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INDEPENDENT EXPERT OPINION

**rendered by the Special Referees
of the Japan Shipping Exchange, Inc.**

**The effect of seamen's strike
on the calculation of Laytime, etc.**

Around April through July, 1972, the All Japan Seamen's Union went on a general strike at various ports from coast to coast of Japan, in connection with revision of the Labour Agreement with the shipowners.

The first wave of the strike began on April 14th, 1972, at 17:00, by rejecting the night work for loading and discharging cargo on board all liners and oil tankers; then as from April 18th, the strikers rejected sailing abroad in addition to the above; and on June 4th, at 08:00, they went on general strike, which ended on July 13th, 1972, at 08:00 by an agreement between the Union and the Shipowners on negotiation.

The total number of the oil tankers which were obliged to be detained at the various ports of Japan came up to 123 in number, totalling 12, 943, 176 deadweight tons.

A request for the expert opinion was made by the circles concerned with the Japan Shipping Exchange, Inc. regarding whether or not this strike affected computation of laytime.

This request for expert opinion was duly filed in and accepted by the Exchange, and three (3) experts were appointed from among the Panel of Members of the Maritime Arbitration Commission who had no concern with the cases. They submitted the following Report of Independent Expert Opinions in December, 1972.

The subject matter for this expert opinion involves, it was found, a variety of complex cases, each of which holding respectively different contents in its contract. It was therefore found rather difficult for the Experts to arrive at a conclusive opinion as requested by the applicants which might be taken as the principle for future application of a case or cases of the similar category. Hence the expert opinion was formed

specifically on three (3) cases of s.s. "A" Maru, s.s. "B" Maru and s.s. "C" Maru (actual name of vessels not disclosed here).

Subject Matters for Expert Opinion

(I) Port of Discharge: (in the cases of "A" Maru and "B" Maru)

- A. (a) In the case when a vessel anchored off the port of discharge or at the nearest port, owing to the congestion of vessels at the port of discharge designated by the charterer, on account of the seamen's strike, and notice of readiness is tendered, does the vessel become an 'arrived ship' and laytime commence as stipulated in the Charter-party?
- (b) Does the answer to the above question (a) differ according to the cases where the vessel in question is the one the seamen on board are on strike or not?
- (c) Does the answer to the above question (a) differ according to the cases where notice of readiness is tendered during the period of the said strike still going on or after the cessation of the said strike?
- B. In the above case A, where the vessel in question is the one the seamen on board were on strike, is the time lost in waiting for a berth after the cessation of the strike counted as laytime?
- C. In the case where the port of discharge after the cessation of the strike becomes congested of vessels and the vessel in question was obliged to wait for a berth, is this time lost in waiting for a berth excluded from computation of laytime? Does the answer differ according to the cases where the vessel in question was on strike or not?

(II) Port of Loading

- A. Can the charterer exclude from computation of laytime the time lost by the vessel waiting for a berth after notice of readiness was tendered, on the ground that the congestion of vessels at the port of loading was caused by the cessation of the strike?

In the case where the seamen on board the vessel in question were not on strike, how will the case of preceding paragraph be treated? (in cases

- of "A" Maru and "B" Maru)
- B. Referring to the above case, how will the above case A be treated, when there was no 'cargo stem' consequent upon the congestion of vessels at the port of loading by those vessels rushed thereto after the cessation of strike?
- C. Referring to the above cases A and B, can the time lost as described be taken as off-hire in the case where the vessel in question was a time chartered vessel? (in case of "C" Maru)

Clauses of Charterparty Cited

s.s. "A" Maru: 50,750 D/W
Persian Gulf/Japan Tanker Voyage Charter
on Warshipoilvoy C/P
Special Clause: PART I (H) 3

Notwithstanding Clause C and D of Part 1 the Charterer shall have the option of ordering the Vessel to trade World-Wide within Institute Warranties Limits, provided, however, that in the event the Charterer exercises this option the freight rate shall be decided by mutual agreement on an equivalent earning basis to the principal trading range of PG/Japan. Clause 4. NOTICE OF READINESS AND COMMENCEMENT OF LAYTIME . . .

. . . Laytime shall commence either at the expiration of six (6) running hours after tender of notice of readiness, Vessel in or out of berth, . . .

Clause 18. (General Exceptions Clause)

. . . And neither the Vessel, her Master or Owner, nor the Charterer shall, unless otherwise in this Charter expressly provided, be responsible for any loss of or damage or delay to or failure to discharge or deliver the cargo arising or resulting from: . . . Act of God; act of war; act of public enemies, pirates or assailing thieves; arrest or restraint of princes, rulers or people; seizure under legal process provided bond is promptly furnished to release the Vessel or cargo; strikes, lockouts, stoppage or restraint of labor from whatever cause whether partial or general; or riot or civil commotion.

. . .

s.s. "B" Maru: 50,096 D/W
Worldwide trading
on Essovoy '69 C/P
Special Clause PART I M (3)

The Charterer shall have the option of loading or discharging at two ports on the same coast or in the same general area, with maximum three (3) ports in total for loading and discharge.

