

**GENERAL OPERATING CONDITIONS
OF GWADAR MARINE SERVICES LTD**

1. DEFINITIONS

In these Conditions, the following expressions, except where the context otherwise requires or where it is otherwise stated, shall have the following meaning:

- (a) “Company” means Gwadar Marine Services Ltd;
- (b) “Conditions” means these General Operating Conditions;
- (c) “Hirer” means any person at whose request the Services have been granted by the Company and / or on whose behalf the Company provides any Service ; and/ or the owner of the Vessel or Master or their authorised agent or representative;
- (d) “Person” includes any individual, persons or any body or bodies corporate;
- (e) “Price List” means the document titled as such and setting out the charges payable to the Company from time to time for the Services provided by the Company and more specifically attached on the website of the Company and which the Hirer hereby acknowledges as having read and agreed to;
- (f) “Vessel” means any vessel, craft or object in respect whereof the Company agrees to provide the Services;
- (g) “Service” means any service that the Company may agree to provide at the Hirer’s request.

1.1. These Conditions shall inure to the benefit of any associated entity of the Company without the need for an express assignment.

1.2. Words importing the singular number shall include the plural number and vice versa. Words importing the masculine gender shall include the feminine or neuter gender.

2. The Hirer warrants that he is either the owner, master or the authorised agent of the owner and or the master of the Vessel and that he is authorised to accept and is accepting these Conditions not only for himself as an agent but also for and on behalf of the owner and or master of the Vessel.

3. The Hirer shall give the following instructions to the Company upon a request for service:
 - (a) such prior notice of the Service required of the Company as stated in the Company's Price List;
 - (b) details of the type of Services required;
 - (c) the precise time when the Services are required;
 - (d) details in respect of the type and principal characteristics of the Vessel; and
 - (e) any other instructions as required by the Company.
4. Every variation, cancellation or waiver of these Conditions or any part thereof must be in writing signed by a director of the Company. Notice is hereby given that no other Person has or will be given any authority whatsoever to agree to any variation, cancellation or waiver of these Conditions.

5. SERVICES (TOWAGE)

The Company shall provide Towage Services to the Hirer and the Hirer hereby accepts the Company providing Towage Services subject to the terms and conditions as set out in the UK Standard Conditions for Towage and other Services (hereinafter referred to as the "UK Standard Conditions"), a copy of which is attached hereto as Appendix A. The terms Tugowner and Hirer in the UK Standard Conditions shall refer to the Company and the Hirer respectively as defined in Clause 1 herein. Appendix A shall form an integral part of these Conditions.

6 SERVICES(PILOTAGE)

6.1. In this clause

"Pilot" means any person not belonging to the Vessel who has the conduct thereof and is in possession of a valid license to act as a pilot under the laws of Pakistan applicable to the Port of Gwadar;

"the duration of the pilotage service" shall cover the period commencing when the Pilot starts to board the Hirer's Vessel and ending when the Pilot has disembarked from the Vessel after completion of the pilotage service.

6.2. Hirer's Servant

Throughout the duration of the pilotage service or while rendering assistance of whatsoever nature other than pilotage at the request of the Hirer either express or implied, the Pilot shall notwithstanding that he may be employed at a salary by the Company or any other competent authority, be deemed to be the employee only of the Hirer and the Hirer shall accordingly be vicariously liable for any act, omission, default or negligence of the Pilot.

6.3. Force Majeure

The Company shall not in any event be responsible or liable for delays of any description whatsoever or for loss incurred or damage occasioned or caused by force majeure which shall include, without limitation, acts of God, war, strikes, lock-outs, labour disturbances, riots, civil commotion (whether or not it is a party thereto), acts of the public enemy, rules or regulations of any governmental authority having jurisdiction or control in the area of operation, compliance with which makes continuance of operation impossible, or any other cause beyond the reasonable control of the Company and the consequences thereof whether or not the Pilot, the Company, its servants or agents shall have been negligent.

6.4. Distress

The Company and/or the Pilot is/are entitled without being liable for any loss or damage of whatsoever nature, to interrupt the pilotage service in order to go to the assistance of vessels in distress.

6.5. Loss or damage

- (i) In these Conditions, "loss or damage" means loss or damage whether physical or pecuniary and whether direct or consequential, including loss, damage or expense consisting of or caused by delay or otherwise arising without physical loss or damage to property.
- (ii) Any sum which may be payable by the Hirer under these Conditions in respect of such loss or damage personal injury or loss of life shall be treated as a debt and not as indemnity. No sum so payable shall be deemed to have been paid or diminished by reason of any sum having been recovered by the Company from its insurers and the Hirer shall not be entitled to be subrogated to any rights of the Company against its insurers or any party legally liable in the circumstances of the case.

