,400 kW x 66 rpm  
Normal Continuous Rating (NCR): 17,080 kW x 58.6 rpm

Trial speed at 20.5 meters design draft  
at the condition of clean bottom and in  
calm and deep sea with main engine  
developing a NCR of 17,080 kW  
with fifteen per cent (15%) sea margin: 14.8 KNOTS

Specific Fuel consumption of the main engine applying  
I.S.O. reference conditions to the result of  
official shop test at a NCR of 17,080 kW  
using marine diesel oil having lower calorific  
value of 42,700 kJ per kg. 154 gr/kW.HR

The details of the above particulars as well as the definitions and method of measurements and calculations are as indicated in the SPECIFICATIONS.

- (b) The dimensions may be slightly modified by the BUILDER, who also reserves the right to make changes to the SPECIFICATIONS and the PLAN if found necessary to suit the local conditions and facilities of the SHIPYARD, the availability of materials and equipment, the introduction of improved production methods or otherwise, subject to the approval of the BUYER, which the BUYER shall not withhold unreasonably.

### 3. CLASSIFICATION, RULES AND REGULATIONS

- (a) The VESSEL shall be built in compliance with the rules and regulations of the American Bureau of Shipping (ABS), (hereinafter called the "CLASSIFICATION SOCIETY"), in force as of the date of this CONTRACT, to be classed and registered with the following class notation:

**+A1, Oil Carrier, +AMS, +ACCU, ESP, CSR, AB-CM, UWILD, TCM, SPMA, CPS, VEC, BWE, BWT, RW, ENVIRO+, POT, GP, NBLES**

and also to fully comply in all respects with the rules and regulations of the other Regulatory Bodies and authorities, in force as of the date of this CONTRACT, as described in the SPECIFICATIONS.

- (b) The BUILDER shall arrange with the CLASSIFICATION SOCIETY for the assignment by the CLASSIFICATION SOCIETY of representative(s) to the SHIPYARD for supervision of the construction of the VESSEL. All fees and charges incidental to classification of the VESSEL in compliance with the above specified rules, regulations and requirements of this CONTRACT, and compliance with all other specified rules, regulations and requirements of the SPECIFICATIONS shall be for the account of the BUILDER.
- (c) The decision of the CLASSIFICATION SOCIETY as to whether the VESSEL complies with the regulations of the CLASSIFICATION SOCIETY shall be final and binding upon the BUILDER and the BUYER.
- (d) The BUILDER undertakes to notify the CLASSIFICATION SOCIETY that the BUILDER agrees to the CLASSIFICATION SOCIETY releasing to the BUYER, upon the BUYER's request, such information as the BUYER may request and the BUILDER approves (such approval not to be unreasonably withheld), from the CLASSIFICATION SOCIETY regarding correspondence related to plan approval, rules, regulations, certification criteria issues, design assumptions relating to the classification and certification of the VESSEL.

#### **4. SUBCONTRACTING**

The BUILDER may, at its sole discretion and responsibility, subcontract any portion of the work, but not the whole or a substantial portion of construction work of the VESSEL, but delivery and final assembly into the VESSEL of any such work subcontracted shall be at the SHIPYARD. The BUILDER shall remain liable for the due performance of such subcontracted work as if done by the BUILDER at the SHIPYARD.

**5. NATIONALITY OF THE VESSEL**

The VESSEL shall be registered by the BUYER at its own cost and expense under the laws of the Marshall Islands with its home port of Majuro at the time of its delivery and acceptance hereunder. However, the BUYER shall have the right by notifying the BUILDER within two (2) months of the date of this CONTRACT and at no additional cost to the BUYER, to elect to register the VESSEL (at the BUYER's own cost and expense) under the laws of Hong Kong at the time of its delivery and acceptance hereunder.

(End of Article)

## **ARTICLE II : CONTRACT PRICE**

The contract price of the VESSEL delivered to the BUYER at the SHIPYARD shall be United States Dollars Ninety Two Million, Seven Hundred and Thirty Seven Thousand (US\$ 92,737,000) (hereinafter called the "CONTRACT PRICE") which shall be paid plus any increases or less any decreases due to adjustment or modifications, if any, as set forth in this CONTRACT. The above CONTRACT PRICE shall include payment for services in the inspection, tests, survey and classification of the VESSEL which will be rendered by the CLASSIFICATION SOCIETY and shall not include the cost of the BUYER's supplies as stipulated in Article XII.

The CONTRACT PRICE also includes all costs and expenses for supplying all necessary drawings as stipulated in the SPECIFICATIONS except those to be furnished by the BUYER for the VESSEL in accordance with the SPECIFICATIONS.

(End of Article)

### **ARTICLE III : ADJUSTMENT OF THE CONTRACT PRICE**

The CONTRACT PRICE of the VESSEL shall be adjusted as hereinafter set forth in the event of the following contingencies. It is hereby understood by both parties that any adjustment of the CONTRACT PRICE as provided for in this Article is by way of liquidated damages and not by way of penalty.

#### **1. DELAYED DELIVERY**

- (a) No adjustment shall be made and the CONTRACT PRICE shall remain unchanged for the first thirty (30) days of the delay in delivery of the VESSEL ending as of 12 o'clock midnight Korean Standard Time on the thirtieth (30th) day of delay beyond the DELIVERY DATE calculated as provided in Article VII.1. hereof.
- (b) If delivery of the VESSEL is delayed more than thirty (30) days beyond the DELIVERY DATE then, in such event, beginning at midnight of the thirtieth (30th) day after such due date, the CONTRACT PRICE of the VESSEL shall be reduced by U.S. Dollars Twenty Three Thousand (US\$ 23,000) for each full day of delay.

However, unless the parties agree otherwise, the total amount of deduction from the CONTRACT PRICE shall not exceed the amount due to cover the delay of one hundred and eighty (180) days after thirty (30) days of the delay in delivery of the VESSEL at the rate of deduction as specified hereinabove.

- (c) But, if the delay in delivery of the VESSEL continues for a period of more than two hundred and ten (210) days beyond the DELIVERY DATE then, in such event, and after such period has expired, the BUYER may, at its option, rescind or cancel this CONTRACT, by serving upon the BUILDER a notice of cancellation by email or facsimile to be confirmed by a registered letter via airmail directed to the BUILDER at the address given in this CONTRACT. Such cancellation shall be effective as of the date the notice thereof is received by the BUILDER. If the BUYER has not served the notice of cancellation after the aforementioned two hundred and ten (210) days delay in delivery, the BUILDER may demand the BUYER to make an election in accordance with Article VIII.3. hereof.
- (d) For the purpose of this Article, the delivery of the VESSEL shall be deemed to be delayed when and if the VESSEL, after taking into full account extension of the

DELIVERY DATE or permissible delays as specifically provided in Articles V, VI, VIII, XI or elsewhere in this CONTRACT, is delivered beyond the date upon which delivery would then be due under the terms of this CONTRACT.

**2. INSUFFICIENT SPEED**

- (a) The CONTRACT PRICE of the VESSEL shall not be affected or changed, if the actual speed, as determined by trial runs more fully described in Article VI hereof, is less than the speed required under the terms of this CONTRACT and the SPECIFICATIONS provided such deficiency in actual speed is not more than three tenths (3/10) of a knot below the guaranteed speed.
- (b) However, as for the deficiency of more than three-tenths (3/10) of a knot in actual speed below the speed guaranteed under this CONTRACT, the CONTRACT PRICE shall be reduced by U.S. Dollars Seventy Nine Thousand (U.S.\$ 79,000) for each full one-tenth (1/10) of a knot in excess of the said three tenths (3/10) of a knot of deficiency in speed, with fractions of less than one-tenth (1/10) of a knot being regarded as a full one-tenth (1/10) of a knot of deficiency. However, unless the parties agree otherwise, the total amount of reduction from the CONTRACT PRICE shall not exceed the amount due to cover the deficiency of nine tenths (9/10) of a knot below the guaranteed speed at the rate of reduction as specified above.
- (c) If the deficiency in actual speed of the VESSEL is more than nine tenths (9/10) of a knot below the speed guaranteed under this CONTRACT, then the BUYER, at its option, may, subject to the BUILDER's right to effect alterations or corrections as provided in Article VI.5. hereof, reject the VESSEL and cancel this CONTRACT or may accept the VESSEL at a reduction in the CONTRACT PRICE as above provided for nine tenths (9/10) of a knot of deficiency only.

**3. EXCESSIVE FUEL CONSUMPTION**

- (a) The CONTRACT PRICE shall not be affected or changed by reason of the fuel consumption of the VESSEL's main engine, as determined by the engine manufacturer's shop trial as per the SPECIFICATIONS being more than the guaranteed fuel consumption of the VESSEL's main engine, if such excess is not more than six per cent (6%) over the guaranteed fuel consumption.
- (b) However, if the actual fuel consumption as determined by the shop trial is greater than the six percent (6%) over the guaranteed fuel consumption of the VESSEL's main engine, then the CONTRACT PRICE shall be reduced by U.S. Dollars Forty



Five Thousand (US\$ 45,000) for each full one per cent (1%) increase in fuel consumption in excess of the said six per cent (6%) increase in fuel consumption, with fractions of less than one per cent (1%) being regarded as a full one per cent (1%) of deficiency. However, unless the parties agree otherwise, the total amount of reduction from the CONTRACT PRICE shall not exceed the amount due to cover the excess of ten per cent (10%) over the guaranteed fuel consumption of the VESSEL's main engine at the rate of reduction as specified above.

- (c) If such actual fuel consumption exceeds the guaranteed fuel consumption (shop trial) of the VESSEL's main engine by more than ten per cent (10%), the BUYER, at its option, may, subject to the BUILDER's right to effect alterations or corrections as specified in Article VI.5. hereof, reject the VESSEL and cancel this CONTRACT or may accept the VESSEL at a reduction in the CONTRACT PRICE as above provided for the ten per cent (10%) increase only.

#### **4. DEADWEIGHT BELOW CONTRACT REQUIREMENTS**

- (a) The CONTRACT PRICE of the VESSEL shall not be affected or changed, if actual deadweight, determined as provided in this CONTRACT and the SPECIFICATIONS, is below the deadweight of 299,910 metric tons on the moulded scantling draft of 21.6 metres required by this CONTRACT and the SPECIFICATIONS by an amount of 3,000 metric tons or less.
- (b) However, should the deficiency in the actual deadweight of the VESSEL be more than 3,000 metric tons below the said required deadweight, then the CONTRACT PRICE of the VESSEL shall be reduced for each full one (1) metric ton, (with fractions of less than one (1) metric ton being disregarded) of decreased deadweight in excess of 3,000 metric tons by the sum of U.S. Dollars Four Hundred and Fifty (US\$ 450) per metric ton. However, unless the parties agree otherwise, total amount of deduction from the CONTRACT PRICE shall not exceed the amount due to cover the deficiency of 5,800 metric tons below the said required deadweight hereinabove.
- (c) If the deficiency in the deadweight of the VESSEL is more than 5,800 metric tons below the said required deadweight, then the BUYER, at its option, may, subject to the BUILDER's right to effect alterations or corrections without the BUYER's prior consent as specified in Article VI.5. hereof, reject the VESSEL and cancel this CONTRACT or may accept the VESSEL at a reduction in the CONTRACT PRICE as above provided for 5,800 metric tons of deficiency only.

**5. EFFECT OF CANCELLATION**

It is expressly understood and agreed by the parties hereto that in any case, if the BUYER cancels this CONTRACT under this Article, the BUYER shall not be entitled to any damages and BUYER's remedies shall be limited to BUYER's rights set out in Article X hereof.

(End of Article)

## **ARTICLE IV : INSPECTION AND APPROVAL**

### **1. APPOINTMENT OF BUYER'S REPRESENTATIVE**

The BUYER shall timely despatch to and maintain at the SHIPYARD, at its own cost, expense and risk, one or more representatives (hereinafter called the "BUYER'S REPRESENTATIVE"), who shall be duly accredited in writing by the BUYER to supervise the construction by the BUILDER and his subcontractors of the VESSEL, her equipment and all accessories.

The BUILDER shall before the commencement of any item of work under this CONTRACT, exhibit and furnish to the BUYER any and all plans and drawings prepared in connection therewith.

Upon appointment of the BUYER'S REPRESENTATIVE, the BUYER shall notify the BUILDER in writing of the name and the scope of the authority of the BUYER'S REPRESENTATIVE and his assistants.

### **2. AUTHORITY OF THE BUYER'S REPRESENTATIVE**

The BUYER'S REPRESENTATIVE and his assistants shall, at all times during working hours of the construction until delivery of the VESSEL, have the right to inspect the VESSEL, her equipment and all accessories, and work in progress, or materials utilized in connection with the construction of the VESSEL, wherever such work is being done or such materials are stored, for the purpose of determining that the VESSEL, her equipment and accessories are being constructed in accordance with the terms of this CONTRACT and/or the SPECIFICATIONS and the PLAN.

The BUILDER will endeavor to arrange for the inspection by the BUYER'S REPRESENTATIVE and his assistants during working hours of the BUILDER. However, such inspection may be arranged beyond the BUILDER's normal working hours, including weekend and/or holiday if this is considered necessary by the BUILDER in order to meet the BUILDER's construction schedule or his assistants, on the condition that the BUILDER will inform the BUYER'S REPRESENTATIVE at least two (2) days in advance of such inspection.

The BUYER'S REPRESENTATIVE shall, within the limits of the authority conferred upon

him by the BUYER, make decisions or give advice to the BUILDER on behalf of the BUYER promptly on all issues arising out of, or in connection with, the construction of the VESSEL and generally act in a reasonable manner with a view to cooperating with the BUILDER in the construction process of the VESSEL.

The decision, approval or advice of the BUYER'S REPRESENTATIVE shall be deemed to have been given by the BUYER and once given shall not be withdrawn, revoked or modified except with consent of the BUILDER. Provided that the BUYER'S REPRESENTATIVE or his assistants shall comply with the foregoing obligations, no act or omission of the BUYER'S REPRESENTATIVE or his assistants shall, in any way, diminish the liability of the BUILDER under this CONTRACT.

The BUYER'S REPRESENTATIVE shall notify the BUILDER promptly in writing of his discovery of any construction or materials, which he believes do not or will not conform to the requirements of the CONTRACT and the SPECIFICATIONS or the PLAN and likewise advise and consult with the BUILDER on all matters pertaining to the construction of the VESSEL, as may be required by the BUILDER, or as he may deem necessary.

However, if the BUYER'S REPRESENTATIVE fails to submit to the BUILDER without delay any such demand concerning alterations or changes with respect to the construction, arrangement or outfit of the VESSEL, which the BUYER'S REPRESENTATIVE has examined, inspected or attended at the test thereof under this CONTRACT or the SPECIFICATIONS, the BUYER'S REPRESENTATIVE shall be deemed to have approved the same and shall be precluded from making any demand for alterations, changes, or complaints with respect thereto at a later date.