Clause 6. (NOTICE OF READINESS)

Upon arrival at customary anchorage at each port of loading or discharge, the Master or his agent shall give the Charterer or his agent notice by letter, telegraph, wireless or telephone that the Vessel is ready to load or discharge cargo, berth or no berth, and laytime, as hereinafter provided, shall commence upon the expiration of six (6) hours after receipt of such notice, or upon the Vessel's arrival in berth (i.e., finished mooring when at a sealoading or discharging terminal and all fast when loading or discharging alongside a wharf), whichever first occurs. However, where delay is caused to Vessel getting into berth after giving notice of readiness for any reason over which Charterer has no control, such delay shall not count as used laytime.

Clause 19. (General Exceptions Clause)

... And neither the Vessel nor Master or Owner, nor the Charterer, shall, unless otherwise in this Charter expressly provided, be responsible for any loss or damage or delay or failure in performing hereunder, arising or resulting from: ... Act of God; act of war; perils of the seas; act of public enemies, pirates or assailing thieves; arrest or restraint of princes, rulers or people; or seizure under legal process provided bond is promptly furnished to release the Vessel or cargo; strike or lockout or stoppage or restraint of labor from whatever cause, either partial or general; or riot or civil commotion.

s.s. "C" Maru: 74,675 D/W
on Shelltime 3

Clause 21. (Off-Hire)

In the event of loss of time (whether arising from interruption in the performance of the vessel's service or from reduction in the speed of the performance thereof or in any other manner) . . . due to strikes, . . . hire shall cease to be due or payable from the commencement of such loss of time until the vessel is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which such loss of time commenced.

Independent Expert Opinion

(I) Port of Discharge

A. (a) i) In the case when the vessel anchored off the port of discharge: Even in the case when the vessel anchored off the port of discharge, if the vessel anchored at the point which was in the commercial area of the port of discharge, and was in every respect ready to discharge and tendered notice of readiness, then the vessel is taken as an 'arrived ship', provided, however, that such notice of readiness tendered after general strike went on shall be invalid and the vessel shall not be taken as an 'arrived ship'.

This shall be applied to both s.s. "A" Maru and s.s. "B" Maru. As for s.s. "A" Maru, laytime shall commence at the expiration of six (6) running hours after tender of notice of readiness, irrespective of any congestion of vessels at the port of discharge, according to Clause.4. In the case of s.s. "A" Maru, even when an instruction for seamen's strike arrived in her seamen's hand and all her seamen went on strike, with the contents of such instruction for strike being a partial strike such as 'to reject night work for discharging and or to reject to sail and proceed outward, laytime commences without being least affected. In the case of s.s. "B" Maru, the time lost in waiting for a berth at the port of discharge cannot count as laytime.

ii) In the case when the vessel anchored at the nearest port: The vessel shall not be taken as an 'arrived ship' excepting the case, however, when the vessel anchored at the nearest port following a

request made by the Charterer.

This shall be applied to both s.s. "A" Maru and s.s. "B" Maru.

(b) The above shall be maintained, irrespective whether the vessel in question is on strike or not.

(c) The above shall be maintained, irrespective whether notice of readiness was tendered while the strike was going on or after the cessation of the strike.

B. As for s.s. "A" Maru, the time lost in waiting for a berth after the cessation of the strike shall count as laytime, while, as for s.s. "B" Maru, such time shall not count as laytime.

C. As for s.s. "A" Maru, laytime shall count irrespective whether the vessel was waiting for a berth or not.

As for s.s. "B" Maru, the time lost in waiting for a berth shall not count as laytime, on the condition, and to the extent, that the port which was found congested of vessels is in the category of the port for general use (not being the port for exclusive use of the Charterer) and the said congestion of vessels at the said port was solely and exclusively caused by congested vessels to the said port after the cessation of the strike.

The above shall be maintained, irrespective whether the vessel in question was on strike or not.

(II) Port of Loading

A. The time in question cannot be deducted from laytime.

This shall be maintained, irrespective whether or not the vessel in question was on strike prior to her arrival.

B. Computation of laytime shall not differ, according to the fact that there is 'cargo stem' or not.

C. The time in question shall not be taken as 'off-hire'.

Reasons for Opinion

(I) Port of Discharge

The description of a port or ports of discharge is generally made in two ways: first, a port or ports are specifically designated, or second, a range of ports (usually two (2) or three (3) ports) is mentioned.

In the latter case, the Charterer is to designate within a reasonable time a specific port or ports of discharge.

In the case of s.s. "A" Maru, while the port of discharge is stated as "one safe port in Japan", the range of the port of discharge shall be understood as 'world-wide' by the special clause Part I (H) 3 agreed upon, as in the case of s.s. "B" Maru.

