

THE DOCUMENTARY COMMITTEE OF THE JAPAN SHIPPING EXCHANGE, INC

TOWAGE CONTRACT (Lump Sum Basis)

CODE NAME: "NIPPONTOW"

1. Place and date (Pre.)	3. Second Party (Pre.)
2. Tugowners (Pre.)	9. Object to be towed (Cl. 1)
4. Name(s) of tug(s) (Pre.)	10. Gross tons
5. Engine (motor or steam)	11. Displacement
6. Gross tons	12. L. B. D.
7. Horse powers	13. Draft
8. Other particulars	15. Destination (Cl. 1)
14. Port of sailing (Cl.1)	
16. Towage price and currency (Cl. 2)	
17. Mode and place of towage payment (amount or percentage of each installment to be indicated) (Cl. 2) name of bank: on signing this contract. on sailing from port of sailing. on sailing from or passing The balance on arrival at destination.	18. When and to whom notice of Tug's expected date of arrival to be given (Cl. 3) at port of sailing: _____ at destination:
19. Tow's readiness date (Cl.4)	20. Cancelling date (Cl. 7)
21. To whom N/R to be given (port of sailing) (Cl.8)	22 To whom N/R to be given (destination) (Cl. 10)
23. Tug's daily rate of hire (Cl. 8, 9, 10, 11, 16)	24. Place from which Tug starts for port of sailing (Cl. 9)
25. Tug's station or place (Cl. 9)	26. Brokerage commission (Cl. 21)
27. Brokerage commission to be paid to (Cl. 21)	28. Numbers of additional clauses attached, if any (Pre.)

PREAMBLE. Entered into on the date set forth in Box 1, this is a towage contract between the owners (disponent owners) whose name(s) 1
appears in Box 2 (hereinafter referred to as the Tugowners), of the seagoing tug(s) described in Box 4 with particulars as set forth in Boxes 5-8 2
(hereinafter referred to as the Tug), and the party, or parties of the second part, whose name(s) appears in Box 3 (hereinafter referred to as the 3
Second Party). This contract, governed by the terms and conditions set forth herein, shall include all the typewritten provisions in Boxes 1 4
through 27 on Page 1, any additional provisions that may be set forth in Box 28 on Page 1, and the printed clauses 1 to 22 (including arbitration 5
clause) on Pages 2 and 3; provided, however, that in case of any conflict between any part of the typewritten provisions and the printed 6
provisions on Pages 2 and 3, then the former shall prevail over the latter. 7