The BUILDER shall comply with any such demand which is not contradictory to this CONTRACT and the SPECIFICATIONS or the PLAN, provided that any and all such demands by the BUYER'S REPRESENTATIVE with regard to construction, arrangement and outfit of the VESSEL shall be submitted in writing to the authorised representative of the BUILDER. The BUILDER shall notify the BUYER'S REPRESENTATIVE of the names of the persons who are from time to time authorised by the BUILDER for this purpose.

It is agreed upon between the BUYER and the BUILDER that the modifications, alterations or changes and other measures necessary to comply with such demand may be effected at a convenient time and place at the BUILDER's reasonable discretion in view of the construction schedule of the VESSEL.

In the event that the BUYER'S REPRESENTATIVE shall advise the BUILDER that he has discovered or believes the construction or materials do not or will not conform to the requirements of this CONTRACT and the SPECIFICATIONS or the PLAN, and the BUILDER shall not agree with the views of the BUYER'S REPRESENTATIVE in such respect, either the BUYER or the BUILDER may, with the agreement of the other party, seek an opinion of the CLASSIFICATION SOCIETY or failing such agreement, request an arbitration in accordance with the provisions of Article XIII hereof. The CLASSIFICATION SOCIETY or the arbitration tribunal, as the case may be, shall determine whether or not a nonconformity with the provisions of this CONTRACT, the SPECIFICATIONS and the PLAN exists. If the CLASSIFICATION SOCIETY or the arbitration tribunal, as the case may be, enters a determination in favour of the BUYER, then in such case the BUILDER shall make the necessary alterations or changes. If the CLASSIFICATION SOCIETY or the arbitration tribunal, as the case may be, enters a determination in favour of the BUILDER, then the time for delivery of the VESSEL shall be extended for the period of delay in construction, if any, occasioned by such proceedings, and the BUYER shall compensate the BUILDER for the proven loss and damages incurred by the BUILDER as a result of the dispute herein referred to.

### **3. APPROVAL OF DRAWINGS**

- (a) The BUILDER shall submit to the BUYER three (3) copies of each of the plans and drawings to be submitted to the BUYER for its approval at its address as set forth in Article XIX hereof. The BUYER shall, within twenty one (21) days after receipt thereof return to the BUILDER one (1) copy of such plans and drawings with the approval or comments, if any, of the BUYER. A list of the plans and drawings to be so submitted to the BUYER shall be mutually agreed upon between the parties hereto.
- (b) When and if the BUYER'S REPRESENTATIVE shall have been sent by the BUYER to the SHIPYARD in accordance with Paragraph 1 of this Article, the BUILDER may submit the remainder, if any, of the plans and drawings in the agreed list, to the BUYER'S REPRESENTATIVE for his approval, unless otherwise agreed upon between the parties hereto.

The BUYER'S REPRESENTATIVE shall, within seven (7) days after receipt thereof, return to the BUILDER one (1) copy of such plans and drawings with his approval or comments written thereon, if any. Approval by the BUYER'S REPRESENTATIVE of the plans and drawings duly submitted to him shall be deemed to be the approval by the BUYER for all purposes of this CONTRACT.

- (c) In the event that the BUYER or the BUYER'S REPRESENTATIVE shall fail to return the plans and drawings to the BUILDER within the time limit as hereinabove provided, such plans and drawings shall be deemed to have been automatically approved without any comment.
- (d) Within seven (7) days after receipt of BUYER's or the BUYER's REPRESENTATIVE's comments, if any, to such plans and drawings, BUILDER shall (x) deliver the revised plans and drawings or (y) explain in writing the reasons for its objection, unless otherwise mutually agreed between the parties. In this case the parties will act in good faith to resolve any issues as soon as possible thereafter, following which BUILDER will promptly issue the revised plans and drawings.
- (e) In the event the plans and drawings submitted by the BUILDER to the BUYER or the BUYER'S REPRESENTATIVE in accordance with this Article do not meet with the BUYER's or the BUYER'S REPRESENTATIVE's approval, the matter may be submitted by either party hereto for determination pursuant to Article XIII hereof.
- (f) Any actual or deemed approval of the plans and drawings by BUYER or the BUYER'S REPRESENTATIVE shall not in any way diminish the obligations of BUILDER or relieve BUILDER of his obligations hereunder, nor shall any such approval be deemed a waiver by the BUYER of any of its rights or constitute a request for modification, unless otherwise agreed by the BUYER.

#### **4. SALARIES AND EXPENSES**

All salaries and expenses of the BUYER'S REPRESENTATIVE or any other person or persons employed by the BUYER hereunder shall be for the BUYER's account.

#### **5. RESPONSIBILITY OF THE BUILDER**

- (a) The BUILDER shall provide the BUYER'S REPRESENTATIVE and his assistants free of charge with suitably furnished office space at, or in the immediate vicinity of, the SHIPYARD together with telephone, facsimile, internet and printing facilities, and access to photocopying machines in commonly shared areas, as may be necessary to enable the BUYER'S REPRESENTATIVE and his assistants to carry out their work under this CONTRACT. However, the BUYER shall pay for the telephone or facsimile facilities used by the BUYER'S REPRESENTATIVE or his assistants.

The BUILDER, its employees, agents and subcontractors, during its working hours until delivery of the VESSEL, shall arrange for the BUYER's REPRESENTATIVE and his assistants to have free and ready access to the VESSEL, her equipment and accessories, and to any other place (except the areas controlled for the purpose of national security) where work is being done, or materials are being processed or stored in connection with the construction of the VESSEL including the premises of sub-contractors.

The BUYER'S REPRESENTATIVE or his assistants or employees shall observe the work's rules, regulations and the guidances prevailing at the BUILDER's and its sub-contractor's premises. The BUILDER shall promptly provide to the BUYER'S REPRESENTATIVE and/or his assistants and shall ensure that its sub-contractors shall promptly provide all such information as he or they may reasonably request in connection with the construction of the VESSEL and her engines, equipment and machinery.

## **6. DIVISION OF LIABILITY**

- (a) The BUYER'S REPRESENTATIVE and his assistants shall at all times remain the employees of the BUYER.
- (b) The BUILDER shall not be liable to the BUYER or the BUYER'S REPRESENTATIVE or to his assistants or to the BUYER's employees or agents for personal injuries, including death, during the time they, or any of them, are on the VESSEL, or within the premises of either the BUILDER or its sub-contractors, or are otherwise engaged in and about the construction of the VESSEL, unless, however, such personal injuries, including death, are caused by the gross negligence of the BUILDER, its sub-contractors, or its or their employees or agents. The BUILDER shall not be liable to the BUYER for damages to, or destruction of property of the BUYER or of the BUYER'S REPRESENTATIVE or his assistants or the BUYER's employees or agents, unless such damages, loss or destruction is caused by the gross negligence of the BUILDER, its sub-contractors, or its or their employees or agents.
- (c) The BUYER and the BUYER'S REPRESENTATIVE and his assistants shall not be liable to the BUILDER or to the BUILDER's employees or agents for personal injuries, including death, to any of the BUILDER's personnel unless however, such personal injuries, including death, are caused by the gross negligence of the BUYER, the BUYER'S REPRESENTATIVE or his assistants. The BUYER and the BUYER'S REPRESENTATIVE and his assistants shall not be liable to the BUILDER or to the

BUILDER's employees or agents for damages to, or destruction of property of the BUILDER, the BUILDER's employees or agents, unless such damages, loss or destruction is caused by the gross negligence of the BUYER, the BUYER's REPRESENTATIVE or his assistants.

**7. RESPONSIBILITY OF THE BUYER**

The BUYER shall undertake and assure that the BUYER'S REPRESENTATIVE and his assistants shall carry out their duties hereunder in accordance with the normal shipbuilding practice and in such a way as to avoid any unnecessary increase in building cost, delay in the construction of the VESSEL, and/or any disturbance in the construction schedule of the BUILDER.

The BUILDER has the right to request the BUYER to replace any of the BUYER'S REPRESENTATIVE and/or his assistants who are deemed unsuitable and unsatisfactory for the proper progress of the VESSEL's construction. The BUYER shall investigate the situation by sending its representative(s) to the SHIPYARD and if the BUYER considers that such BUILDER's request is justified, the BUYER shall effect the replacement as soon as conveniently arrangeable.

(End of Article)



## **ARTICLE V : MODIFICATIONS, CHANGES AND EXTRAS**

### **1. HOW EFFECTED**

Minor modifications or changes to the SPECIFICATIONS and the PLAN under which the VESSEL is to be constructed may be made at any time hereafter by written agreement of the parties hereto. Any modification or change requested by the BUYER which does not substantially amend the SPECIFICATIONS, shall be agreed to by the BUILDER if the BUYER agrees to adjustment of the CONTRACT PRICE, deadweight and/or cubic capacity, speed requirements, the DELIVERY DATE and other terms and conditions of this CONTRACT, reasonably required as a result of such modification or change. The BUILDER has the right to continue construction of the VESSEL on the basis of the SPECIFICATIONS and the PLAN until the BUYER has agreed to such adjustments. The BUILDER shall be entitled to refuse to make any alteration, change or modification of the SPECIFICATIONS and/or the PLAN requested by the BUYER, if the BUYER does not agree to the aforesaid adjustments within seven (7) days of the BUILDER's notification of the same to the BUYER, or, if, in the BUILDER's reasonable judgement, the compliance with such request of the BUYER would cause an unreasonable disruption of the normal working schedule of the SHIPYARD.

The BUILDER, however, agrees to exert its best efforts to accommodate such reasonable request by the BUYER so that the said change and modification shall be made at a reasonable cost and within the shortest period of time reasonably possible. The aforementioned agreement to modify and change the SPECIFICATIONS and the PLAN may be effected by exchange of letters, email or facsimiles manifesting the agreement.

The letters, emails and facsimiles exchanged by the parties pursuant to the foregoing shall constitute an amendment to this CONTRACT and the SPECIFICATIONS or the PLAN under which the VESSEL shall be built. Upon consummation of such an agreement to modify and change the SPECIFICATIONS or the PLAN, the BUILDER shall alter the construction of the VESSEL in accordance therewith including any addition to, or deduction from, the work to be performed in connection with such construction.

### **2. SUBSTITUTION OF MATERIAL**

If any materials, machinery or equipment required for the construction of the VESSEL by

the SPECIFICATIONS and the PLAN or otherwise under this CONTRACT cannot be procured in time to meet the BUILDER's construction schedule for the VESSEL, the BUILDER may supply, subject to the BUYER's prior approval, other materials, machinery or equipment of equal quality and effect capable of meeting the requirements of the CLASSIFICATION SOCIETY and the rules, regulations and requirements with which the construction of the VESSEL must comply.

**3. CHANGES IN RULES AND REGULATIONS**

- (a) If, after the date of signing of this CONTRACT, the specified rules and regulations with which the construction of the VESSEL is required to comply are altered or changed by the CLASSIFICATION SOCIETY or regulatory bodies authorised to make such alterations or changes, or there are any new rules or regulations coming into force that the VESSEL is required to comply with, either the BUYER or the BUILDER, upon receipt of due notice thereof, shall forthwith give notice thereof to the other party in writing. Thereupon, within ten (10) days after giving the notice to the BUILDER or receiving the notice from the BUILDER, the BUYER shall advise the BUILDER as to the alterations and changes, if any, to be made on the VESSEL which the BUYER, in its sole discretion, shall decide. The BUILDER shall not be obliged to comply with such alterations and/or changes if the BUYER fails to notify the BUILDER of its decision within the time limit stated above.
- (b) The BUILDER shall comply promptly with the said request of the BUYER, provided that the BUILDER and the BUYER shall, acting reasonably, first agree to:
- (i) any reasonable increase or decrease in the CONTRACT PRICE of the VESSEL that is occasioned by such compliance;
  - (ii) any reasonable extension or advancement in the Delivery Date of the VESSEL that is occasioned by such compliance;
  - (iii) any reasonable increase or decrease in the deadweight and/or cubic capacity of the VESSEL, if such compliance results in any increase or reduction in the deadweight and/or cubic capacity;
  - (iv) any reasonable adjustment of the speed requirements if such compliance results in any increase or reduction in the speed;  
and

(v) any other reasonable alterations in the terms of this CONTRACT or of

the SPECIFICATIONS or the PLAN or both, if such compliance makes such alterations of the terms necessary.

Such agreement between the BUYER and the BUILDER shall be effected in the same manner as provided above for modification and change of the SPECIFICATIONS and the PLAN. Any failure by the parties to reach such agreement shall be referred to arbitration in accordance with Article XIII hereof.

Any delay in the construction of the VESSEL caused by the BUYER's delay in making a decision or by reaching an agreement as above, shall constitute a permissible delay under this CONTRACT.

(End of Article)

## ARTICLE VI : TRIALS AND COMPLETION

### **1. NOTICE**

The BUILDER shall notify the BUYER by email or facsimile at least fourteen (14) days in advance of the time and place of the trial run of the VESSEL. Such notice shall specify the place from which the VESSEL will commence her trial run and approximate date upon which the trial run is expected to take place. Such date shall be further confirmed by the BUILDER five (5) days in advance of the trial run by email or facsimile.

The BUYER'S REPRESENTATIVE and any of his assistants who is to witness the performance of the VESSEL during such trial run, shall be present at such place on the date specified in such notice. Should the BUYER'S REPRESENTATIVE fail to be present after the BUILDER's due notice to the BUYER as provided above, the BUILDER shall be entitled to conduct such trial run with the presence of the representative(s) of the CLASSIFICATION SOCIETY only, and without the BUYER'S REPRESENTATIVE being present. In such case, the BUYER shall be obliged to accept the VESSEL on the basis of a certificate jointly issued by the BUILDER and the CLASSIFICATION SOCIETY certifying that the VESSEL, after the trial run, subject to minor alterations and corrections as provided in this Article, if any, has been found to conform with the SPECIFICATIONS and this CONTRACT and is otherwise satisfactory in all respects.

### **2. WEATHER CONDITION**

In the event of unfavourable weather on the date specified for the trial run, the trial run shall take place on the first available day that weather conditions permit. The parties hereto recognise that the weather conditions in Korean waters, in which the trial run is to take place, are such that great changes in weather may arise momentarily and without warning and therefore, it is agreed that if, during the trial run, the weather should become so unfavourable that the trial run cannot be continued, then the trial run shall be discontinued and postponed until the first favourable day next following, unless the BUYER shall assent to the acceptance of the VESSEL by notification in writing on the basis of such trial run so far made prior to such change in weather conditions. Any delay of the trial run caused by weather conditions in excess of Beaufort 5 shall also operate to extend the DELIVERY DATE of the VESSEL for the period of delay occasioned by such unfavourable weather conditions.

**3. HOW CONDUCTED**

All expenses in connection with the trials of the VESSEL are to be for the account of the BUILDER, which, during the trials, is to provide at its own expense the necessary crew to comply with conditions of safe navigation. The trials shall be conducted in the manner prescribed in this CONTRACT and the SPECIFICATIONS, and shall prove fulfilment of the performance requirements for the trials as set forth in the SPECIFICATIONS.

The BUILDER shall be entitled to conduct preliminary sea trials, during which the propulsion plant and/or its appurtenance shall be adjusted according to the BUILDER's judgement. The BUILDER shall have the right to repeat any trial whatsoever as it deems necessary.