Notwithstanding such clause on the Charterparty, in the case when the Charterer got the vessel in question proceeded to Japan where congestion of vessels had been already in existence or was easily predicted to take place, by and through the seamen's strike, it is quite doubtful whether or not any time lost through the above proceeding on the part of the Charterer be attributable to the Shipowner.

This point is, however, to be left outside our consideration, because it was not referred to for our opinion.

A. (a) It is well established and accepted custom that a vessel once arrived in commercial area of a port of discharge and is in every respect ready for discharge and notice of readiness is tendered, then the vessel became an 'arrived ship'.

Whether or not a vessel arrived in commercial area of a port of discharge must be acknowledged in connection with each specific vessel, according to the case.

Once laytime commences, discharging of the cargo is practicable, excepting a case of general strike, as far as the vessel in question is concerned. It is therefore to be understood that laytime commences, unless there is a provision which will interrupt and interfere laytime to run on the Charterparty.

As for s.s. "A" Maru, the provision in the latter part of Clause 18,

General Exceptions Clause, on Warshipoilvoy C/P, stating that; "... And neither the Vessel, her Master or Owner, nor the Charterer shall, unless otherwise in this Charter expressly provided, be responsible for any loss of or damage or delay to or failure to discharge or deliver the cargo arising or resulting from: ... strike, lockouts, ... " refers only to loss or damage or delay to or failure to discharge or deliver the cargo, and it is therefore to be understood that the said provision shall not be applied to computation of laytime.

As for s.s. "B" Maru, the provision of Clause 6 on Essovoy '69 C/P, stating that; "... However, where delay is caused to Vessel getting into berth after giving notice of readiness for any reason over which Charterer has no control, such delay shall not count as used laytime" shall be applied, and the time lost in waiting for a berth shall not count as laytime, irrespective whether or not the vessel be taken as an "arrived ship", or the seamen on board s.s. "B" Maru went on strike, or irrespective whether it was during the period in which the strike continued or after the cessation of the strike, on the ground that the congestion was caused by the seamen's strike which was just beyond control of the Charterer.

As for s.s. "B" Maru, it is further to be understood that, even in the case where the provision of the aforesaid Clause 6 is not stipulated, following the provision of Clause 19 stating that; "... And neither the Vessel nor Master or Owner, nor the Charterer, shall, unless otherwise in this Charter expressly provided, be responsible for any loss or damage or delay or failure in performing hereunder, arising or resulting from: ... strike or lockout or stoppage or restraint of labor from whatever cause, either partial or general' ... ", the time lost in waiting for a berth caused by the congestion arising from the seamen's strike shall not count as laytime.

In the case where the Vessel anchored at the nearest port, the said nearest port is different from the said port of discharge, and the vessel accordingly shall not be considered as arrived in the said port of discharge. It shall not be taken as an "arrived ship", since the conditions for an "arrived ship" is not fulfilled.

(b) Already stated in (a).

(c) As already stated in (a), in the case of s.s. "A" Maru, once the vessel is taken as an "arrived ship", then laytime commences, while in the case of s.s. "B" Maru, the time lost in waiting for a berth shall not count as laytime, according to Clause 6.

- B. Already referred to in the statement in connection with A (a).
- C. As for s.s. "A" Maru, already stated in A (a), while as for s.s. "B" Maru, it shall be subject to the provision of Clause 6 on Essovoy '69 C/P.

(II) Port of Loading

- A. As for s.s. "A" Maru, already referred to in (I) A (a).

As for s.s. "B" Maru, where the vessel was obliged to wait for a berth owing to the congestion, it still admits of some discussion whether or not General Exceptions Clause be applicable, even when the said loss of time was solely and exclusively caused by the said seamen's strike, because the relation between cause and effect is vague. In this point the experts' opinion is rather negative.

The above shall be applicable, irrespective whether the said vessel was on strike or not.

- B. The provisions relating to laytime embodies an agreement that the Charterer shall load the cargo within the period of laytime and it shall not be affected by 'cargo stem' whatsoever.
- C. As for s.s. "C" Maru, there is the provision, Clause 21 on Shelltime 3, relating to Off-Hire, stating that; "In the event of loss of time (whether arising from interruption in the performance of the Vessel's service or from reduction in the speed of the performance thereof or in any other manner) . . . due to strikes, . . . hire shall cease to be due or payable from the commencement of such loss of time until the Vessel is again ready and in an efficient state to resume her service from a position not less favourable to Charterers than that at which such loss of time commenced."

The above Clause shall be applied to s.s. "C" Maru only when she goes on actual strike, and to that extent, and shall not be applicable to

the time lost in waiting for a berth at the port of loading.

December 4, 1972

Introduction of New Forms

IRON ORE CHARTER PARTY (code name "NIPPONORE")

The new form IRON ORE CHARTER PARTY (code name "NIPPONORE") is now placed for the general use, after more than three year deliberate and strenuous efforts and discussions for its formulation.

This form is drawn up as a standard form, on the following basic principles taken into consideration:

- 1) to facilitate conclusion as well as execution of a contract of carriage of iron ore to Japan and also to prevent any possible dispute,
- 2) to embody the contents which reflect prevailing customary practice regarding carriage of iron ore,
- 3) to be widely used by shipowners, foreign as well as of Japan, on the world shipping market.