Tugowners	Second Party
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Object to be Towed, Port of Sailing and Destination.	1. The Tug shall tow the object to be towed as described in Box 9 with particulars as set forth in Boxes 10-13 (hereinafter referred to as the Tow) from the port of sailing as set forth in Box 14 at which the Tug and Tow can lie safely afloat at all stages of the tide to such anchorage or place at the destination as set forth in Box 15 at which the Tug and Tow can get and lie safely afloat at all stages of the tide as may be designated by the Second Party.	8 9 10 11 12
Towage Price and Conditions of Payment.	2. The towage price set forth in Box 16 shall be paid by installments as described in Box 17. Payment of each installment of the towage price shall be made to the Tugowners' account at the bank as described in Box 17 by way of telegraphic transfer remittance. Any installment or installments payable after the Tug and Tow sail from the port of sailing, but not yet due for payment, shall be on a "no cure, no pay" basis.	13 14 15 16 17
Notice of Expected Arrival. Seaworthiness.	3. Pursuant to the provision contained in Box 18, the Master of the Tug shall give notice of the expected date of arrival at the port of sailing and at the destination respectively. 4. The Second Party shall fit out the Tow so that, at the commencement of the towage, it is in such seaworthy condition as will meet the requirements of the regulatory bodies, the underwriter's surveyor and the master of the Tug, including, but not limited to, responsibility to insure that lights, signal equipment, bridles, towing brackets and closed chocks, canal bits, lashings, securing and trimming of the Tow are in proper order. A certificate of fitness for the towage of the Tow issued by the underwriter's surveyor shall be delivered by the Second Party to the Tugowners or the Master of the Tug by the date specified in Box 19. In accordance with the requirements of the underwriter's surveyor, the Tugowners shall, at the commencement of the towage, exercise due diligence in insuring that the Tug is seaworthy and properly manned, equipped and supplied, and also furnish the use of towing ropes and other towing gears.	18 19 20 21 22 23 24 25 26 27 28
Riding Crew.	5. Should any riding crew or runners be placed on board the Tow because of government requirements (regulations), or because of the requirements by the Master of the Tug or the underwriter's surveyor (as required under the preceding clause), then any and all expenses, liability and responsibility related thereto shall be borne by the Second Party.	29 30 31 32
Connecting and Releasing Tow. Cancellation.	6. Connecting the Tow at the port of sailing and releasing it at the point of destination shall be executed at the discretion of the Master of the Tug. 7. Should the Tug not be ready for the towage service by the date specified in Box 20, the Second Party shall have the option of cancelling this contract.	33 34 35 36
Delay in Commencement of Voyage.	8. Should the Second Party fail to have the Tow ready for the towage service within 24 hours after notice of readiness to undertake the towage service is given to the party specified in Box 21, then the Second Party shall pay the additional compensation to the Tugowners at the Tug's daily rate of hire as specified in Box 23 per day of 24 running hours or pro rata for any part thereof from the time of expiry of 24 hours as above mentioned until such time as the Tug and Tow actually sail.	37 38 39 40 41
Impossibility of Performance of Towage Service.	9. Should the Tow be unable to commence the voyage because of failure to obtain approval of the underwriter's surveyor (as required under clause 4), or because the Tow cannot meet the requirements of the Master of the Tug, or for any other reason for which the Tugowners are not responsible, then the Second Party shall compensate the Tugowners at the Tug's daily rate of hire as provided in the preceding clause for all time spent by the Tug, commencing from the time the Tug sails from the place specified in Box 24 until she returns to her station or the place specified in Box 25. If the Tug does not return directly to her station or the place specified in Box 25, time for the return voyage shall be computed on the basis of the Tug's normal running time to the station or the place by the customary route.	42 43 44 45 46 47 48 49
Delay in Releasing Tug at Destination.	10. If for any reason whatsoever beyond the control of the Tugowners or the Master of the Tug excepting weather conditions, the Second Party does not take delivery of the Tow within 24 hours after notice of readiness to deliver the Tow is given to the party specified in Box 22, then the Second Party shall pay additional compensation to the Tugowners at the Tug's daily rate of hire as provided in clause 8 from the time of expiry of 24 hours as above mentioned until such time as the Tug is actually released. Should the Tug and Tow be compelled to wait off the destination by any reason herein, notice of readiness may be given at the place of waiting.	50 51 52 53 54 55 56
Time Lost by Tug during Voyage.	11. If the Tug, during the course of the towage service, puts into a port or ports because the Master of the Tug considers that repairs or alterations to, or additional equipment for, the Tow, are necessary for the Tow to be towed to the destination, or for any other reason for which the Second Party is responsible, the Second Party shall pay additional compensation at the Tug's daily rate of hire as provided in clause 8 for all time lost by the Tug in excess of the time which would have been spent had such putting into not taken place. But such additional compensation to the Tugowners shall not begin to run until the Tug has actually deviated from her course for the purpose of putting into such a port or ports and any assistance that the Tug may render to the Tow prior to such actual deviation from her course, shall not give rise to a claim for the additional compensation. The Second Party shall pay additional compensation to the Tugowners at the Tug's daily rate of hire as provided in clause 8 for any and all deviations by, or detention of, the Tug caused by typhoons, hurricanes, cyclones, or reports thereof, during the course of the towage service.	57 58 59 60 61 62 63 64 65 66 67 68