**4. CONSUMABLE STORES**

The BUILDER shall load the VESSEL with the required quantity of fuel oil, lubricating oil and greases, fresh water, and other stores necessary to conduct the trials as set forth in the SPECIFICATIONS. The necessary ballast (fuel oil, fresh water and such other ballast as may be required) to bring the VESSEL to the trial load draft, as specified in the SPECIFICATIONS, shall be supplied and paid for by the BUILDER, whilst lubricating oil and greases shall be supplied and paid for by the BUYER within the time advised by the BUILDER for the conduct of sea trials as well as for use before the delivery of VESSEL to the BUYER. The fuel oil as well as lubricating oil and greases shall be supplied in accordance with the specifications of the main engine and other machinery and the BUYER shall decide and advise the BUILDER of the supplier's name for lubricating oil and greases before the work-commencement of the VESSEL, provided that the supplier shall be acceptable to the BUILDER and/or the makers of all the machinery.

Any fuel oil, fresh water or other consumable stores furnished and paid for by the BUILDER for trial runs remaining on board the VESSEL, at the time of acceptance of the VESSEL by the BUYER, shall be bought by the BUYER from the BUILDER at the BUILDER's original purchase price supported by invoices, and payment by the BUYER thereof shall be made at the time of delivery of the VESSEL. The BUILDER shall pay the BUYER at the time of delivery of the VESSEL for the consumed quantity of any lubricating oil and greases which were furnished and paid for by the BUYER at the BUYER's purchase price thereof. The consumed quantity of lubricating oils and greases shall be calculated on the basis of the difference between the remaining amount,

including the same remaining in the main engine, other machinery and their pipes, stern tube and the like, and the supplied amount.

**5. ACCEPTANCE OR REJECTION**

- (a) If, during any sea trial, any breakdown occurs entailing interruption or irregular performance which can be repaired on board, the trial shall be continued after such repairs and be valid in all respects.
- (b) However, if during or after the trial run, it becomes apparent that the VESSEL or any part of her equipment does not conform to the requirements of this CONTRACT, the SPECIFICATIONS and the PLAN, the BUILDER shall notify the BUYER promptly by e-mail or facsimile to such effect and shall simultaneously advise the BUYER of the estimated additional time required for the necessary alterations or corrections to be made- to correct such non-conformity.

The BUYER shall, within two (2) days of receipt from the BUILDER of notice of completion of such alterations or corrections and after such further trials or tests as necessary, notify the BUILDER by email or facsimile confirmed in writing of its acceptance, qualified acceptance or rejection of the VESSEL, all in accordance with the SPECIFICATIONS, the PLAN and this CONTRACT, and shall not be entitled to reject the VESSEL on such grounds until such time.

- (c) Save as above provided, the BUYER shall, within two (2) days after completion of the trial run, notify the BUILDER by email or facsimile confirmed in writing of its acceptance of the VESSEL or of the details in respect of which the VESSEL does not conform to the SPECIFICATIONS or this CONTRACT.

If the BUILDER is in agreement with the BUYER's determinations as to non-conformity, the BUILDER shall make such alterations or changes as may be necessary to correct such non-conformity and shall prove the fulfilment of this CONTRACT, the SPECIFICATIONS and the PLAN by such tests or trials as may be necessary.

The BUYER shall, within two (2) days after completion of such tests and/or trials, notify the BUILDER by email or facsimile confirmed in writing of its acceptance or rejection of the VESSEL.

(d) However, the BUYER shall not be entitled to reject the VESSEL by reason of any minor or insubstantial items judged from the point of view of standard shipbuilding and shipping practice as not being in conformity with the CONTRACT, the SPECIFICATIONS and the PLAN, and which do not effect the issuance of the required certificates from the CLASSIFICATION SOCIETY and regulatory bodies, but that in such case, the BUILDER shall not be released from the obligation to correct and/or remedy such minor or insubstantial items as soon as practicable after the delivery of the VESSEL.

**6. EFFECT OF ACCEPTANCE**

The BUYER's written, facsimiled or emailed notification of acceptance delivered to the BUILDER as above provided, shall be final and binding insofar as the trial results demonstrate conformity of the VESSEL with this CONTRACT, the SPECIFICATIONS and the PLAN is concerned and shall preclude the BUYER from refusing formal delivery of the VESSEL as hereinafter provided, if the BUILDER complies with all conditions of delivery, as herein set forth and provided that, in the case of qualified acceptance, any matters which were mentioned in the notice of the qualified acceptance by the BUYER as requiring correction have been corrected satisfactorily.

If the BUYER fails to notify the BUILDER of its acceptance or rejection of the VESSEL as hereinabove provided, the BUYER shall be deemed to have accepted the VESSEL. Nothing contained in this Article shall preclude the BUILDER from exercising any and all rights which the BUILDER has under this CONTRACT if the BUILDER disagrees with the BUYER's rejection of the VESSEL or any reasons given for such rejection, including arbitration provided in Article XIII hereof.

(End of Article)

**ARTICLE VII : DELIVERY**

**1. TIME AND PLACE**

The VESSEL shall be delivered by the BUILDER to the BUYER at the SHIPYARD, safely afloat on September 30, 2016 (hereinafter called the "DELIVERY DATE") after completion of satisfactory trials and acceptance by the BUYER in accordance with the terms of Article VI, except that, in the event of delays in delivery of the VESSEL by the BUILDER due to causes which under the terms of this CONTRACT permit extensions of the time for delivery of the VESSEL, the aforementioned DELIVERY DATE shall be extended accordingly.

**2. WHEN AND HOW EFFECTED**

Provided that the BUYER shall concurrently with delivery of the VESSEL release to the BUILDER the fifth instalment as set forth in Article X.2. hereof and shall have fulfilled all of its obligations provided for in this CONTRACT, delivery of the VESSEL shall be forthwith effected upon acceptance thereof by the BUYER, as hereinabove provided, by the concurrent delivery by each of the parties hereto to the other of a PROTOCOL OF DELIVERY AND ACCEPTANCE acknowledging delivery of the VESSEL by the BUILDER and acceptance thereof by the BUYER, which PROTOCOL shall be prepared in duplicate and signed by each of the parties hereto.

**3. DOCUMENTS TO BE DELIVERED TO THE BUYER**

Upon delivery and acceptance of the VESSEL, the BUILDER shall deliver to the BUYER the following documents, which shall accompany the aforementioned PROTOCOL OF DELIVERY AND ACCEPTANCE :

- (a) PROTOCOL OF TRIALS of the VESSEL made pursuant to this CONTRACT and the SPECIFICATIONS,
- (b) PROTOCOL OF INVENTORY of the equipment of the VESSEL, including spare parts, all as specified in the SPECIFICATIONS,
- (c) PROTOCOL OF STORES OF CONSUMABLE NATURE, such as all fuel oil and fresh water remaining in tanks if its cost is charged to the BUYER, and all consumed



lubricating oils and greases if its cost is charged to the BUILDER, in each case under Article VI.4. hereof,

- (d) DRAWINGS AND PLANS pertaining to the VESSEL as stipulated in the SPECIFICATIONS, which shall be furnished to the BUYER at no additional cost,
- (e) ALL CERTIFICATES, clean and free of recommendations (unless otherwise mutually agreed by the parties), required to be furnished upon delivery of the VESSEL pursuant to this CONTRACT, the SPECIFICATIONS and the customary shipbuilding practice, including
  - (i) Classification Certificate
  - (ii) Safety Construction Certificate
  - (iii) Safety Equipment Certificate
  - (iv) Safety Radio Certificate
  - (v) International Loadline Certificate
  - (vi) International Tonnage Certificate
  - (vii) BUILDER's Certificate
  - (viii) Ship Sanitation Control Exemption Certificate

However, it is agreed by the parties that if the Classification Certificate and/or other certificates are not available at the time of delivery of the VESSEL, provisional certificates shall be accepted by the BUYER, provided that the BUILDER shall furnish the BUYER with formal certificates as promptly as possible after such formal certificates have been issued and in any event before the expiry of the provisional certificates unless otherwise mutually agreed.

- (f) DECLARATION OF WARRANTY of the BUILDER that the VESSEL is delivered to the BUYER free and clear of any liens, claims, mortgages, or other encumbrances upon the BUYER's title thereto, and in particular, that the VESSEL is absolutely free of all burdens in the nature of imposts, taxes, or charges imposed by the prefecture or country of the port of delivery, as well as of all liabilities of the BUILDER to its sub-contractors and employees and of all liabilities arising from the operation of the VESSEL in trial runs, or otherwise, prior to delivery.
- (g) COMMERCIAL INVOICE (issued by the BUILDER).
- (h) BILL OF SALE (issued by the BUILDER).

(i) BUILDER's CERTIFICATE (issued by the BUILDER).

(j) Any other documents reasonably required by the BUYER to be supplied by the BUILDER.

All such documents shall be in the English language and the documents listed in (g), (h) and (i) above, shall be notarized and/or legalized as may be required by the BUYER in order for the BUYER to register the VESSEL in its name in accordance with Article 1.5.

**4. TENDER OF THE VESSEL**

If the BUYER fails to take delivery of the VESSEL after completion thereof according to this CONTRACT, the SPECIFICATIONS and the PLAN, the BUILDER shall have the right to tender delivery of the VESSEL after compliance with all procedural requirements as provided above.

**5. TITLE AND RISK**

Title and risk shall pass to the BUYER upon delivery of the VESSEL being effected as stated above and the BUILDER shall be free of all responsibility or liability whatsoever related with this CONTRACT except for the warranty of quality contained in Article IX and the obligation to correct and/or remedy, as provided in Article VI.5.(d), if any, it being expressly understood that, until such delivery is effected, the VESSEL and equipment thereof are at the entire risk of the BUILDER including but not confined to, risks of war, insurrection and seizure by Governments or Authorities, whether Korean or foreign, and whether at war or at peace. The title to the BUYER's supplies as provided in Article XII shall remain with the BUYER and the BUILDER's responsibility for such BUYER's supplies shall be as described in Article XII.2.

**6. REMOVAL OF THE VESSEL**

The BUYER shall take possession of the VESSEL immediately upon delivery thereof and shall remove the VESSEL from the SHIPYARD within three (3) days after delivery thereof is effected. Port dues and other charges levied by the Korean Government Authorities after delivery of the VESSEL and any other costs related to the removal of the VESSEL shall be borne by the BUYER.

(End of Article)

## **ARTICLE VIII : DELAYS AND EXTENSIONS OF TIME (FORCE MAJEURE)**

### **1. CAUSES OF DELAY**

If, at any time after signing this CONTRACT, either the construction or delivery of the VESSEL or any performance required hereunder as a prerequisite to the delivery thereof is delayed by any of the following events, namely: war, acts of state or government, blockade, revolution, insurrections, mobilization, civil commotion, riots or sabotage; strikes, lockouts or other labour disturbances happening generally in the relevant location or industry sector; Acts of God or the public enemy, quarantines, plague or other epidemics; shortage or prolonged failure of electric current, freight embargoes, or shortage of materials, machinery or equipment or an inability to obtain delivery or delays in delivery of materials, machinery or equipment, provided that at the time of ordering the same could reasonably be expected by the BUILDER to be delivered in time; earthquakes, tidal waves, typhoons, hurricanes, prolonged or unusually severe weather conditions; or destruction of the premises or works of the BUILDER or its sub-contractors, or of the VESSEL, or any part thereof, by fire, landslides, flood, lightning or explosion; or delays in the BUILDER's other commitments directly related to the construction activities at the SHIPYARD resulting from any such causes as described in this Paragraph 1, which in turn delay the construction of the VESSEL or the BUILDER's performance under the CONTRACT; or other causes beyond the control of the BUILDER, or its sub-contractors, as the case may be, which are not due to the negligence or default of the BUILDER or its subcontractors using reasonable care; or for any other causes which, under the terms of this CONTRACT, authorise and permit extension of the time for delivery of the VESSEL, then, in the event of delays due to the happening of any of the aforementioned contingencies, the DELIVERY DATE of the VESSEL under this CONTRACT shall be extended for the period of time that the VESSEL is delayed which shall not exceed the total accumulated time of all such delays.

The BUILDER shall, however, always do his utmost to minimise the delay in delivery of the VESSEL.

### **2. NOTICE OF DELAYS**

Within two (2) weeks from the date of commencement of any delay on account of which the BUILDER claims that it is entitled under this CONTRACT to an extension of the DELIVERY DATE of the VESSEL, excluding delays due to arbitration, the BUILDER shall

advise the BUYER by email or facsimile of the date such delay commenced, the reasons thereof and, if possible, its estimated duration of the probable delay in the delivery of the VESSEL, and shall supply the BUYER if reasonably available with evidence to justify the delay claimed. Failure of the BUILDER to issue a notification and/or claim for an extension of the DELIVERY DATE within two (2) weeks as aforesaid, shall be deemed to be a waiver by the BUILDER of its right to seek such extension.

Within one (1) week after such delay ends, the BUILDER shall likewise advise the BUYER by email or facsimile of the date that such delay ended, and also, shall specify the period of time by which the BUILDER claims the DELIVERY DATE should be extended by reason of such delay. Failure of the BUYER to object to the BUILDER's notification of any claim for extension of the DELIVERY DATE within one (1) week after receipt by the BUYER of such notification shall be deemed to be a waiver by the BUYER of its right to object to such extension.

**3. RIGHT TO CANCEL FOR EXCESSIVE DELAY**

If the total accumulated time of all permissible and non-permissible delays, excluding delays due to (i) arbitration under Article XIII, (ii) the BUYER's defaults under Article XI, (iii) modifications and changes under Article V or (iv) delays or defects in the BUYER's supplies as stipulated in Article XII, aggregates two hundred and seventy (270) days or more, then, the BUYER may, at any time thereafter, cancel this CONTRACT by giving a written notice of cancellation to the BUILDER. Such cancellation shall be effective as of the date the notice thereof is received by the BUILDER.

If the BUYER has not served the notice of cancellation as provided in the above or Article III.1. hereof, the BUILDER may, at any time after expiration of the accumulated time of the delay in delivery, either two hundred and seventy (270) days in case of the delay in this Paragraph or two hundred and ten (210) days in case of the delay in Article III.1, notify the BUYER of the future date upon which the BUILDER estimates the VESSEL will be ready for delivery and demand by email or facsimile that the BUYER make an election either to cancel this CONTRACT or to consent to the delivery of the VESSEL at such future date, in which case the BUYER shall, within seven (7) days after receipt of such demand, make and notify the BUILDER of such election. If the BUYER elects to consent to the delivery of the VESSEL at such future date (or other future date as the parties may agree):

- (a) Such future date shall become the contractual delivery date for the purposes of this

CONTRACT and shall be subject to extension by reason of permissible delays as herein provided, and

- (b) If the VESSEL is not delivered by such revised contractual delivery date (as extended by reason of permissible delays), the BUYER shall have the same right of cancellation upon the same terms as provided in the above and Article III. 1.