The following will serve, we hope, to explain the process of formulation and the features of the form:

(A) Motives for drawing up this form

As shown on the attached Chart and the following Table, Japan presently imports a huge quantity of iron ore from throughout the world.

Yearly Quantity of Iron Ore on Ocean Transportation (million tons)

	1967	1968	1969	1970	1971
World	164	188	214	247	250
Japan	56	67	83	103	108

A variety of Charter Party for such ocean transportation is accordingly in practical use. It is natural that formulation of a standard form of such Charter Party has been required in the circles concerned. Just then, The Baltic and International Maritime Conference (hereinafter to be called BIMCO) inquired us of our intention for possible use and spread in Japan

of the GENERAL ORE CHARTER PARTY, 1962 (code name "GENORECON"). Accordingly, the Documentary Committee of the Japan Shipping Exchange, Inc. organized sub-committee as an actual working organ for studying whether or not the "GENORECON" Charter is suitable and applicable for the transportation of iron ore from foreign ports to Japan, by gathering well-qualified persons from three business circles; shipping companies, trading firms, and iron and steel mills.

(B) Process of formulation

The sub-committee discussed in a series of meetings possibility of introducing the "GENORECON" Charter into Japan. After the repeated discussions, the sub-committee arrived at a conclusion that in many ways the use and spread in Japan of the "GENORECON" Charter would be difficult, mainly from the following reasons:

- 1) vessels engaged in transporting ore to Japan are for the most part large ore carriers,
- 2) transportation distance is far and long around the world,
- 3) relations between shipowners and iron and steel mills are so close and strong that the terms and conditions of the charter party are intimately related to those of the sales contract.

As the consequence of these studies and discussions, the sub-committee came to consider it best to draft its own form for carriage of iron ore to Japan by considering the actual circumstances of the business in harmony with a "GENORECON" Charter. The draft of the sub-committee was obtained on 19th September, 1972, with 33 meetings for discussion and drafting. This draft was submitted to approval of the Documentary Committee of the Japan Shipping Exchange Inc., and was acknowledged on 17th October, 1972.

The Documentary Committee then passed on this draft to BIMCO for adoption of the Documentary Council of BIMCO, with the view to obtaining wide use of the foreign shipowners. The BIMCO Documentary Council placed it on the agenda of its meeting held in Copenhagen on 23rd November, 1972 and a sub-committee was organized for consideration of this item of the agenda.

The results of the considerations and discussions on the part of the

sub-committee, of the BIMCO Documentary Council were referred to us, the Documentary Committee of the Exchange, which again deliberately reviewed in its meeting held on 14th February, 1973.

The final draft of the "NIPPONORE" Charter obtained thus through the considerations and discussions, was formally presented to consideration of the Documentary Council of BIMCO held in London on 22nd May, 1973, and finally and authentically adopted.

(C) Style of this form

One of the features of this form is that all required descriptions are, for the convenience of use, made in the Boxes framed on page 1, and other items, the clauses, are mentioned on page 2 through 5. Those parties of a contract, who are well familiar with the clauses, may execute the contract by using only the page 1 fully entered and duly signed, or they may use the page 1 as the Fixture Note. This style of layout comes from some Charter Parties drafted by BIMCO.

(D) Comments on some clauses

The following are the comments on some clauses stipulated in this Carter Party:

Clause 1 (Port of Loading)

(1) In view of the actual situation of loading and discharging of iron ore at present, the provision states that "The said Vessel, being suitable for mechanical loading and grab discharge".

(2) In view of the recent tendency of transporting iron ore by large sized vessels, the provision states that "always safe and afloat provided that the Vessel's draft does not exceed the permissible draft as indicated in Box 18 (19)". The Chartereres are therefore hold themselves responsible for guaranteeing permissible draft at the ports of loading and discharge.

Clause 2 (Freight)

(1) Following the present situation of the business and its practice, the provision states that "Part of freight shall be prepaid on Bill of Lading weight" (para.1).

(2) Following other Charter Parties drafted by the Exchange, the provision states that "Full freight to be considered as earned upon

completion of loading, the Vessel and/or the cargo lost or not lost (para. 3).

Clause 5 (Loading and Discharging)

(1) The provisions of paragraphs 2 and 7 are stipulated as realistic reflection of the actual business situation and practice.

(2) In computation of laytime, the words "weather permitting" are employed. The problem whether Sundays and holidays are included or not in laytime is entirely left to agreement between the parties (paras. 4 and 9, Boxes 26 and 27).

(3) In order to avoid any possible dispute, the provision was stipulated concerning the time and expense for opening and closing hatches (para. 11).

Clause 11 (Stevedore damage)

In case where the Vessel is not suitable for mechanical loading and grab discharge, as she is in clause 1, any loss or damage resulting on to the Vessel by and through work of the stevedores may be, according to the situation, exempted from responsibility of the Charterers.