6.6. Legal Rights

- (i) Nothing whatsoever in the provisions contained in these Conditions shall limit, prejudice or preclude in any way any legal rights which the Company may have against the Hirer including, but not limited to, any rights which the Pilot, the Company or its servants or agents may have to claim salvage remuneration or special compensation for any extraordinary services rendered to the Vessel or anything aboard the Vessel. Furthermore, nothing contained in these Conditions shall limit, prejudice or preclude in any way any right which the Company may have by virtue of any Act, Ordinance or enactment by whatever name called or subsidiary legislation made thereunder for the time being in force to exclude or limit its liability.
- (ii) Without prejudice to Clause 6.2 hereof and to anything elsewhere contained in these Conditions, the Pilot's rights under any law or legislation for the time being applicable or in force in Pakistan to exclude or limit liabilities are hereby expressly reserved and the Pilot

shall have full benefits of this provision and all other provisions of these Conditions which may be applicable to the Pilot.

7. Charges for the Services provided by the Company shall be in accordance with the Price List and it shall form an integral part of this Contract.
 - 7.1. Any Service which is not provided for in the Price List shall be charged at the rate fixed by the Company at the time of providing such Service.
 - 7.2. The Hirer shall pay to the Company in cash or as agreed all sums immediately when due without deduction or deferment on account of any claim, counterclaims or set-off. On all and any amounts overdue to the Company, the Company shall be entitled to impose interest at the rate notified to the Hirer from time to time on all bills which remain unpaid when due.
8. These Conditions and the Appendix A hereto and any claim or dispute arising out of or in connection with the Services shall be subject to the Laws of Pakistan and the exclusive jurisdiction of the Courts of Pakistan.
9. Each of the Services are provided subject to the Company's terms and conditions which would be notified to the Hirer/Customer at the time when such services are requested from the Company. The Hirer shall be bound by such terms and conditions as well as these Conditions herein.
10. MISCELLANEOUS
 - 10.1. The Hirer shall defend, indemnify and hold harmless the Company against all liability, loss, damage, costs and expenses arising out of the Company acting in accordance with the Hirer's instructions or arising from a breach of warranty or obligation by the Hirer or arising from the negligence of the Hirer.
 - 10.2. Except to the extent caused by the Company's negligence, the Hirer shall be liable for and shall defend, indemnify and hold harmless the Company in respect of all duties, taxes, imposts, levies, deposits and outlays of whatsoever nature levied by any governmental authority and all payments, fines, costs, expenses, losses and damages whatsoever incurred or sustained by the Company in connection therewith.
 - 10.3. Advice and information, in whatever form as may be given, are provided by the Company for the Hirer only and the Hirer shall defend, indemnify and hold harmless the Company for all liability, loss, damage, costs and expenses arising out of any other person relying on such advice or information.
 - 10.4. The Company shall be entitled, except insofar as has been otherwise agreed in writing, to enter into contracts on behalf of itself or the Hirer and without notice to the Hirer for the performance of its own obligations, and to do such acts as in the sole opinion of the Company may be necessary or incidental to the performance of the Company's obligations.
 - 10.5. The Company may at any time comply with the orders, advice or instructions given by any governmental authority constituted under the Laws of Pakistan.

- 10.6. The Company shall not be liable for any loss or damage whatsoever arising from:
- (a) the act or omission of the Hirer or any person acting on their behalf;
 - (b) compliance with the instructions given to the Company by the Hirer or any other person entitled to give them;
 - (c) any cause which the Company could not avoid and the consequences whereof it could not prevent by the exercise of reasonable diligence.
- 10.7 The provisions contained in these conditions shall remain in force at all times notwithstanding any deviation or interruption or failure in the performance of the service or in the rendering of assistance of whatsoever nature at the request of the Hirer either express or implied.

APPENDIX 'A'

UK STANDARD CONDITIONS FOR TOWAGE AND OTHER SERVICES (Revised 1986)