If the BUYER shall not make an election within seven (7) days as provided hereinabove, the BUYER shall be deemed to have accepted such extension of the DELIVERY DATE to the future delivery date indicated by the BUILDER.

**4. DEFINITION OF PERMISSIBLE DELAYS**

Delays on account of the foregoing causes shall be understood to be permissible delays, and are to be distinguished from non-permissible unauthorised delays on account of which the CONTRACT PRICE of the VESSEL is subject to adjustment as provided in Article III hereof.

(End of Article)

**ARTICLE IX : WARRANTY OF QUALITY**

**1. GUARANTEE OF MATERIAL AND WORKMANSHIP**

The BUILDER, for the period of twelve (12) months from the date of delivery of the VESSEL to the BUYER, guarantees the VESSEL and all parts and equipment thereof that are manufactured or furnished or supplied by the BUILDER and/or its subcontractors under this CONTRACT against all defects which are due to defective materials, faulty design, poor workmanship and/or defective equipment, provided such defects have not been caused by perils of the sea, rivers or navigations, or by normal wear and tear, or by incompetence, mismanagement, negligence or wilful neglect of the BUYER, its employees or agents, or by fire or accidents at sea not themselves caused by defective materials, faulty design, poor workmanship and/or defective equipment.

The BUILDER, for a further period of twelve (12) months in addition to the twelve (12) month period stipulated above, guarantees the main engine of the VESSEL, against all defects which are due to defective materials, faulty design, poor workmanship and/or defective equipment.

Furthermore, for any item replaced or repaired, or any problem rectified in accordance with this Article, the BUILDER shall guarantee the aforementioned item(s) for a period of twelve (12) months from the date of completion or such repair or replacement, provided that such extended warranty period shall not exceed thirty-six (36) months in total from the actual date of delivery of the VESSEL.

**2. NOTICE OF DEFECTS**

The BUYER or its duly authorised representative will notify the BUILDER by email or facsimile promptly after discovery of any defect for which a claim is to be made under this guarantee.

The BUYER's written notice shall include full particulars as to the nature of the defect and the extent of the damage caused thereby, but excluding consequential damage as hereinafter provided. The BUILDER will be under no obligation with respect to this guarantee in respect of any claim for defects discovered prior to the expiry date of the guarantee, unless notice of such defects is received by the BUILDER before the expiry date. However, email or facsimiled advice received by the BUILDER within three (3) days

after such expiry date that a claim is forthcoming will be sufficient compliance with the requirement as to time, provided that such emailed or facsimiled advice shall include at least a brief description of the defect including the identity of the equipment, extent of damage, name and number of any replacement part and description of any remedial work required, and that full particulars are given to the BUILDER not later than seven (7) days after the expiry date.

**3. REMEDY OF DEFECTS**

- (a) The BUILDER shall remedy, at its expense, any defects, against which the VESSEL is guaranteed under this Article, by making all necessary repairs or replacements at the SHIPYARD or elsewhere as provided for in (b) hereinbelow.

In such case, the VESSEL shall be taken at the BUYER's cost and responsibility to the place selected, ready in all respects for such repairs or replacements and in any event, the BUILDER shall not be responsible for towage, dockage, wharfage, port charges and anything else incurred for the BUYER's getting and keeping the VESSEL ready for such repairing or replacing.

- (b) However, if it is impractical (which shall include, but not be limited to, an emergency) to bring the VESSEL to the SHIPYARD, the BUYER may cause the necessary repairs or replacements to be made elsewhere which is deemed by the BUYER with the consent of the BUILDER which shall not be unreasonably withheld, to be suitable for the purpose, provided that, in such event, the BUILDER may forward or supply replacement parts or materials under the terms described in (c) hereinbelow, unless forwarding or supplying thereof under the terms described in (c) hereinbelow would impair or delay the operation or working schedule of the VESSEL. In the event that the BUYER proposes to cause the necessary repairs or replacements to be made to the VESSEL at any shipyard or works other than the SHIPYARD, the BUYER shall first (but in all events as soon as reasonably possible) give the BUILDER notice by email or facsimile of the time and place such repairs will be made, and if the VESSEL is not thereby delayed, or her operation or working schedule is not thereby impaired, the BUILDER shall have the right to verify by its own representative(s) the nature and extent of the defects complained of. The BUILDER shall, in such case, promptly advise the BUYER by email or facsimile, after such examination has been completed, of its acceptance or rejection of the defects as ones that are covered by the guarantee herein provided.

Upon the BUILDER's acceptance of the defects as justifying remedy under this Article, or upon award of the arbitration so determining, the BUILDER shall compensate the BUYER an amount equal to the reasonable cost of making the same repairs or replacements at the SHIPYARD.

- (c) In the event that it is necessary for the BUILDER to forward a replacement for a defective part under this guarantee, replacement parts shall be shipped to the BUYER under the C.I.F terms to the BUYER's nominated port. The BUILDER reserves the option to retrieve, at the BUILDER's cost, any of the replaced equipment/parts in case defects are remedied in accordance with the provisions in this Article.
- (d) Any dispute under this Article shall be referred to arbitration in accordance with the provisions of Article XIII hereof.

**4. EXTENT OF THE BUILDER'S LIABILITY**

- (a) After delivery of the VESSEL the responsibility of the BUILDER in respect of and/or in connection with the VESSEL and/or this CONTRACT shall be limited to the extent expressly provided in this Article. Except as expressly provided in the foregoing Paragraph, in no circumstances and on no ground whatsoever shall the BUILDER have any responsibility or liability whatsoever or howsoever arising in respect of or in connection with the VESSEL or this CONTRACT after the delivery of the VESSEL. Further, but without in any way limiting the generality of the foregoing, the BUILDER shall have no liability or responsibility whatsoever or howsoever arising for or in connection with any consequential or special losses, damages or expenses (including but not limited to loss of time, loss of profit or earnings or demurrage directly or indirectly caused), any pecuniary loss or expense, any liability to any third party or any fine, compensation, penalty or other payment or sanction incurred by or imposed upon the BUYER or any other party whatsoever in relation to or in connection with this CONTRACT or the VESSEL.
- (b) The BUILDER shall be under no obligation with respect to defects in respect of which the BUILDER has not received notice in accordance with Paragraph 2 of this Article by the expiry date of the guarantee specified in Paragraph 1, nor in any event shall the BUILDER be liable for any worsening of the defects after the expiry date of the guarantee specified in Paragraph 1.
- (c) The BUILDER shall under no circumstances be liable for defects in the VESSEL or



any part of equipment thereof caused by perils of the sea, rivers or navigations, or by normal wear and tear, or by incompetence, mismanagement, negligence or wilful neglect of the BUYER, its employees or agents, or by fire or accidents at sea not themselves caused by defective materials, faulty design, poor workmanship and/or defective equipment. Likewise, the BUILDER shall not be liable for defects in the VESSEL or any part of equipment thereof that are due to repairs or replacements carried out by any other than the BUILDER or which have not been carried out in accordance with the procedure set out in Paragraph 3 (b) of this Article.

- (d) The BUILDER shall not be obliged to repair, not be liable for, damage to the VESSEL or any part of the equipment thereof, which after delivery of the VESSEL, is caused other than by the defects of the nature specified in this Article. The guarantees contained as hereinabove in this Article replace and exclude any other liability, guarantee, warranty and/or condition imposed or implied by statute, common law, custom, contract (including this CONTRACT) or otherwise on the part of the BUILDER by reason of the construction and sale of the VESSEL for and to the BUYER or for any other reason whatsoever.

(End of Article)

## ARTICLE X : PAYMENT

### 1. CURRENCY

All payments under this CONTRACT shall be made in United States Dollars.

### 2. TERMS OF PAYMENT

The payments of the CONTRACT PRICE shall be made as follows :

#### (a) First Instalment

Twenty per cent (20%) of the CONTRACT PRICE amounting to U.S.Dollars Eighteen Million Five Hundred and Forty Seven Thousand Four Hundred (US\$ 18,547,400) shall be paid within three (3) business days after either the BUYER's receipt of Letter of Guarantee or the BUYER's bank's receipt of Letter of Guarantee by SWIFT, as the case may be, duly issued in accordance with Paragraph 8 of this Article.

Under this CONTRACT, in counting the business days, only Saturdays and Sundays are excepted. When a due date falls on a day when banks are not open for business in New York, N.Y., U.S.A., Amsterdam, The Netherlands and in Oslo, Norway, such due date shall fall due upon the first business day next following.

#### (b) Second Instalment

Ten per cent (10%) of the CONTRACT PRICE amounting to U.S.Dollars Nine Million Two Hundred and Seventy Three Thousand Seven Hundred (US\$ 9,273,700) shall be paid on the date falling six (6) months from the date of signing this CONTRACT.

#### (c) Third Instalment

Ten per cent (10%) of the CONTRACT PRICE amounting to U.S.Dollars Nine Million Two Hundred and Seventy Three Thousand Seven Hundred (US\$ 9,273,700) shall be paid within three (3) business days after the BUILDER has notified the BUYER by email or facsimile accompanied by a certificate signed by the

CLASSIFICATION SOCIETY stating that steel cutting of the VESSEL has been commenced.

(d) Fourth Instalment

Ten per cent (10%) of the CONTRACT PRICE amounting to U.S. Dollars Nine Million Two Hundred and Seventy Three Thousand Seven Hundred (US\$ 9,273,700) shall be paid within three (3) business days after the BUILDER has notified the BUYER by email or facsimile accompanied by a certificate signed by the CLASSIFICATION SOCIETY, stating that the first block of the keel has been laid.

(e) Fifth Instalment

Fifty per cent (50%) of the CONTRACT PRICE amounting to U.S.Dollars Forty Six Million Three Hundred and Sixty Eight Thousand Five Hundred (US\$ 46,368,500) plus or minus any increase or decrease due to modifications and/or adjustment, if any, arising prior to delivery of the VESSEL of the CONTRACT PRICE under Articles III and V of this CONTRACT shall be paid to the BUILDER concurrently with the execution of the PROTOCOL OF DELIVERY AND ACCEPTANCE of the VESSEL, as provided for in Article VII.

(The date stipulated for payment of each of the five instalments mentioned above is hereinafter in this Article and in Article XI referred to as the "DUE DATE" of that instalment).

It is understood and agreed upon by the BUILDER and the BUYER that all payments under the provisions of this Article shall not be delayed or withheld by the BUYER due to any dispute or disagreement of whatsoever nature arising between the BUILDER and the BUYER. Should there be any dispute in this connection, the matter shall be dealt with in accordance with the provisions of arbitration in Article XIII hereof. Expenses for remitting payments and any other expenses connected with such payments shall be for the account of the BUYER.

It is understood and agreed upon by the BUILDER and the BUYER that all payments under the provisions of this Article shall not be delayed or withheld by the BUYER due to any dispute or disagreement of whatsoever nature arising between the BUILDER and the BUYER. Should there be any dispute in this connection, the matter shall be dealt with in accordance with the provisions of arbitration in Article XIII hereof. Expenses for remitting payments and any other expenses connected with such payments shall be for the account of the BUYER.

**3. DEMAND FOR PAYMENT**

At least fourteen (14) days prior to the date of each event provided in Paragraph 2 of this Article on which any payment shall fall due hereunder, with the exception of the payment of the first and second instalments, the BUILDER shall notify the BUYER by email or

facsimile of the date such payment shall become due.

The BUYER shall immediately acknowledge receipt of such notification by email or facsimile to the BUILDER, and make payment as set forth in this Article. If the BUILDER fails to receive the BUYER's said acknowledgement within three (3) days after sending the aforementioned notification, the BUILDER shall promptly email or facsimile to the BUYER a second notification of similar import. The BUYER shall immediately acknowledge by email or facsimile receipt of the foregoing second notification regardless of whether or not the first notification was acknowledged as aforesaid.

#### **4. METHOD OF PAYMENT**

- (a) All the pre-delivery payments and the payment due on delivery in settlement of the CONTRACT PRICE as provided for in Paragraph 2 of this Article shall be made in U.S. Dollars on or before the DUE DATE thereof by telegraphic transfer as follows;
- (i) The payment of the first, second, third and fourth instalments shall be made to the account (Account No.: 001-1-545027) of the Hana Bank (hereinafter called the "Hana Bank") with JP MORGAN CHASE BANK, N.A., 4 New York Plaza Floor 15, New York, NY 10004, USA. In the event that the BUILDER nominates a bank other than the Hana Bank, the BUILDER shall notify the BUYER of the designated bank and account at least ten (10) business days prior to the DUE DATE.
  - (ii) The fifth instalment as provided for in Paragraph 2.(e) of this Article shall be deposited in an account in the name of the BUILDER with the Hana Bank, Seoul branch, or, if the BUILDER requires, at the account of the BUILDER with another internationally recognized bank that is approved by the BUYER (acting reasonably) by telegraphic transfer remittance at least three (3) business days prior to the scheduled delivery date of the VESSEL notified by the BUILDER, with instructions that the said instalment is payable to the BUILDER against presentation by the BUILDER to the Hana Bank or such other bank nominated by the BUILDER (and approved by the BUYER), as the case may be, of a duplicate original copy of the PROTOCOL OF DELIVERY AND ACCEPTANCE of the VESSEL signed by the BUILDER and the BUYER.

The BUILDER shall advise the BUYER of the details of its account with the Hana Bank, Seoul Branch or such other internationally recognized bank for the

BUYER's approval (acting reasonably), at least fifteen (15) business days prior to the scheduled delivery date of the VESSEL.

The instruction by the BUYER to the Hana Bank or such other bank nominated by the BUILDER shall include instructions that the Hana Bank or such other bank nominated by the BUILDER shall return the amount deposited to the account specified by the BUYER or by the BUYER's financing bank in the event that delivery of the VESSEL is not effected with fifteen (15) days of the BUYER making the deposit. However, if the BUILDER and the SELLER both agree on a newly scheduled delivery date, the BUYER shall make the cash deposit in accordance with the same terms and conditions as set out above.

- (b) Simultaneously with each of such payments, the BUYER shall advise the BUILDER of the details of the payments by e-mail or facsimile and at the same time, the BUYER shall cause the BUYER's remitting Bank to advise the Hana Bank or such other bank nominated by the BUILDER of the details of such payments by authenticated bank cable or telex.

## **5. REFUND BY THE BUILDER**

The payments made by the BUYER to the BUILDER prior to delivery of the VESSEL shall constitute advances to the BUILDER. If the VESSEL is rejected by the BUYER in accordance with the terms of this CONTRACT, or except in the case of rescission or cancellation of this CONTRACT by the BUILDER under the provisions of Article XI hereof, if the BUYER terminates, cancels or rescinds this CONTRACT pursuant to any of the provisions of this CONTRACT specifically permitting the BUYER to do so, the BUILDER shall forthwith refund to the BUYER, in U.S. Dollars, the full amount of total sums paid by the BUYER to the BUILDER in advance of delivery together with interest thereon as herein provided.