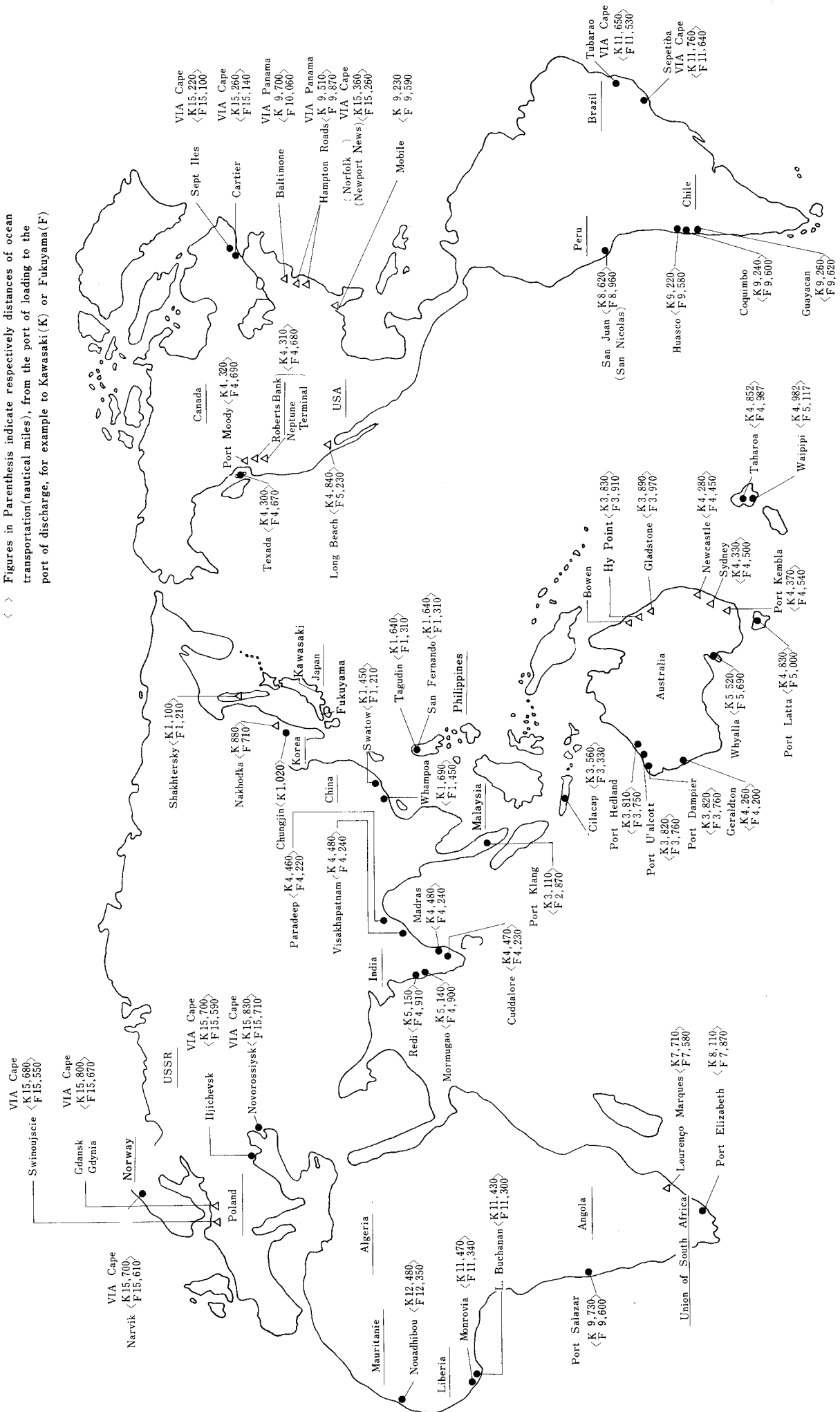
Clause 18 (Substitution)

A substitute of the Vessel should be, as a rule, a vessel of the same class or condition and the similar size and type with the original one, which is however very difficult to obtain on the shipping market. Hence, the provision stating "provided that such substituted vessel's main particulars and position shall be subject to the Charterers' prior approval, which is not to be unreasonably withheld".

Clause 20 (Strike)

This Clause follows the provision of General Strike Clause, including a modification in paragraph 2, "whithin 24 hours" into "within next business day".

**World-wide Distribution of Ports of Shipment
Iron Ore & Coking Coal Destined to Japan.**



THE DOCUMENTARY COMMITTEE OF THE JAPAN
SHIPPING EXCHANGE, INC.