Port Charges and Expenses.	12. All port charges, pilotages, agencies, taxes, dues, duties, canal tolls, insurance on the Tow, third party liability insurance and other expenses related to the Tow, including the cost of services of assisting tugs where necessary, and non-Japanese taxes, dues or stamp fees assessed or levied upon the towage price or otherwise arising out of this contract shall be borne by the Second Party.	69 70 71 72
	All port charges, pilotages, agencies, taxes, dues, duties, canal tolls, insurance on the Tug, third party liability insurance and other expenses related to the Tug shall be borne by the Tugowners.	73 74
No Claim for Salvage.	13. Should the Tow break away from the Tug during the course of the towage service, the Tug shall stand by and render all reasonable services for saving the Tow and reconnecting the towline, without making any claim for salvage save where the Tug has rendered exceptional services which cannot be considered as rendered in fulfilment of this contract.	75 76 77 78
Deviation.	14. The Tug shall have liberty to assist vessels in all situations, to deviate for the purpose of saving life or property, to call at any port for fuel, repairs, supplies, or other necessaries, or landing disabled seamen.	79 80
Immunities.	15. The Second Party shall bear the responsibility for damage of any description caused by or arising during the course of this towage service, including the damage suffered by third parties, even though such damage is caused by the fault or negligence on the part of the Tugowners or persons on board the Tug (including pilots, Tugowners' servants or anyone else who is on board at the request of the Tugowners) or by any defective equipment supplied by the Tugowners; or for damage for which the Tugowners might be held liable on any other ground.	81 82 83 84 85 86
	Notwithstanding the provisions of the preceding paragraph, the Tugowners shall bear the responsibility for the following damage:	87 88
	1) damage suffered by the Tug and which is caused either by defects in the Tug or by the fault or negligence on the part of the Master and crew of the Tug;	89 90
	2) damage to vessels or property of third parties as a consequence of collision with the Tug, provided, however, that this provision shall apply if the Second Party can prove that such damage was not caused by the Tow or the Tow was not a contributing factor in causing the damage.	91 92 93
	When, pursuant to the provisions of this clause, the damage is to be borne by the Second Party, neither the Tugowners nor their sub-contractors, who render service either in whole or in part under the order and direction of the Tugowners, shall be responsible for such damage; The Second Party shall indemnify and save the Tugowners and the sub-contractors harmless against all the claims that third parties may have on account of such damage against the Tugowners and/or the sub-contractors (regardless of whether or not the Tugowners and/or the sub-contractors are to be held liable jointly with the Second Party) and the Second Party shall also indemnify and save the Tugowners and the sub-contractors harmless against any loss of or damage to their boats.	94 95 96 97 98 99 100 101
Penalties.	16. The Tugowners shall not be responsible for any consequences arising through the act or error of the Second Party in connection with export or entry declarations or any other formalities with respect to the Tow. Should the Tugowners or the Tug incur any penalties by reason of such act or error of the Second Party, then the Second Party shall reimburse the Tugowners and should the Tug be delayed by reason of such act or error of the Second Party, the Second Party shall pay additional compensation to the Tugowners at the Tug's daily rate of hire as provided in clause 8.	102 103 104 105 106 107
Lien.	17. The Tugowners shall have a lien on the Tow for the full towage price, for any and all additional compensations, and for any other charges and expenses due them under this contract, including the cost of recovery of the same.	108 109 110
Substitution.	18. Should the Tug not be available to undertake the towage service described herein, or should the Tugowners, for any reason, desire to substitute another tug, the Tugowners shall be permitted to do so; provided, however, that the main particulars and position of the substituted tug shall be subject to the Second Party's prior approval, but such approval shall not be unreasonably withheld.	111 112 113 114
General.	19. This contract is a contract for towage services and shall not be construed to be a charter of the Tug or to give rise to a personal contract.	115 116
	If any one provision or group of provisions in this contract shall be held invalid, void, or of no effect for any reason whatsoever, such holding shall not be deemed to affect the validity of the remaining contract provisions, which shall continue to be of full force and effect.	117 118 119
Claim.	20. The Tugowners (the Tug) shall be discharged from all liabilities for any reason whatsoever, unless claim for loss, damage or delay is made in writing within fourteen (14) days from the date of arrival of the Tow at its destination or termination of the towage service.	120 121 122
Brokerage.	21. A commission of the number of percentage as stated in Box 26 on the Tugowners' final earnings of the towage price shall be payable by the Tugowners as per Box 27.	123 124
Arbitration.	22. Any dispute arising from this contract shall be submitted to arbitration held in Tokyo by the Japan Shipping Exchange, Inc., in accordance with the provisions of the Maritime Arbitration Rules of the Japan Shipping Exchange, Inc., and the award given by the arbitrators shall be final and binding on both parties.	125 126 127