The transfer and other bank charges of such refund shall be for the BUILDER's account. The interest rate of the refund, as above provided, shall be five per cent (5%) per annum from the date following the date of receipt by the BUILDER of the pre-delivery instalment(s) to the date of remittance by telegraphic transfer of such refund, provided, however, that if the cancellation of this CONTRACT by the BUYER is based solely upon delays due to force majeure or other causes beyond the control of the BUILDER as provided for in Paragraph 1 of Article VIII hereof, then in such event, the interest rate of refund shall be reduced to four per cent (4%) per annum.

It is hereby understood by both parties that payment of any interest provided herein is by way of liquidated damages due to cancellation of this CONTRACT and not by way of compensation for use of money.

If, the BUILDER is required to refund to the BUYER the instalments paid by the BUYER to the BUILDER as provided in this Paragraph, the BUILDER shall return to the BUYER all of the BUYER's supplies as stipulated in Article XII which were not incorporated into the VESSEL and pay to the BUYER an amount equal to the cost to the BUYER of those supplies incorporated into the VESSEL.

## **6. TOTAL LOSS**

If there is a total loss or a constructive total loss of the VESSEL prior to delivery thereof, the BUILDER shall proceed according to the mutual agreement of the parties hereto either:

- (a) to build another vessel in place of the VESSEL so lost and deliver it under this CONTRACT to the BUYER, provided that the parties hereto shall have agreed in writing to a reasonable cost and time for the construction of such vessel in place of the lost VESSEL; or
- (b) to refund to the BUYER the full amount of the total sums paid by the BUYER to the BUILDER under the provisions of Paragraph 2 of this Article together with interest thereon at the rate of five per cent (5%) per annum from the date following the date of receipt by the BUILDER of such pre-delivery instalment(s) to the date of payment by the BUILDER to the BUYER of the refund.

If the parties hereto fail to reach such agreement within two (2) months after the VESSEL is determined to be a total loss or constructive total loss, the provisions of (b) hereinabove shall be applied.

## **7. INSOLVENCY**

In addition to the other provisions of the CONTRACT permitting the BUYER to rescind or cancel this CONTRACT, if an order of an effective resolution shall be passed for the winding up of the BUILDER (except for the purpose of reorganization, merger or amalgamation), then

the BUYER shall have the right to terminate this Contract and the provisions of Paragraph 5 of this Article shall apply.

**8. DISCHARGE OF OBLIGATIONS**

Such refund as provided in the foregoing Paragraphs 5 and 6 by the BUILDER to the BUYER shall forthwith discharge all the obligations, duties and liabilities of each of the parties hereto to the other.

Any and all refunds or payments due to the BUYER under this CONTRACT shall be effected by telegraphic transfer to the account specified by the BUYER.

**9. REFUND GUARANTEE**

The BUILDER shall deliver to the BUYER by hard copy or by SWIFT through the BUYER's bank an assignable letter of guarantee issued by the Hana Bank or any other bank acceptable to the BUYER for the refund of the pre-delivery instalments plus interest as aforesaid to the BUYER under or pursuant to Paragraphs 5 and 6 above in the form annexed hereto as Exhibit "A". All expenses in issuing and maintaining the letter of guarantee described in this Paragraph shall be borne by the BUILDER. In case of SWIFT, the BUYER shall advise the BUILDER of the details of the BUYER's bank including the SWIFT address upon execution of this CONTRACT.

(End of Article)

## ARTICLE XI : BUYER'S DEFAULT

### **1. DEFINITION OF DEFAULT**

The BUYER shall be deemed to be in default under this CONTRACT in the following cases :

- (a) If the first, second, third, or fourth instalment is not paid to the BUILDER within respective DUE DATE of such instalments; or
- (b) If the fifth instalment is not deposited in an account in the name of the BUILDER with the Hana Bank, or in an account of the BUILDER with any other internationally recognized bank nominated by the BUILDER in accordance with Article X.4.(a)(ii) hereof, or if the said fifth instalment deposit is not released to the BUILDER against presentation by the BUILDER of a duplicate original copy of the PROTOCOL OF DELIVERY AND ACCEPTANCE; or
- (c) If the BUYER fails to take delivery of the VESSEL when the VESSEL is duly tendered for delivery by the BUILDER under the provisions of Article VII hereof; or
- (d) If an order or an effective resolution shall be passed for winding up of the BUYER (except for the purpose of reorganization, merger or amalgamation).

In case the BUYER is in default of any of its obligations under this CONTRACT, the BUILDER is entitled to and shall have the following rights, powers and remedies in addition to such other rights, powers and remedies as the BUILDER may have elsewhere in this CONTRACT and/or at law, at equity or otherwise.

### **2. EFFECT OF THE BUYER'S DEFAULT ON OR BEFORE THE DELIVERY OF THE VESSEL**

If the BUYER shall be in default as provided in Paragraph 1 above of its obligations under this CONTRACT, then;

- (a) The DELIVERY DATE of the VESSEL shall be extended automatically for the actual period of such default and the BUILDER shall not be obliged to pay any liquidated damages for the delay in delivery of the VESSEL caused thereby.



- (b) The BUYER shall pay to the BUILDER interest at the rate of four per cent (4%) per annum in respect of the instalment(s) in default from the respective DUE DATE to the date of actual receipt by the BUILDER of the full amount of such instalment(s).
- (c) If the BUYER is in default in payment of any of the instalment(s) due and payable prior to or simultaneously with the delivery of the VESSEL, the BUILDER shall, by email or facsimile, notify the BUYER to that effect, and the BUYER shall, upon receipt of such notification, forthwith acknowledge by email or facsimile to the BUILDER that such notification has been received.
- (d) If any of the BUYER's default continues for a period of seven (7) days after the BUILDER's notification to the BUYER of such default, the BUILDER may, at its option, rescind this CONTRACT by serving upon the BUYER a written notice or a facsimile notice of rescission confirmed in writing.
- (e) In the event of such cancellation by the BUILDER of this CONTRACT due to the BUYER's default as provided for in paragraph 1 above, the BUILDER shall be entitled to retain and apply the instalments already paid by the BUYER to the recovery of the BUILDER's loss and damage including, but not being limited to, reasonable estimated profit.

**3. SALE OF VESSEL**

If the BUILDER terminates this CONTRACT as provided in this Article XI, the BUILDER shall have the full right and power either to complete or not to complete the VESSEL which is the sole property of the BUILDER as it deems fit, and to sell the VESSEL at a public or private sale on such terms and conditions as the BUILDER thinks fit without being answerable for any loss or damage.

The proceeds received by the BUILDER from the sale shall be applied in addition to the instalment(s) retained by the BUILDER as mentioned hereinabove as follows : -

First, in payment of all reasonable costs and expenses of the sale of the VESSEL, including interest thereon at five per cent (5%) per annum from the respective date of payment of such costs and expenses aforesaid to the date of sale on account of the BUYER's default.

Second, if the VESSEL has been completed, in or towards satisfaction of the unpaid balance of the CONTRACT PRICE, to which shall be added the cost of all additional work and extras agreed by the BUYER including interest thereon at five per cent (5%) per annum from the respective DUE DATE of the instalment in default to the date of sale, or if the VESSEL has not been completed, in or towards satisfaction of the unpaid amount of the cost incurred by the BUILDER prior to the date of sale on account of construction of the VESSEL, including work, labour, materials and reasonably estimated profit which the BUILDER would have been entitled to receive if the VESSEL had been completed and delivered plus interest thereon at five per cent (5%) per annum from the respective DUE DATE of the instalment in default to the date of sale.

Third, the balance of the proceeds, if any, shall belong to the BUYER, and shall forthwith be paid over to the BUYER by the BUILDER.

In the event of the proceeds from the sale together with instalment(s) retained by the BUILDER being insufficient to pay the BUILDER, the BUYER shall be liable for the deficiency and shall pay the same to the BUILDER upon its demand.

(End of Article)

**ARTICLE XII : BUYER'S SUPPLIES**

**1. RESPONSIBILITY OF THE BUYER**

The BUYER shall, at its cost and expense, supply all the BUYER'S SUPPLIES as specified in Paragraph 0.16 of the SPECIFICATIONS (hereinafter called the "BUYER'S SUPPLIES"), to the BUILDER at the SHIPYARD in good condition ready for installation and in accordance with the time schedule to be furnished by the BUILDER to meet the building schedule of the VESSEL.

In order to facilitate the installation of the BUYER'S SUPPLIES by the BUILDER, the BUYER shall furnish the BUILDER with the necessary plans, instruction books, test report and all test certificates required by the BUILDER and shall cause the representative(s) of the makers of the BUYER'S SUPPLIES to give the BUILDER any advice, instructions or assistance which the BUILDER may reasonably require in the installation or adjustment thereof at the SHIPYARD, all without cost or expense to the BUILDER.

The BUYER shall be liable for any expense incurred by the BUILDER for repair of the BUYER'S SUPPLIES due to defective design or materials, poor workmanship or performance or due to damage in transit and the DELIVERY DATE of the VESSEL shall be extended for the period of such repair if such repair shall affect the delivery of the VESSEL.

Commissioning into good order of the BUYER'S SUPPLIES during and after installation on board shall be made at the BUYER's expense by the representative of respective maker or the person designated by the BUYER in accordance with the BUILDER's building schedule.

Should the BUYER fail to deliver to the BUILDER the BUYER'S SUPPLIES and the necessary document or advice for such supplies within the time specified by the BUILDER, the DELIVERY DATE of the VESSEL shall automatically be extended for the period of such delay if such delay in delivery shall affect the delivery of the VESSEL. In such event, the BUYER shall pay to the BUILDER all losses and damages sustained by the BUILDER due to such delay in the delivery of the BUYER'S SUPPLIES and such payment shall be made upon delivery of the VESSEL, provided, however, that the BUILDER shall have

- (a) furnished the BUYER with the time schedule referred to above, two (2) months prior to installation of the BUYER'S SUPPLIES and
- (b) given the BUYER written notice of any delay in delivery of the BUYER'S SUPPLIES and the necessary document or advice for such supplies as soon as the delay occurs which might give rise to a claim by the BUILDER under this Paragraph.

Furthermore, if the delay in delivery of the BUYER'S SUPPLIES and the necessary document or advice for such supplies should exceed ten (10) days from the date specified by the BUILDER, the BUILDER shall be entitled to proceed with construction of the VESSEL without installation of such items (regardless of their nature or importance to the BUYER or the VESSEL) in or on the VESSEL without prejudice to the BUILDER's right hereinabove provided, and the BUYER shall accept the VESSEL so completed.

## **2. RESPONSIBILITY OF THE BUILDER**

The BUILDER shall be responsible for storing, safekeeping and handling the BUYER'S SUPPLIES which the BUILDER is required to install on board the VESSEL under Paragraph 0.16 of the SPECIFICATIONS after delivery of such supplies to the SHIPYARD, and shall install such supplies on board the VESSEL at the BUILDER's expense unless otherwise specified in the SPECIFICATIONS.

However, the BUILDER shall not be responsible for the quality, performance or efficiency of any equipment included in the BUYER'S SUPPLIES and is under no obligation with respect to the guarantee of such equipment against any defects caused by poor quality, performance or efficiency of the BUYER'S SUPPLIES. If any of the BUYER'S SUPPLIES is lost or damaged while in the custody of the BUILDER, the BUILDER shall, if the loss or damage is due to wilful default or negligence on its part, be responsible for such loss or damage.

(End of Article)

## **ARTICLE XIII : ARBITRATION**

### **1. APPOINTMENT OF THE ARBITRATOR**

If any dispute or difference shall arise between the parties hereto concerning any matter or thing herein contained, or the operation or construction thereof, or any matter or thing in any way connected with this CONTRACT or the rights, duties or liabilities of either party under or in connection with this CONTRACT, then, in every such case, the dispute or difference shall be referred to arbitration in London by a sole arbitrator. The arbitrator shall be appointed by agreement within fourteen (14) days of first written notification of either party to the other of intention to arbitrate such dispute or difference, or in default of such agreement, upon the application of either of the parties, by the President for the time being of the London Maritime Arbitrators Association who shall in making any such appointment have due regard to the requirement for an expeditious resolution of the dispute and in particular the availability of any arbitrator so appointed for an early hearing date.

### **2. LAWS APPLICABLE**

Any arbitration arising hereunder shall be governed by and construed in accordance with the Arbitration Act 1996 of England or any statutory modification or re-enactments thereof for the time being in force. The award of the arbitrator shall be final and binding upon parties hereto.

### **3. PROCEEDINGS**

In the event of any dispute or difference arising or occurring prior to delivery to, or acceptance by, the BUYER of the VESSEL being referred to arbitration, the parties hereby acknowledge that time is of the essence in obtaining an award from the arbitrator on such dispute or difference and the parties hereby agree that the arbitration shall be conducted according to the following timetable:

- (a) The claimant in the arbitration to serve points of claim within fourteen (14) days of the appointment of the arbitrator.

- (b) The respondent in the arbitration to serve points of defence and points of counterclaim, if any, within fourteen (14) days thereafter.
- (c) The claimant to serve points of reply and defence to counterclaim, if any, within seven (7) days thereafter and the hearing of the arbitration to commence within twelve (12) weeks of the appointment of the arbitrator.

**4. ALTERATION OF DELIVERY OF THE VESSEL**

In the event of the arbitration of any dispute or difference arising or occurring prior to delivery to, or acceptance by the BUYER of the VESSEL, the award by the arbitrator shall include a finding as to whether or not the DELIVERY DATE of the VESSEL should, as a result of such dispute, be in any way altered thereby.

(End of Article)

**ARTICLE XIV : SUCCESSORS AND ASSIGNS**

Neither party shall assign or transfer all or any part of its rights or obligations under this CONTRACT to any third party without the prior written consent thereto of the other party.

Notwithstanding the foregoing, the BUYER shall have the right by giving notice in writing to the BUILDER, to assign the benefit of this CONTRACT and the Refund Guarantee:

- (i) to any subsidiary or affiliate company of the BUYER; and/or
- (ii) by way of security for any loan provided to the BUYER by any one or more banks or other financial institutions to finance its purchase of the VESSEL hereunder.

The BUILDER further agrees that, prior to delivery of the VESSEL, this CONTRACT may, with the prior written approval of the BUILDER, which the BUILDER shall not unreasonably withhold, be transferred to and the title thereof may be taken by another company. In the event of any assignment pursuant to the terms of this CONTRACT, the assignee, its successors and assigns shall succeed to all the rights and obligations of the BUYER under this CONTRACT. However, the BUYER shall remain responsible for performance by the assignee, its successors and assigns of all the BUYER's obligations, liabilities and responsibilities under this CONTRACT. It is understood that any expenses or charges incurred due to the transfer of this CONTRACT shall be for the account of the BUYER.

(End of Article)

**ARTICLE XV : TAXES AND DUTIES**

**1. TAXES AND DUTIES IN KOREA**

The BUILDER shall bear and pay all taxes and duties levied or imposed in Korea in connection with the execution and/or performance of this CONTRACT, except any taxes and duties imposed in Korea upon BUYER's Supplies or upon the activities of the BUYER's employees and agents.

**2. TAXES AND DUTIES OUTSIDE KOREA**

The BUYER shall bear and pay all taxes and duties levied or imposed outside Korea in connection with execution and/or performance of this CONTRACT except for any taxes and duties imposed upon those items or services to be procured by BUILDER for construction of the VESSEL.