IRON ORE CHARTER PARTY
CODE NAME: "NIPPONORE"

Issued by The Documentary Committee of The
Japan Shipping Exchange, Inc., Tokyo, 14/2/1972

Adopted by
The Documentary Council of
The Baltic and International Maritime Conference

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1. Place and date		3. Charterers	
2. Owners/Chartered Owners/Disponent Owners		4. Vessel's name (also state kind of engine)	
4. Vessel's name (also state kind of engine)		5. Flag	6. Class
7. When built	8. GRT/NRT	9. Length overall	10. Breadth moulded
11. Depth moulded	12. Total d.w. (about)	13. Summer draft	17. Cancelling date (Cl. 4)
14. Present position	15. Expected date of arr. (load)	16. Laydays date (Cl. 4)	Declaration within (optional)
18. Loading port(s) and permissible draft (Cl. 1)		19. Discharging port(s) and permissible draft (Cl. 1)	
		Number of days for final nomination of destination (Cl. 1)	
20. Sailing telgr., advance notices and final notice of 24 hours prior to e. t. a. (load.) (also indicate when and to whom to be given) (Cl. 3)		21. Advance notices prior to e. t. a. (disch.) (also indicate when and to whom to be given) (Cl. 3)	
22. Notice of readiness (load.) (indicate when and to whom to be given; also state whether SHEX or SHINC) (Cl. 5)		23. Notice of readiness (disch.) (indicate when and to whom to be given; also state whether SHEX or SHINC) (Cl. 5)	
24. Number of hours' notice time (load.) (Cl. 5)		25. Number of hours' notice time (disch.) (Cl. 5)	
26. Loading rate per day of 24 run. hours (state whether SHEX unless used or SHINC) (Cl. 5)		27. Disch. rate per day of 24 run. hours (state whether SHEX unless used or SHINC) (Cl. 5)	
28. Demurrage rate (load.) (Cl. 6 & 23)	29. Despatch Money (load.) (Cl. 6)	30. Demurrage rate (disch.) (Cl. 6)	31. Despatch Money (disch.) (Cl. 6)
32. Demurrage and/or Despatch Money to be settled at & in (currency) (load.) (Cl. 6)		33. Demurrage and/or Despatch Money to be settled at & in (currency) (disch.) (Cl. 6)	
34. Agents (load.) (Cl. 10)		35. Agents (disch.) (Cl. 10)	
36. Description and quantity of cargo in bulk; also state margin percentage more or less in Owners' option (Cl. 1)			
37. Freight rate per long ton (Cl. 2)		38. Mode of freight payment (Cl. 2)	
39. Amount of freight prepayable (indicate percentage) (Cl. 2)		40. War cancellation (state countries if Cl. 25(a) applicable)	
41. General Average to be adjusted and settled at & in (currency) (Cl. 19)			
42. Brokerage Commission and to whom payable (Cl. 26)		43. Place of Arbitration (optional) (Cl. 27)	
44. Numbers of additional clauses attached, if any			

PREAMBLE. It is this day mutually agreed between the Owners/Chartered Owners/Disponent Owners indicated in Box 2 above (in any case hereinafter referred to as the Owners) of the Vessel with particulars indicated above, now in a position as indicated in Box 14 and expected ready to load under this charterparty on the expected date of arrival at the (first) loading port indicated in Box 15 and the party mentioned as Charterers in Box 3 that the carriage under this charterparty shall be performed in accordance with the terms and conditions contained in the "Nipponore" Charter Party which shall include Page 1 with boxes filled in as above including possible additional clauses attached as indicated in Box 44 and Page 2 to 5 with clauses 1 to 27 (including arbitration clause), and that typewritten provisions of Page 1 hereof shall prevail over the printed provisions of Pages 2 to 5 to the extent of any conflict between them.

For the Owners	For the Charterers

Notices to be communicated as shown overleaf.

Port of Loading.

1. The said Vessel, being suitable for mechanical loading and grab discharge, shall with all convenient speed sail and proceed to the loading port or ports inserted in Box 18 or so near thereto as she may safely get, and there load always safe and afloat provided that the Vessel's draft does not exceed the permissible draft as indicated in Box 18, in the customary manner, as and where ordered by the Agents of the Charterers a full and complete cargo as described in Box 36. Being so loaded the Vessel shall therewith proceed with all convenient speed to the discharging port or ports inserted in Box 19 as ordered on signing Bills of Lading, but the Charterers shall latest number of days as indicated in Box 19 before the Vessel's expected arrival at the port of discharge have liberty to require the Owners to order the Vessel to another port named herein or within the range specified herein by telegram or wireless, or so near thereto as she may safely get, and there discharge the cargo always safe and afloat provided that the Vessel's draft does not exceed the permissible draft as indicated in Box 19, as customary alongside any wharf and / or craft as directed by the Charterers.

*Cargo.
Port of Discharge.*

Freight.

2. Part of the freight shall be prepaid on Bill of Lading weight and balance shall be adjusted and payable on outturn weight as per Boxes 37, 38 and 39.

Both Bill of Lading weight and outturn weight shall be decided by means of the Vessel's draft survey by competent surveyors at the port or ports of loading and licensed marine surveyors at the port or ports of discharge appointed by the Charterers respectively and such fees are free to the Owners.