1. (a) The agreement between the Tugowner and the Hirer is and shall at all times be subject to and include each and all of the conditions hereinafter set out.
- (b) For the purposes of these conditions
- (i) 'towing' is any operation in connection with the holding, pushing, pulling, moving, escorting or guiding of or standing by the Hirer's vessel, and the expressions 'to tow', 'being towed' and 'towage' shall be defined likewise.
 - (ii) 'vessel' shall include any vessel, craft or object of whatsoever nature (whether or not coming within the usual meaning of the word 'vessel') which the Tugowner agrees to tow or to which the Tugowner agrees at the request, express or implied, of the Hirer, to render any service of whatsoever nature other than towing.
 - (iii) 'tender' shall include any vessel, craft or object of whatsoever nature which is not a tug but which is provided by the Tugowner for the performance of any towage or other service.
 - (iv) The expression 'whilst towing' shall cover the period commencing when the tug or tender is in a position to receive orders direct from the Hirer's vessel to commence holding, pushing, pulling, moving, escorting, guiding or standing by the vessel or to pick up ropes, wires or lines, or when the towing line has been passed to or by the tug or tender, whichever is the sooner, and ending when the final orders from the Hirer's vessel to cease holding, pushing, pulling, moving, escorting, guiding or standing by the vessel or to cast off ropes, wires or lines has been carried out, or the towing line has been finally slipped, whichever is the later, and the tug or tender is safely clear of the vessel.
 - (v) Any service of whatsoever nature to be performed by the Tugowner other than towing shall be deemed to cover the period commencing when the tug or tender is placed physically at the disposal of the Hirer at the place designated by the Hirer, or, if such be at a vessel, when the tug or tender is in a position to receive and forthwith carry out orders to come alongside and shall continue until the employment for which the tug or tender has been engaged is ended. If the service is to be ended at or off a vessel the period of service shall end when the tug or tender is safely clear of the vessel or, if it is to be ended elsewhere, then when any persons or property of whatsoever description have been landed or discharged from the tug or tender and/or the service for which the tug or tender has been required is ended.
 - (vi) The word 'tug' shall include 'tugs', the word 'tender' shall include 'tenders', the word 'vessel' shall include 'vessels', the word 'Tugowner' shall include 'Tugowners', and the word 'Hirer' shall include 'Hirers'.
 - (vii) The expression 'tugowner' shall include any person or body (other than the Hirer or the owner of the vessel on whose behalf the Hirer contracts as provided in Clause 2

hereof) who is a party to this agreement whether or not he in fact owns any tug or tender, and the expression 'other Tugowner' contained in Clause 5 hereof shall be construed likewise.

2. If at the time of making this agreement or of performing the towage or of rendering any service other than towing at the request, express or implied, of the Hirer, the Hirer is not the Owner of the vessel referred to herein as 'the Hirer's vessel', the Hirer expressly represents that he is authorised to make and does make this agreement for and on behalf of the owner of the said vessel subject to each and all of these conditions and agrees that both the Hirer and the Owner are bound jointly and severally by these conditions.
3. Whilst towing or whilst at the request, express or implied, of the Hirer, rendering any service other than towing, the master and crew of the tug or tender shall be deemed to be the servants of the Hirer and under the control of the Hirer and/or his servants and/or his agents, and anyone on board the Hirer's vessel who may be employed and/or paid by the Tugowner shall likewise be deemed to be the servant of the Hirer and the Hirer shall accordingly be vicariously liable for any act or omission by any such person so deemed to be the servant of the Hirer.
4. Whilst towing, or whilst at the request, either expressed or implied, of the Hirer rendering any service of whatsoever nature other than towing—
 - (a) The Tugowner shall not (except as provided in Clauses 4 (c) and (e) hereof be responsible for or be liable for
 - (i) damage of any description done by or to the tug or tender; or done by or to the Hirer's vessel or done by or to any cargo or other thing on board or being loaded on board or intended to be loaded on board the Hirer's vessel or the tug or tender or to or by any other object of property;
or
 - (ii) loss of the tug or tender or the Hirer's vessel or of any cargo or other thing on board or being loaded on board or intended to be loaded on board the Hirer's vessel or the tug or tender or any other object or property;
or
 - (iii) any claim by a person not a party to this agreement for loss or damage of any description whatsoever arising from any cause whatsoever, including (without prejudice to the generality of the foregoing) negligence at any time of the Tugowner his servants or agents, unseaworthiness, unfitness or breakdown of the tug or tender, its machinery, boilers, towing gear, equipment, lines, ropes or wires, lack of fuel, stores, speed or otherwise.
 - (b) The Hirer shall (except as provided in Clauses 4(c) and (e)) be responsible for, pay for and indemnify the Tugowner against and in respect of any loss or damage and any claims of whatsoever nature or howsoever arising or caused, whether covered by the provisions of Clause 4(a) hereof or not suffered by or made against the Tugowner and which shall include, without prejudice to the generality of the foregoing any loss of or damage to the tug or tender or any property of the Tugowner even if the same arises from or is caused by the negligence of the Tugowner his servants or agents.
 - (c) The provisions of Clauses 4(a) and 4(b) hereof shall not be applicable in respect of any claims which arise in any of the following circumstances:-
 - (i) All claims which the Hirer shall prove to have resulted directly and solely from the personal failure of the Tugowner to exercise reasonable care to make the tug or tender seaworthy for navigation at the commencement of the towing or other service. For the purpose of this Clause the Tugowner's personal responsibility for exercising reasonable care shall be construed as relating only to the person or persons having the ultimate control and chief management of the Tugowner's business and to any servant (excluding the officers and crew of any tug or tender) to whom the Tugowner has specifically delegated the particular duty of exercising reasonable care and shall not include any other servant of the Tugowner or any agent or independent contractor employed by the Tugowner.
 - (ii) All claims which arise when the tug or tender, although towing or rendering some service other than towing, is not in a position of proximity or risk to or from the Hirer's vessel or any other craft attending the Hirer's vessel and is detached from and safely clear of any ropes lines, wire cables or moorings associated with the Hirer's vessel. Provided always that, notwithstanding the foregoing, the provisions of Clauses 4(a) and 4(b) shall be fully applicable in respect of all claims which arise at any time when the tug or tender is at the request, whether express or implied, of the Hirer, his servants or his agents, carrying persons or property of whatsoever description (in addition to the Officers and crew and usual equipment of the tug or tender) and which are wholly or partly caused by or arise out of the presence on board of such persons or property or which arise at anytime when the tug or tender is proceeding to or from the Hirer's vessel in hazardous conditions or circumstances.
 - (d) Notwithstanding anything hereinbefore contained, the Tugowner shall under no circumstances whatsoever be responsible for or be liable for any loss or damage caused by or contributed to or arising out of any delay or detention of the Hirer's vessel or of the cargo on board or being