(End of Article)



## **ARTICLE XVI : PATENTS, TRADEMARKS AND COPYRIGHTS**

### **1. PATENTS, TRADEMARKS AND COPYRIGHTS**

Machinery and equipment of the VESSEL, whether made or furnished by the BUILDER under this CONTRACT, may bear the patent numbers, trademarks, or trade names of the manufacturers. The BUILDER shall defend and save harmless the BUYER from all liabilities or claims for or on account of the use of any patents, copyrights or design of any nature or kind, or for the infringement thereof including any unpatented invention made or used in the performance of this CONTRACT and also for any costs and expenses of litigation, if any in connection therewith. No such liability or responsibility shall be with the BUILDER with regard to components and/or equipment and/or design supplied by the BUYER.

Nothing contained herein shall be construed as transferring any patent or trademark rights or copyrights in equipment covered by this CONTRACT, and all such rights are hereby expressly reserved to the true and lawful owners thereof.

### **2. RIGHTS TO THE SPECIFICATIONS, PLANS, ETC.**

The BUILDER retains all rights with respect to the SPECIFICATIONS, plans and working drawings, technical descriptions, calculations, test results and other data, information and documents concerning the design and construction of the VESSEL and the BUYER shall not disclose the same or divulge any information contained therein to any third parties, including but not limited to any other shipbuilders, without the prior written consent of the BUILDER, excepting where it is necessary for usual operation, repair and maintenance of the VESSEL. In case the BUYER is in breach of its obligation under this Article, the BUILDER shall be entitled to any rights, powers and remedies in this CONTRACT and/or at law, at equity or otherwise to recover any damages caused by the breach of the BUYER.

(End of Article)

**ARTICLE XVII : COMPLIANCE AND ANTI-BRIBERY**

**1. REPRESENTATIONS OF THE PARTIES**

During the Term of this CONTRACT and for the duration of any services provided hereunder, each party certifies and represents as follows:

- (a) It will comply with the laws of any jurisdiction applicable to such party as it relates to this CONTRACT, including but not limited to any applicable anti-corruption and anti-bribery laws, also including, without limitation, the United States Foreign Corrupt Practices Act ("US FCPA"), the UK Bribery Act 2010 ("UK Bribery Act") and the anti-bribery or anti-corruption laws of South Korea as such laws may be amended from time to time.
- (b) In connection with this CONTRACT, it has not and will not make any payments or gifts or provide other advantages, or any offers or promises of payments or gifts or other advantages of any kind, directly or indirectly, to:
  - (i) any person or entity with the intention of obtaining or retaining a business advantage for itself or the other party to this CONTRACT;
  - (ii) any official or member of any government or any agency or instrumentality thereof; any official or member of any public international organisation or any agency or instrumentality thereof; any or official of a political party or any candidate for political office (herein 'public official'); or any person while knowing or reasonably suspecting that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to any public official, in violation of the UK Bribery Act, the US FCPA or the laws of South Korea.
- (c) In connection with this CONTRACT, it has not and will not request, agree to accept or accept from any person or entity any payments or gifts or other advantages, or any offers or promises of payments or gifts or other advantages of any kind, directly or indirectly, as a reward or inducement to perform its obligations under this CONTRACT in any way improperly.

**2. INDEMNIFICATION**

Each party agrees that it will fully indemnify, defend and hold harmless the other party from any claims, liabilities, damages, expenses, penalties, judgments and losses (including reasonable attorneys' fees) assessed or resulting by reason of a breach of the representations and undertakings contained in this Article XVII to the extent permitted by law.

(End of Article)

**ARTICLE XVIII : INTERPRETATION AND GOVERNING LAW**

This CONTRACT has been prepared in English and shall be executed in duplicate and in such number of additional copies as may be required by either party respectively. The parties hereto agree that the validity and interpretation of this CONTRACT and of each Article and part thereof shall be governed by the laws of England.

(End of Article)

**ARTICLE XIX : NOTICE**

Any and all notices, requests, demands, instructions, advices and communications in connection with this CONTRACT shall be written in English, sent by registered air mail, email or facsimile and shall be deemed to be given when first received whether by registered mail, email or facsimile. They shall be addressed as follows, unless and until otherwise advised: -

To the BUILDER :     Hyundai Heavy Industries Co., Ltd.  
                          1000, Bangeojinsunhwan-doro,  
                          Dong-Gu, Ulsan, Korea

                          Attention: Mr. Y.H Kim / General Manager  
                          Contract Management Department  
                          Facsimile: +82-52-202-3448 / 3425  
                          Telephone: +82-52-202-3041  
                          E-Mail: cmdept@hhi.co.kr

To the BUYER:         DHT Holdings, Inc.  
                          c/o DHT Management AS  
                          Haakon VIIs gt. 1, 6<sup>th</sup> floor,  
                          0125 Oslo, Norway

                          Attention: Svern Magne Edvardsen, Technical Director  
                          Facsimile: + 47 2311 5081  
                          Telephone: + 47 2311 5080  
                          E-Mail: sme@dhtankers.com

The said notices shall become effective upon receipt of the letter, email or facsimile communication by the receiver thereof. Where a notice by email or facsimile is concerned which is required to be confirmed by letter, then, unless the CONTRACT or the relevant Article thereof otherwise requires, the notice shall become effective upon receipt of such email or facsimile.

(End of Article)

**ARTICLE XX : EFFECTIVENESS OF THIS CONTRACT**

This CONTRACT shall become effective upon signing by the parties hereto.

(End of Article)

**ARTICLE XXI : EXCLUSIVENESS**

This CONTRACT shall constitute the only and entire agreement between the parties hereto, and unless otherwise expressly provided for in this CONTRACT, all other agreements, oral or written, made and entered into between the parties prior to the execution of this CONTRACT shall be null and void.

(End of Article)

IN WITNESS WHEREOF, the parties hereto have caused this CONTRACT to be duly executed on the date and year first above written.

BUYER

For and on behalf of DHT HOLDINGS, INC.

By /s/ Trygve P. Munthe  
Name: Trygve P. Munthe  
Title: President

By /s/ Svein M. Harfjeld  
Name: Svein Harfjeld  
Title: CEO

BUILDER

For and on behalf of HYUNDAI HEAVY  
INDUSTRIES CO., LTD.

By /s/ Sam H. Ka  
Name: Sam H. Ka  
Title: Attorney-in-fact

WITNESS: /s/ S.D. Yoon  
S.D. Yoon



**EXHIBIT "A"**

OUR LETTER OF GUARANTEE NO. \_\_\_\_\_

DHT HOLDINGS, INC.  
Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

Date : \_\_\_\_\_, 2013

Gentlemen:

We hereby open our irrevocable letter of guarantee number \_\_\_\_\_ in favour of DHT Holdings, Inc., Hamilton, Bermuda (hereinafter called the "**BUYER**") for account of Hyundai Heavy Industries Co., Ltd., Ulsan, Korea (hereinafter called the "**BUILDER**") as follows in connection with the shipbuilding contract dated \_\_\_\_\_, 2013 (hereinafter called the "**CONTRACT**") made by and between the BUYER and the BUILDER for the construction of one (1) 300,000 DWT Class Crude Oil Carrier having the BUILDER's Hull No. \_\_\_\_ hereinafter called the "**VESSEL**").

In consideration of the BUYER entering into the CONTRACT with the BUILDER and agreeing to pay to the BUILDER the instalment(s) before delivery of the VESSEL under the CONTRACT, if, in connection with the terms of the CONTRACT, the BUYER shall become entitled to a refund of the advance instalment(s) of the Contract Price made to the BUILDER prior to the delivery of the VESSEL (the "**INSTALMENTS**"), we the undersigned as a primary obligor and not merely as a surety, hereby unconditionally and irrevocably guarantee the repayment of the same without any withholding taxes or deductions to the BUYER within ten (10) banking days after demand not exceeding the amount of INSTALMENTS previously received by the BUILDER together with interest thereon at the rate of five per cent (5%) per annum from the date following the date of receipt of each INSTALMENT by the BUILDER to the date of remittance by telegraphic transfer of such refund.

This Guarantee shall be in force and effect from the date of BUILDER's actual receipt of the first INSTALMENT or advance payment in the amount of United States Dollars [    ].

This Guarantee shall cover the amount corresponding to but not exceeding the amount of the INSTALMENTS received by the BUILDER, but in any eventuality the amount of this guarantee shall not exceed the total sum of [GUARANTEE MAXIMUM] (Say U.S. Dollars [GUARANTEE MAXIMUM – IN WORDS] only) plus interest thereon at the rate of five per cent (5%) per annum from the date following the date of the BUILDER's receipt of each INSTALMENT to the date of remittance by telegraphic transfer of the refund. However, in the event of cancellation of the CONTRACT being based solely on delays due to force majeure or other causes beyond the control of the BUILDER as provided for in Article VIII of the CONTRACT, the interest rate of refund shall be reduced to four per cent (4%) per annum as provided in Article X of the CONTRACT.

In case any refund is made to you by the BUILDER or by us under this guarantee, our liability

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hereunder shall be automatically reduced by the amount of such refund received by you. Any refund received by you which gives rise to an automatic reduction in accordance herewith shall be notified to us prior to submitting any claim for payment under this guarantee.

Any payment by the undersigned under this guarantee in accordance with its terms, shall be made within ten (10) banking days from the receipt by us of a written demand from you including a signed statement certifying that the BUYER's demand for refund has been made in conformity with Article X of the CONTRACT and the BUILDER has failed to make the refund within ten (10) banking days after your demand to the BUILDER.

Notwithstanding the provisions hereinabove, in the event that within ten (10) banking days from the date of your claim to the BUILDER referred to above, we receive written notification from you or the BUILDER confirmed by an arbitrator stating that your claim to cancel the CONTRACT or your claim for refundment thereunder has been disputed and referred to arbitration in accordance with the provisions of the CONTRACT, we shall under this guarantee, refund to you the sum adjudged to be due to you by the BUILDER pursuant to the award made under such arbitration within ten (10) banking days upon receipt from you of a demand for the sums so adjudged and a copy of the award.

Our liabilities under this letter of guarantee shall not be discharged, impaired or diminished by any period of time, grace period or indulgence granted by the BUYER to the BUILDER, or by any modification of or variation, amendment or supplement to the CONTRACT, or by any assignment of the CONTRACT, or by any invalidity, irregularity, unenforceability if any of the terms of the CONTRACT, or by any act, omission, fact or circumstances of whatsoever kind which could or might otherwise in any way discharge any of our liabilities or influence the performance of our obligations hereunder, or by any insolvency, bankruptcy or liquidation or reorganisation of the BUILDER.

This letter of guarantee shall become null and void upon receipt by the BUYER of the sum guaranteed hereby or upon acceptance by the BUYER of the delivery of the VESSEL in accordance with the terms of the CONTRACT and, in either case, the BUYER shall return this letter of guarantee to us or shall arrange with their bank to confirm us by SWIFT (our SWIFT address : \_\_\_\_\_) that this letter of guarantee has been null and void.

This letter of guarantee is assignable and valid from the date of this letter of guarantee until such time as the VESSEL is delivered by the BUILDER to the BUYER in accordance with the provisions of the CONTRACT.

We hereby certify, represent and warrant that all acts, conditions and things required to be done and performed and to have occurred precedent to the creation and issuance of this letter of guarantee, and to constitute the valid and legally binding obligations of the undersigned, enforceable in accordance with its terms, have been done and performed and have occurred in due and strict compliance with all applicable laws.

In the event that any withholding or deduction is imposed by any law, we will pay such additional amount as may be necessary in order that the actual amount received after deduction or withholding shall equal the amount that would have been received, if such deduction or withholding were not required.

This guarantee shall be governed by and construed in accordance with English law and the undersigned hereby submits to the exclusive jurisdiction of the Commercial Court in London, England.

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The undersigned hereby appoints [INSERT PERSON] to receive service of proceedings in the court on its behalf.

Very truly yours,

for and on behalf of

By

\_\_\_\_\_

Name:

Title:

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**ADDENDUM NO. 1  
to the Shipbuilding Contract for Hull No. 2750**

With reference to the shipbuilding contract (hereinafter called the "CONTRACT") made and entered into by and between DHT HOLDINGS, INC. (hereinafter called the "BUYER") and Hyundai Heavy Industries Co., Ltd. (hereinafter called the "BUILDER") on the 8th day of January, 2014 for the construction and delivery of one (1) unit of 300,000 DWT CLASS CRUDE OIL CARRIER having the BUILDER's Hull No. 2750 (hereinafter called the "VESSEL") that shall be built as a sister vessel of the BUILDER's Hull No. 2748, the parties hereby mutually agree as follows;

**1. Plans and Drawings :**

Notwithstanding the Article IV of the CONTRACT for the VESSEL, the plans and drawings submitted or to be submitted to and approved or to be approved by the buyer for the BUILDER's Hull No. 2748 shall apply automatically to the VESSEL.

Therefore, no further separate approval procedures of the plans and drawings shall be necessary for the VESSEL under the CONTRACT except where changes to the rules and regulations and any other agreed modifications necessitate changes to the plans and drawings of the BUILDER's Hull No. 2748.

**2. Makers List :**

The same makers selected for the BUILDER's Hull No. 2748 shall apply automatically to the VESSEL under the CONTRACT.

**3. Modifications :**

Any modifications and/or changes agreed and to be agreed during the construction of the BUILDER's Hull No. 2748 shall apply to the VESSEL on the same terms and conditions agreed for the BUILDER's Hull No. 2748.

**4. Save as mentioned above, all other terms and conditions of the CONTRACT shall not be affected or changed and this Addendum No.1 shall be an integral part of the CONTRACT.**

IN WITNESS WHEREOF, the parties hereto have caused this Addendum No. 1 to be duly executed on the day and year first above written.