Full freight to be considered as earned upon completion of loading, the Vessel and / or the cargo lost or not lost.

Sailing telegrams.

3. On sailing from the last port for the port of loading the Owners or the Master shall telegraph to the party as indicated in Box 20 stating expected date of arrival and approximate loading quantity of the cargo.

*Notice of expected
arrival.*

The Master shall also give radio notices prior to the Vessel's expected time of arrival at the port of loading as per Box 20.

The Owners or the Master shall telegraph prior to the Vessel's expected time of arrival at the port or ports of discharge as per Box 21.

**Laytime and
Cancelling date.**

4. Laytime for loading not to commence before the date as indicated in Box 16.

The Charterers shall have the option of cancelling this charterparty if the Vessel be not ready to load on or before the cancelling date as indicated in Box 17. If when the Vessel be ready to leave her last port of call (whether a discharging port or not), the Owners inform the Charterers

by telegram that she cannot reach the loading port on or before the cancelling date, the Charterers shall declare by telegram within 3 days (Saturday, Sunday and Holidays excepted) unless otherwise stated in Box 17 from the receipt of such notice whether or not they cancel this charterparty.

Loading and Discharging.

*Notice of readiness.
Commencement of
laytime at loading
port.*

5. Laytime for loading to commence number of hours as indicated in Box 24 after the Vessel is in all respects ready to load and notice of readiness to load is given as per Box 22.

If loading berth be occupied and the Vessel be compelled to wait for berth on the Vessel's arrival at or off the port of loading or so near thereto as she may be permitted to approach, the Vessel shall be entitled to give notice of readiness after arrival there provided that free pratique has been granted. But, if the Vessel be compelled to wait for berth outside the quarantine area by an order of port authorities, the Vessel shall be entitled to give notice of readiness after arrival there subject to free pratique being granted prior to or on arrival at berth. Actual time occupied in moving from place of waiting to loading berth not to count as laytime.

Loading time.

If the loading be commenced earlier, laytime for loading shall count from actual commencement.

Cargo to be loaded at the average rate as stated in Box 26, weather permitting.

Laytime for loading to be calculated on the basis of Bill of Lading weight decided as per clause 2 at the port or ports of loading.

*Notice of readiness.
Commencement of
laytime at
discharging port.*

Laytime for discharge to commence number of hours as indicated in Box 25 after the Vessel is in all respects ready to discharge and notice of readiness to discharge is given as per Box 23.

If discharging berth be occupied and the Vessel be compelled to wait for berth on the Vessel's arrival at or off the port of discharge or so near thereto as she may be permitted to approach, the Vessel shall be entitled to give notice of readiness after arrival there provided that free pratique has been granted. But, if the Vessel be compelled to wait for berth outside the quarantine area by an order of port authorities, the Vessel shall be entitled to give notice of readiness after arrival there subject to free pratique being granted prior to or on arrival at berth. Actual time occupied in moving from place of waiting to discharging berth not to count as laytime.

Discharging time.

If the discharge be commenced earlier, laytime for discharge shall count from actual commencement.

Cargo to be discharged at the average rate as stated in Box 27, weather permitting.

Laytime for discharge to be calculated on the basis of outturn weight decided as per clause 2 at the port or ports of discharge.

*Time and expense
for opening and*

Time lost for opening and closing hatches at the time of the commence-

- closing hatches.* ment and the end of working at both loading and discharging ports not to count as laytime and such opening and closing hatches shall be at the Owners' risks and expenses.
- Laytime for loading and discharging.*
Demurrage and Despatch Money. Laytime for loading and discharge to be non-reversible.
6. Demurrage to be paid to the Owners at the rate as stated in Box 28 as to loading and in Box 30 as to discharging per day of 24 running hours or pro rata for any part thereof for all time used in excess of laytime at the port or ports of loading and / or discharge.
- Despatch Money to be paid to the Charterers at the rate as stated in Box 29 as to loading and in Box 31 as to discharging per day of 24 running hours or pro rata for any part thereof for laytime saved at the port or ports of loading and / or discharge.
- Demurrage and / or Despatch Money at the port or ports of loading to be settled as per Box 32 and at the port or ports of discharge as per Box 33.
- Free In and Out.** 7. The Charterers to load, stow, spout-trim to the Master's satisfaction and discharge the cargo free of risks and expenses to the Owners. The Charterers to have the liberty of working all available hatches as determined by the Master. The Vessel, if required, to supply light for night work on board free of expenses to the Charterers.
- Overtime.** 8. Overtime for loading and discharging to be for account of the party ordering the same. If overtime be ordered by Port Authorities or any other Governmental Agencies, the Charterers to pay extra expenses incurred. Officers' and crew's overtime charges always to be paid by the Owners.
- Dues and Charges.** 9. Dues and other charges levied against the cargo shall be paid by the Charterers, and dues and other charges levied against the Vessel shall be paid by the Owners.
- Agency.** 10. At the port or ports of loading the Vessel to be consigned to the Agents as stated in Box 34 and at the port or ports of discharge to the Agents as stated in Box 35.
- Stevedore damage.** 11. The Charterers are to be responsible for proved loss of or damage (beyond ordinary wear and tear) to any part of the Vessel caused by stevedores at both ends. Such loss or damage, as far as apparent, shall be reported by the Master to the Charterers, their Agents or their stevedores within 24 hours after occurrence.
- Time lost in repair of stevedore damage necessary to maintain the Vessel's seaworthiness to count as laytime.
- Deviation.** 12. The Vessel shall have liberty to call at any ports en route, to sail with or without pilots, to tow and to be towed, to assist vessels in distress, and to deviate for the purpose of saving life and / or property

or for bunkering purposes or to make any reasonable deviation.