loaded on board or intended to be loaded on board the Hirer's vessel or of any other object or property or of any person, or any consequence thereof, whether or not the same shall be caused or arise whilst towing or whilst at the request, either express or implied, of the Hirer rendering any service of whatsoever nature other than towing or at any other time whether before during or after the making of this agreement.

- (e) Notwithstanding anything contained in Clauses 4 (a) and (b) hereof the liability of the Tugowner for death or personal injury resulting from negligence is not excluded or restricted thereby.
5. The Tugowner shall at any time be entitled to substitute one or more tugs or tenders for any other tug or tender or tugs or tenders. The Tugowner shall at any time (whether before or after the making of this agreement between him and the Hirer) be entitled to contract with any other Tugowner (hereinafter referred to as 'the other tugowner) to hire the other Tugowner's tug or tender and in any such event it is hereby agreed that the Tugowner is acting (or is deemed to have acted) as the agent for the Hirer, notwithstanding that the Tugowner may in addition, if authorised whether expressly or impliedly by or on behalf of the other Tugowner, act as agent for the other Tugowner at any time and for any purpose including the making of any agreement with the Hirer. In any event should the Tugowner as agent for the Hirer contract with the other Tugowner for any purpose as aforesaid it is hereby agreed that such contract is and shall at all times be subject to the provisions of these conditions so that the other Tugowner is bound by the same and may as a principal sue the Hirer thereon and shall have the full benefit of these conditions in every respect expressed or implied herein.
6. Nothing contained in these conditions shall limit, prejudice or preclude in any way any legal rights which the Tugowner may have against the Hirer including, but not limited to, any rights which the Tugowner or his servants or agents may have to claim salvage remuneration or special compensation for any extraordinary services rendered to vessels or anything aboard vessels by any tug or tender. Furthermore, nothing contained in these conditions shall limit, prejudice, or preclude in any way any right which the Tugowner may have to limit his liability.
7. The Tugowner will not in any event be responsible or liable for the consequences of war, riots, civil commotions, acts of terrorism or sabotage, strikes, lockouts, disputes, stoppages or labour disturbances (whether he be a party thereto or not) or anything done in contemplation or furtherance thereof or delays of any description howsoever caused or arising, including by the negligence of the Tugowner or his servants or agents.
8. The Hirer of the tug or tender engaged subject to these conditions undertakes not to take or cause to be taken any proceedings against any servant or agent of the Tugowner or other Tugowner, whether or not the tug or tender substituted or hired or the contract or any part thereof has been sublet to the owner of the tug or tender, in respect of any negligence or breach of duty or other wrongful act on the part of such servant or agent which, but for this present provision, it would be competent for the Hirer so to do and the owners of such tug or tender shall hold this undertaking for the benefit of their servants and agents.
9. The agreement between Tugowner and Hirer is and shall be governed by the substantive law of Pakistan. Any dispute arising out of or in connection with the agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in Karachi under the provisions of the Arbitration Act, 1940.