For and on behalf of  
The Buyer

By : /s/ Trygve P. Munthe

Name : Trygve P. Munthe

Title : President

For and on behalf of  
The Builder

By : /s/ S.D. Yoon

Name : S.D. Yoon

Title : Attorney-in-fact

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**FINANCIAL STATEMENTS**  
**DHT Holdings, Inc.**  
**Index to Unaudited Condensed Consolidated Financial Statements**

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**DHT HOLDINGS, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
(\$ in thousands except per share amounts)

ASSETS	Note	Sept. 30, 2013	December 31, 2012
<b>Current assets</b>			
Cash and cash equivalents		\$ 50,003	71,303
Accounts receivable	8	14,042	13,874
Prepaid expenses		68	485
Bunkers		943	3,616
<b>Total current assets</b>		<u>65,057</u>	<u>89,278</u>
<b>Non-current assets</b>			
Vessels	5	269,583	310,023
Other property, plant and equipment		328	458
<b>Total non-current assets</b>		<u>269,912</u>	<u>310,481</u>
<b>Total assets</b>		<u>334,968</u>	<u>399,759</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued expenses		3,446	6,199
Derivative financial instruments	4	–	772
Current portion long term debt	4	–	9,000
Deferred income	10	6,894	–
Deferred Shipping Revenues		1,436	155
<b>Total current liabilities</b>		<u>11,776</u>	<u>16,125</u>
<b>Non-current liabilities</b>			
Long term debt	4	156,004	202,637
<b>Total non-current liabilities</b>		<u>156,004</u>	<u>202,637</u>
<b>Total liabilities</b>		<u>167,780</u>	<u>218,762</u>
<b>Stockholders' equity</b>			
Stock	6,7	156	95
Additional paid-in capital	6,7	386,098	386,159
Retained earnings/(deficit)		(221,714)	(205,258)
Reserves		2,648	–
<b>Total stockholders equity</b>		<u>167,189</u>	<u>180,997</u>
<b>Total liabilities and stockholders' equity</b>		<u>334,968</u>	<u>399,759</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**DHT HOLDINGS, INC.**  
**CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)**  
(\$ in thousands except per share amounts)

	Note	Q3 2013 Jul. 1-Sept. 30, 2013	Q3 2012 Jul. 1-Sept. 30, 2012	9 months 2013 Jan. 1-Sept. 30, 2013	9 months 2012 Jan. 1-Sept. 30, 2012
<b>Shipping revenues</b>		\$ 17,327	24,615	\$ 56,068	76,614
<b>Operating expenses</b>					
Voyage expenses		(6,149)	(6,594)	(22,252)	(7,139)
Vessel operating expenses		(5,765)	(6,258)	(18,296)	(19,650)
Charter hire expense		-	(2,202)	-	(6,892)
Depreciation and amortization	5	(6,430)	(10,574)	(19,754)	(24,530)
Impairment charge	5	-	(92,500)	-	(92,500)
Profit /( loss), sale of vessel		-	-	(669)	(2,231)
General and administrative expense		(2,209)	(2,251)	(6,496)	(7,401)
<b>Total operating expenses</b>		<u>\$ (20,553)</u>	<u>(120,380)</u>	<u>\$ (67,467)</u>	<u>(160,343)</u>
<b>Operating income</b>		<u>\$ (3,226)</u>	<u>(95,764)</u>	<u>\$ (11,399)</u>	<u>(83,729)</u>
Interest income		15	124	117	190
Interest expense		(959)	(1,773)	(3,820)	(5,665)
Fair value gain/(loss) on derivative financial instruments	4	-	642	-	1,533
Other Financial income/(expenses)		15	98	(443)	8
<b>Profit/(loss) before tax</b>		<u>\$ (4,154)</u>	<u>(96,674)</u>	<u>\$ (15,545)</u>	<u>(87,663)</u>
Income tax expense		50	(49)	(38)	(123)
<b>Net income/(loss) after tax</b>		<u>\$ (4,104)</u>	<u>(96,723)</u>	<u>\$ (15,583)</u>	<u>(87,786)</u>
Attributable to the owners of parent		\$ (4,104)	(96,723)	\$ (15,583)	(87,786)
			<b>(Adjusted)*</b>		<b>(Adjusted)*</b>
Basic net income/(loss) per share		(0.26)	(6.27)	(1.01)	(8.08)
Diluted net income/(loss) per share		(0.26)	(6.27)	(1.01)	(8.08)
Weighted average number of shares (basic)		15,520,230	15,414,438	15,467,791	10,867,842
Weighted average number of shares (diluted)		15,520,230	15,414,438	15,467,791	10,867,842

\*To adjust for the 12-for-1 reverse stock split that became effective as of the close of trading on July 16, 2012.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Profit for the period	\$	(4,104)	(96,723)	\$	(15,583)	(87,786)
<b>Other comprehensive income:</b>						
Reclassification adjustment from previous cash flow hedges			80			550
<b>Total comprehensive income for the period</b>	<b>\$</b>	<b>(4,104)</b>	<b>(96,643)</b>	<b>\$</b>	<b>(15,583)</b>	<b>(87,236)</b>
<b>Attributable to the owners of parent</b>	<b>\$</b>	<b>(4,104)</b>	<b>(96,643)</b>	<b>\$</b>	<b>(15,583)</b>	<b>(87,236)</b>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.



**DHT HOLDINGS, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)**  
(\$ in thousands)

	Note	Q3 2013 Jul. 1 - Sept. 30, 2013	Q3 2012 Jul. 1 - Sept. 30, 2012	9 months 2013 Jan. 1-Sept. 30, 2013	9 months 2012 Jan. 1-Sept. 30, 2012
<b>Cash Flows from Operating Activities:</b>					
Net income / ( loss)		(4,104)	(96,723)	(15,583)	(87,786)
<i>Items included in net income not affecting cash flows:</i>					
Depreciation and amortization	5	6,473	10,818	20,421	24,774
Impairment charge	5	–	92,500	–	92,500
(Profit) / loss, sale of vessel	5	–	–	669	2,231
Fair value gain/(loss) on derivative financial instruments		–	(642)	(772)	(1,533)
Compensation related to options and restricted stock		511	182	2,648	727
<i>Changes in operating assets and liabilities:</i>					
Accounts receivable		2,418	(206)	(168)	(9,531)
Prepaid expenses		157	488	417	1,266
Other long term receivables		–	–	–	54
Accounts payable and accrued expenses		(370)	3,782	(2,753)	3,875
Deferred income		–	5,489	6,894	–
Prepaid charter hire		353	(5,733)	1,281	(5,733)
Other non-current liabilities		–	(37)	–	(149)
Bunkers		2,464	(1,469)	2,673	(2,879)
<b>Net cash provided by operating activities</b>		<u>7,902</u>	<u>8,450</u>	<u>15,728</u>	<u>17,816</u>
<b>Cash Flows from Investing Activities:</b>					
Investment in vessels		(671)	(304)	(2,112)	(3,802)
Sale of vessels		–	–	22,233	13,662
Investment in property, plant and equipment		(1)	(10)	25	(10)
<b>Net cash used in investing activities</b>		<u>(673)</u>	<u>(314)</u>	<u>20,146</u>	<u>9,850</u>
<b>Cash Flows from Financing Activities</b>					
Issuance of stock	6,7	–	(235)	–	75,944
Cash dividends paid	7	(310)	(3,425)	(873)	(8,754)
Repayment of long-term debt	4	–	(3,100)	(56,300)	(65,237)
<b>Net cash provided by/(used) in financing activities</b>		<u>(310)</u>	<u>(6,760)</u>	<u>(57,173)</u>	<u>1,953</u>
Net increase/(decrease) in cash and cash equivalents		6,919	1,376	(21,299)	29,618

Cash and cash equivalents at beginning of period	43,084	70,866	71,303	42,624
<b>Cash and cash equivalents at end of period</b>	<b>50,003</b>	<b>72,242</b>	<b>50,003</b>	<b>72,242</b>

**Specification of items included in operating activities:**

Interest paid	859	1,561	3,028	5,242
Interest received	122	122	132	190

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

DHT HOLDINGS, INC.  
SUMMARY CONSOLIDATED STATEMENT OF CHANGES  
IN SHAREHOLDERS' EQUITY (UNAUDITED)  
(\$ in thousands except shares)

	Common Stock				Series A Participating Preferred Stock				Equity Settled Employee Benefit Reserves	Cash Flow Hedges	Total equity
	Note	Shares	Amount	Paid-in Additional Capital	Shares	Amount	Paid-in Additional Capital	Retained Earnings			
<b>Balance at January 1, 2012</b>		5,370,897	\$ 54	\$309,314		\$		\$ (102,164)	\$	\$ (756)	\$ 206,448
Net income/(loss) after tax								(87,786)			(87,786)
Other comprehensive income										550	550
Total comprehensive income								(87,786)		550	(87,236)
Cash dividends declared and paid	7							(8,754)			(8,754)
Issue of stock	6	3,212,083	32	17,173	400,967	4	58,769				75,979
Compensation related to options and restricted stock		16,700	0	728							728
<b>Balance at Sept. 30, 2012</b>		<b>8,599,680</b>	<b>\$ 86</b>	<b>\$327,216</b>	<b>400,967</b>	<b>\$ 4</b>	<b>\$ 58,769</b>	<b>(198,704)</b>	<b>\$</b>	<b>- \$ (206)</b>	<b>\$ 187,165</b>

	Common Stock			Series A Participating Preferred Stock			Retained Earnings	Equity Settled Employee Benefit Reserves	Cash Flow Hedges	Total equity	
	Note	Shares	Amount	Paid-in Additional Capital	Shares	Amount					Paid-in Additional Capital
Balance at January 1, 2013		9,140,877	\$ 91	\$ 336,955	369,362	\$ 4	\$ 49,204	(205,258)	\$	\$	\$ 180,997
Net income/(loss) after tax								(15,583)			(15,583)
Total comprehensive income								(15,583)		-	(15,583)
Cash dividends declared and paid	7							(873)			(873)
Issue of stock											-
Exchange of Series A Participating Preferred Stock		6,349,730	63	49,144	(369,362)	(4)	(49,204)				
Compensation related to options and restricted stock		150,368	1	-					2,647		2,648
<b>Balance at Sept. 30, 2013</b>		<b>15,640,975</b>	<b>\$ 156</b>	<b>\$ 386,099</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 0</b>	<b>(221,714)</b>	<b>\$ 2,647</b>	<b>\$ -</b>	<b>\$ 167,189</b>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

## Notes to the Condensed Consolidated Financial Statements for the Period Ended September 30, 2013

### *Note 1 – General information*

DHT Holdings, Inc. (“DHT” or the “Company”) is a company incorporated under the laws of the Marshall Islands whose shares are listed on the New York Stock Exchange. The Company’s principal executive office is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company’s principal activity is the ownership and operation of a fleet of crude oil carriers.

The financial statements were approved by the Company’s Board of Directors (the “Board”) on December 19, 2013 and authorized for issue on December 19, 2013.

### *Note 2 – General accounting principles*

The condensed consolidated interim financial statements do not include all information and disclosure required in the annual financial statements and should be read in conjunction with DHT’s audited consolidated financial statements included in its Annual Report on Form 20-F for 2012. Our interim results are not necessarily indicative of our results for the entire year or for any future periods.

The condensed financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IFRS”).

The condensed financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The accounting policies that have been followed in these condensed financial statements are the same as presented in the 2012 audited consolidated financial statements, except for the following new accounting principle.

#### *Deferred Income*

The initial payment received in connection with the sale of the claim against Overseas Shipholding Group, Inc. (“OSG”) to Citigroup is recognized as deferred income subject to the final allowance of the claim by the U.S. Bankruptcy Court.

These interim financial statements have been prepared on a going concern basis.

#### *Changes in accounting policy and disclosure*

New and amended standards, and interpretations mandatory for the first time for the financial year beginning January 1, 2013 but not currently relevant to DHT (although they may affect the accounting for future transactions and events). The adoption did not have any effect on the financial statements:

- Amended IAS 1; “Presentation of items of Other Comprehensive Income”. The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or “recycled”) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment becomes effective for annual periods beginning on or after July 1, 2012.
- IAS 19 (revised 2011); “Employee Benefits”. The amendments to IAS 19 Employee Benefits, proposes major changes to the accounting for employee benefits, including the removal of the option for deferred recognition of changes in pension plan assets and liabilities (known as the “corridor approach”). The result is greater balance sheet volatility for the Company since the corridor approach has been used. In addition, these amendments will limit the changes in the net pension asset (liability) recognized in profit or loss to net interest income (expense) and service costs. Expected returns on plan assets will be replaced by a credit to income based on the corporate bond yield rate. The amendment becomes effective for annual periods beginning on or after January 1, 2013.

- IFRS 13; “Fair Value Measurement”. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The standard defines “fair value” in the context of IFRS as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is not an entity-specific measurement, but rather is focused on market participant assumptions for a particular asset or liability. Therefore, when measuring fair value, an entity considers the characteristics of the asset or liability, if market participants would consider those characteristics when pricing the asset or liability at the measurement date. This standard becomes effective for annual periods beginning on or after January 1, 2013.
- IFRS 10; “Consolidated Financial Statements”. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard becomes effective for annual periods beginning on or after January 1, 2013.
- IFRS 11; “Joint Arrangements”. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This standard becomes effective for annual periods beginning on or after January 1, 2013.
- IFRS 12; “Disclosure of Interests in Other Entities”. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity’s interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard becomes effective for annual periods beginning on or after January 1, 2013.

### ***Note 3 – Segment reporting***

Since DHT’s business is limited to operating a fleet of crude oil tankers, management has organized the entity as one segment based upon on the service provided. Consequently, the Company has one operating segment as defined in IFRS 8, Operating Segments.

#### *Information about major customers:*

As of September 30, 2013, six of the Company’s eight vessels were on charter, pursuant to time charters to different customers for periods up to one year. One vessel operate in a commercial pool and one vessel operated in the spot market.

For the period from January 1, 2013 to September 30, 2013, one customer represented \$6.1 million of the Company’s revenues. For the period from July 1, 2013 to September 30, 2013, three customers represented \$4.9 million, \$2.1 million, and \$1.8 million, respectively, of the Company’s revenues. For the period from January 1, 2012 to September 30, 2012, one customer represented \$50.7 million of the Company’s revenues. For the period from July 1, 2012 to September 30, 2012, two customers represented \$13.2 million and \$2.5 million, respectively, of the Company’s revenues.

### ***Note 4 – Interest bearing debt***

As of September 30, 2013, DHT had interest bearing debt totalling \$156.4 million, of which \$113.3 million is priced at Libor+1.75%, \$18.4 million is priced at Libor+3.00% and \$24.8 million is priced at Libor+2.75%. Interest is payable quarterly in arrears. As of September 30, 2013, three month Libor was 0.25%. As of December 31, 2012, the Company had one interest rate swap in an amount of \$65 million under which DHT pays a fixed rate of 5.95% including margin of 0.85%. The interest rate swap expired on January 18, 2013. From January 1, 2009, the Company has discontinued hedge accounting on a prospective basis. Derivatives are re-measured to their fair value at each balance sheet date. The resulting gain and loss is recognized in profit or loss.

In March 2012 we entered into agreements to amend the credit agreements related to DHT Phoenix and DHT Eagle. The agreements were amended whereby, upon satisfaction of certain conditions, including the prepayment of \$6.7 million and \$6.9 million (equal to all scheduled installments through 2014), respectively, until and including December 31, 2014: (i) the “Value-to-Loan Ratio” will be lowered from 130% to 120%; and (ii) the margin on the loans will be increased by 0.25% to 3.00% and 2.75%, respectively. These two amendments became effective upon the completion of the equity offering in early May 2012 at which time the above prepayments were made. These two credit facilities also contain financial covenants related to each of the borrowers as well as DHT on a consolidated basis. DHT covenants that, throughout the term of the credit agreements, DHT on a consolidated basis shall maintain unencumbered cash of at least \$20 million, value adjusted tangible net worth of at least \$100 million and value adjusted tangible net worth of no less than 25% of the value adjusted total assets.

In April 2013 the Company amended its credit agreement with the Royal Bank of Scotland (“RBS”) whereby the minimum value covenant has been removed in its entirety. Furthermore, the installments scheduled to commence in 2016 have been changed from a fixed \$9.1 million per quarter to a variable amount equal to free cash flow in the prior quarter – capped at \$7.5 million per quarter. Free cash flow is defined as an amount calculated as of the last day of each quarter equal to the positive difference, if any, between: the sum of the earnings of the vessels during the quarter and the sum of ship operating expenses, voyage expenses, estimated capital expenses for the following two quarters, general & administrative expenses, interest expenses and change in working capital. The next scheduled instalment would at the earliest take place in Q2 2016. In April 2013 the Company made a prepayment of \$25 million and the margin has increased to 1.75%. DHT Maritime’s financial obligations under the credit agreement are guaranteed by DHT Holdings.

As of the date of our most recent compliance certificates submitted for the third quarter of 2013, we remain in compliance with our financial covenants.

*Scheduled debt repayments (USD million)*

	Oct. 1 to Dec. 31, 2013	2013	2014	2015	2016*	Thereafter	Total
RBS*	–	–	–	–	–	113.3	113.3
DVB	–	–	–	2.4	15.9	–	18.4
DNB	–	–	–	2.5	22.3	–	24.8
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4.9</b>	<b>38.2</b>	<b>113.3</b>	<b>156.4</b>
Unamortized upfront fees							(0.4)
<b>Total long term debt</b>							<b>156.0</b>

\*Commencing with the second quarter of 2016, installments under the RBS credit are equal to free cash flow for DHT Maritime, Inc. during the preceding quarter capped at \$7.5 million.

*Measurement of fair value:*

It is only derivatives that are classified within a fair value measurement category and recognized at fair value in the balance sheet. Fair value measurement is based on Level 2 in the fair value hierarchy as defined in IFRS 7. Such measurement is based on techniques for which all inputs that have a significant effect on the recorded fair value are observable.

	Expired	Notional amount		Fair value	
		Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2013	Dec. 31, 2012
Swap pays 5.95%, receive floating	Jan. 18, 2013	\$ –	\$ 65,000	\$ –	\$ (771)
Carrying amount				\$ –	\$ (771)

## Note 5 – Vessels

The carrying values of our vessels may not represent their fair market value at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of constructing new vessels. Historically, both charter rates and vessel values have been cyclical. The carrying amounts of vessels held and used by us are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular vessel may not be fully recoverable. The Company has performed an impairment test using the “value in use” method as of September 30, 2013.

In assessing “value in use”, the estimated future cash flows are discounted to their present value. In developing estimates of future cash flows, we must make significant assumptions about future charter rates, future use of vessels, ship operating expenses, drydocking expenditures, utilization rate, fixed commercial and technical management fees, residual value of vessels, the estimated remaining useful lives of the vessels and the discount rate. These assumptions are based on current market conditions, historical trends as well as future expectations. Estimated outflows for ship operating expenses and drydocking expenditures are based on a combination of historical and budgeted costs and are adjusted for assumed inflation. Utilization, including estimated off-hire time, is based on historical experience. Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions are subjective. The impairment test did not result in a non-cash impairment charge in the third quarter of 2013. The impairment test has been performed using an estimated weighted average cost of capital of 8.72%.

The impairment test as of September 30, 2012 resulted in a non-cash impairment charge of \$92.5 million. The impairment test was performed using an estimated weighted average cost of capital of 8.39%. The main changes from previous impairment tests are that we assumed an estimated useful life of 20 years, down from 25 years and a reassessment of the two long-term bare boat charters for DHT Target (formerly Overseas Newcastle) and DHT Trader (formerly Overseas London) with OSG due to the announcement by OSG regarding its solvency.

<b>Cost of Vessels</b>		<b>Depreciation and impairment*</b>	
At January 1, 2012	\$ 659,815	At January 1, 2012	\$ 205,273
Additions**	3,818	Depreciation expense	31,944
Disposals	(50,075)	Disposals	(34,182)
At December 31, 2012	613,558	Impairment	100,500
Additions**	2,120	At December 31, 2012	303,535
Disposals	(49,866)	Depreciation expense	19,650
At September 30, 2013	565,812	Disposals	(26,956)
		At September 30, 2013	296,229
<b>Carrying Amount</b>			
At December 31, 2012	\$ 310,023		
At September 30, 2013	269,583		

\*Accumulated numbers

\*\*Relates to drydocking of vessels



## Note 6 – Equity Offering

A backstopped equity offering and a concurrent private placement of common stock and Series A Participating Preferred Stock by the Company closed on May 2, 2012. DHT issued a total of 30,038,400 shares of common stock with par value of \$0.01 per share and 442,666 shares of Series A Participating Preferred Stock with par value of \$0.01 per share for total net proceeds of \$76.0 million after expenses amounting to \$4.0 million. Upon effectiveness of the reverse stock split on July 17, 2012, the Series A Participating Preferred shares became exchangeable into 7,525,322 shares of common stock on a split-adjusted basis and assuming no further adjustments. The Series A Participating Preferred shares which had not been voluntarily exchanged by each shareholder prior to June 30, 2013, were automatically exchanged for shares of common stock on July 1, 2013. Subsequent to the exchange of the Series A Participating Preferred Stock into shares of common stock DHT had 15,640,975 shares of common stock outstanding as of September 30, 2013.

## Note 7 – Stockholders equity and dividend payment

At the Company's 2012 annual general meeting of shareholders, the shareholders voted to authorize the Board to effect a reverse stock split of DHT's common stock, par value of \$0.01 per share, at a reverse stock split ratio of 12-for-1 and to amend the articles of incorporation to effect the reverse stock split and adjust the total number of authorized shares of common stock to 30,000,000. The reverse stock split became effective as of close of business on July 16, 2012.

	Common stock	Preferred stock*
Issued at September 30, 2013	15,640,975	–
Par value	\$ 0.01	\$ 0.01
Numbers of shares authorized for issue at June 30, 2013	30,000,000	1,000,000

\*The Series A Participating Preferred Stock were exchanged for shares of common stock on July 1, 2013.

### Common stock:

Each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of stockholders. The shares of common stock outstanding reflect the 12-for-1 reverse split effective as of close of business on July 16, 2012.

### Preferred stock:

Terms and rights of preferred shares will be established by the board when or if such shares would be issued. Under the terms of the backstopped equity offering that closed in May 2012, 442,666 shares of Series A Participating Preferred Stock, par value \$0.01 per share, were designated and issued by the Company.

The Series A Participating Preferred Stock participated with the common stock in all dividend payments and distributions in respect of the common stock (other than dividends and distributions of common stock or subdivisions of the outstanding common stock) pro rata, based on each share of the Series A Participating Preferred Stock being deemed to be equal to, after adjusting for the 12-for-1 reverse stock split that became effective as of the close of trading on July 16, 2012, (i) 14.1667 shares of common stock (for periods prior to January 1, 2013) and (ii) 12.5000 shares of common stock (for periods commencing January 1, 2013), in each case subject to further adjustment.

After adjusting for the above mentioned 12-for-1 reverse stock split, one share of issued and outstanding Series A Participating Preferred Stock was deemed equal to 16.6667 shares of common stock (the "Participation Factor"), subject to further adjustment, for purposes of voting rights and determining liquidation preference amounts in certain instances of the Series A Participating Preferred Stock.

Effective July 17, 2012 until June 30, 2013, each holder of Series A Participating Preferred Stock could choose to exchange its shares of Series A Participating Preferred Stock, on an all or nothing basis, for shares of common stock at a 1:17 ratio unless and until the Participation Factor becomes subject to further adjustment. On July 1, 2013, all issued and outstanding shares of Series A Participating Preferred Stock have been mandatorily exchanged into shares of common stock at 1:17 ratio. On a fully exchanged basis, the Company now has a total of 15,640,975 outstanding shares of common stock.

Dividend payment as of September 30, 2013:

<b>Payment date:</b>	<b>Total payment</b>	<b>Per common share</b>
August 28, 2013	\$0.3 million	\$ 0.02
May 23, 2013	\$0.3 million*	\$ 0.02
February 19, 2013	\$0.3 million**	\$ 0.02
<b>Total payment as of September 30, 2013:</b>	<b>\$0.9 million</b>	<b>\$ 0.06</b>

\*Total payment on May 23, 2013 includes \$0.25 per Series A Participating Preferred Stock.

\*\*Total payment on February 19, 2013 includes \$0.28 per Series A Participating Preferred Stock.

Dividend payment as of December 31, 2012:

<b>Payment date:</b>	<b>Total payment</b>	<b>Per common share</b>
November 12, 2012	\$0.3 million*	\$ 0.02
August 16, 2012	\$3.4 million**	\$ 0.24
May 23, 2012	\$3.4 million**	\$ 0.24***
February 15, 2012	\$1.9 million	\$ 0.36***
<b>Total payment as of December 31, 2012:</b>	<b>\$9.0 million</b>	<b>\$ 0.86</b>

\*Total payment on November 12, 2012 includes \$0.28 per Series A Participating Preferred Stock.

\*\*Total payment on August 16 and May 23, 2012 includes \$3.40 per Series A Participating Preferred Stock.

\*\*\*Adjusted for the 12-for-1 reverse stock split effective as of the close of business on July 16, 2012.

#### **Note 8 – Accounts receivable**

A significant part of the accounts receivable as of September 30, 2013 relates to working capital for vessels operating in commercial pools and in the spot market.

#### **Note 9 - Financial risk management, objectives and policies**

Note 9 in the 2012 annual report on Form 20-F provides for details of financial risk management objectives and policies.

The Company's principal financial liability consists of long-term debt with the main purpose being to finance the Company's assets and operations. The Company's financial assets mainly comprise cash. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

### ***Note 10—OSG Bankruptcy and Claims***

In connection with the Chapter 11 bankruptcy filing by OSG and certain of its affiliates commenced on November 14, 2012, OSG subsequently rejected our two long-term Suezmax bareboat charters with the approval of the presiding bankruptcy court. We and certain of our affiliates filed claims against OSG and certain of its affiliates, including two subsidiaries of OSG, Dignity Chartering Corporation (“Dignity”) and Alpha Suezmax Corporation (“Alpha” and together with Dignity and OSG, the “Debtors”), for damages arising from the Debtors’ rejection of the bareboat charter agreements for the Overseas Newcastle (now known as the DHT Target) and Overseas London (now known as the DHT Trader), respectively, and against OSG on account of its guarantees of the obligations of Dignity and Alpha, respectively, under each of the respective bareboat charter agreements (collectively, the “Claims”).

We entered into Assignment of Claims Agreements with Citigroup Financial Products Inc. (“Citigroup”) on March 14, 2013 in connection with the Claims whereby Citigroup agreed to purchase the undivided 100% interest in our right and title and interest in the Claims for a purchase price equal to 33.25% of the amount of the claim ultimately allowed by the U.S. Bankruptcy Court. We received an aggregate initial payment of approximately \$6.9 million from Citigroup, and expect to receive an additional and final payment which has been recorded as deferred income.

Separately we filed six further claims in the amount of \$3.4 million plus attorneys’ fees against various affiliates of OSG, and OSG as guarantor of each claim on or about May 30, 2013. These claims have not been assigned to a third party.

### ***Note 11— Subsequent Events***

#### ***Dividend***

On October 30, 2013 the Board approved a dividend of \$0.02 per common share related to the third quarter 2013 to be paid on November 21, 2013 for shareholders of record as of November 13, 2013.

#### ***Private Placement***

On November 24, 2013, we entered into a Stock Purchase Agreement among us and the investors named therein (the “Stock Purchase Agreement”) pursuant to which we agreed to sell approximately \$110 million of our equity to institutional investors in the Private Placement. The equity includes 13,400,000 shares of our common stock and 97,579 shares of a new series of our preferred stock, the Series B Participating Preferred Stock. The closing of the Private Placement occurred on November 29, 2013, and the Private Placement generated net proceeds to us of approximately \$106.7 million (after placement agent expenses, but before other transaction expenses), which we expect to use for general corporate purposes, including to pursue vessel acquisitions.

We called a special meeting of our shareholders of record as of December 13, 2013 to consider an amendment (the “Amendment”) to our amended and restated articles of incorporation to increase the authorized number of shares of our common stock to 150,000,000 shares. The special meeting is scheduled to take place on January 20, 2014. If our shareholders vote in favor of the increase (the “Shareholder Vote”), each share of Series B Participating Preferred Stock will mandatorily convert into 100 shares of our common stock at a 1:100 ratio, subject to further adjustment. Certain of our existing shareholders and the institutional investors participating in the private placement have agreed to vote in favor of the increase pursuant to the terms of the Stock Purchase Agreement. Holders of approximately 63% of our common stock outstanding as of December 13, 2013, the record date for the special meeting, have agreed to vote in favor of the increase.

In connection with the Private Placement, on November 24, 2013, we and Anchorage Illiquid Opportunities Offshore Master III, L.P. (the “Anchorage Investor”), an affiliate of Anchorage Capital Group L.L.C. (“Anchorage”), entered into an amendment to the Investor Rights Agreement dated May 2, 2012 between us and the Anchorage Investor.

The terms of the Private Placement were governed by the Stock Purchase Agreement attached as Exhibit 10.1 to our Report on 6-K filed with the Securities and Exchange Commission (the “Commission”) on November 26, 2013, and it is incorporated by reference into this prospectus.

### ***HHI Ship Construction Agreement***

On December 2, 2013, we announced that we have reached an agreement pursuant to two contracts (the “HHI Agreements”) with Hyundai Heavy Industries Co. Ltd. (“HHI”) for the construction of two VLCCs with a contract price of \$92.7 million each, including certain additions and upgrades to the standard specification. The vessels are 300,000 dwt and will be delivered in July and September 2016, respectively. Further, pursuant to an option agreement (the “Option Agreement”) with HHI, we have an option for a third VLCC at the same price for delivery in the fourth quarter of 2016 if a firm contract is entered into. Each of the HHI Agreements and the Option Agreement are attached as Exhibits 10.1, 10.2 and 10.3 hereto, respectively, and each is incorporated by reference into this prospectus.

On January 8, 2014, we announced that we have exercised our option to construct the third VLCC with HHI with a contract price of \$92.7 million, including certain additions and upgrades to the standard specification, pursuant to a contract with HHI (the “Third HHI Agreement”). The Third HHI Agreement is attached as Exhibit 10.4 hereto and is incorporated by reference into this prospectus.

### ***OSG Bankruptcy and Claims***

We and certain of our affiliates and OSG and certain of its affiliates have agreed to a total claims amount of \$46.0 million in full settlement of the claims arising from the rejection of the bareboat charter agreements for the Overseas Newcastle and Overseas London. The settlement is subject to the final approval by the U.S. Bankruptcy Court. Subject to such final approval we expect to receive an additional and final payment of approximately \$8.5 million from Citigroup and to record the total aggregate amount of approximately \$15.4 million received from Citigroup as revenue.

Also, we and certain of our affiliates and OSG and certain of its affiliates have separately agreed to settle six further claims in the amount of \$3.4 million for a total claim amount of \$1.5 million in full settlement of such claims. The settlement is subject to the final approval by the U.S. Bankruptcy Court.