Bills of Lading.

13. The Master shall sign Bills of Lading as presented without prejudice to this charterparty. The Charterers shall indemnify the Owners if the Owners are held liable under the Bills of Lading in respect of any claim for which the Owners are not liable towards the Charterers under this charterparty.

Exceptions.

14. Notwithstanding anything herein contained no absolute warranty of seaworthiness is given or shall be implied. The Owners, in all matters arising under or affecting this charterparty, shall be entitled to the like rights and immunities as are contained in Article IV of the Hague Rules, dated Brussels, August 25th, 1924, the term "carrier" in the said Article being taken to mean Owners. The Charterers shall not, save to the extent otherwise in this charterparty expressly provided, be responsible for any loss or damage or delay or failure in performance hereunder arising or resulting from Act of God; act of war; seizure under legal process; quarantine restrictions; strikes; boycotts; lock-outs; riots; civil commotions; and arrest or restraint of princes, rulers or peoples.

Owners' Lien.

15. The Owners shall have a lien on the cargo for all freight and all other expenses in relation to the transport, dead-freight, advances, demurrage, damages for detention, general average, and salvage. The Charterers shall remain responsible for above items to such extent only as the Owners have been unable to obtain payment thereof by exercising the lien on the cargo.

Extra insurance.

16. Any extra insurance on cargo on account of the Vessel's age and / or flag and / or class shall be for the Owners' account.

Sublet.

17. The Charterers shall have the option of subletting whole or part of the Vessel, they remaining responsible for due fulfilment of this charterparty.

Substitution.

18. The Owners shall have liberty to substitute a vessel, provided that such substituted vessel's main particulars and position shall be subject to the Charterers' prior approval which is not to be unreasonably withheld.

General average.

19. General average to be adjusted and settled according to York-Antwerp Rules, 1950, as per Box 41.

Strike.

20. Neither the Charterers nor the Owners shall be responsible for the consequences of any strikes or lock-outs preventing or delaying the fulfilment of any obligations under this charterparty.

If there is a strike or lock-out affecting the loading of the cargo, or any party of it, when the Vessel is ready to proceed from her last port or at any time during the voyage to the port or ports of loading or after her arrival there, the Master or the Owners may ask the Charterers to declare, that they agree to reckon the laytime as if there were no strike or lock-out.

Unless the Charterers have given such declaration in writing (by telegram, if necessary) within the business day after receipt of the request, the Owners shall have the option of cancelling this charterparty. If part cargo has already been loaded, the Owners must proceed with same, (freight payable on loaded quantity only) having liberty to complete with other cargo on the way for their own account.

If there is a strike or lock-out affecting the discharge of the cargo on or after the Vessel's arrival at or off the port of discharge and same has not been settled within 48 hours, Receivers shall have the option of keeping the Vessel waiting until such strike or lock-out is at an end against paying half demurrage after expiration of the time provided for discharging, or of ordering the Vessel to a safe port where she can safely discharge without risk of being detained by strike or lock-out. Such orders to be given within 48 hours after the Master or the Owners have given notice to the Charterers of the strike or lock-out affecting the discharge. On delivery of the cargo at such port, all conditions of this charterparty shall apply and the Vessel shall receive the same freight as if she had discharged at the original port of destination, except that if the distance of the substituted port exceeds 100 nautical miles, the freight on the cargo delivered at the substituted port to be increased in proportion.

**Both-to-Blame
Collision Clause.**

21. If the Vessel comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the Master, Mariner, Pilot or the servants of the Owners in the navigation or in the management of the Vessel, the owners of the Cargo carried hereunder will indemnify the Owners against all loss or liability to the other or non-carrying ship or her owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of said cargo, paid or payable by the other or non-carrying ship or her owners to the owners of said cargo and set-off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying Vessel or the Owners. The foregoing provisions shall also apply where the Owners, operators or those in charge of any ship or ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect of a collision or contact.

Charterers shall procure that all Bills of Lading issued under this charterparty shall contain this clause.

New Jason Clause.

22. In the event of accident, danger, damage, of disaster before or after commencement of the voyage resulting from any cause whatsoever, whether due to negligence or not, for which or for the consequence of which the Owners are not responsible by statute, contract or otherwise, the cargo, shippers, consignees, or owners of the cargo shall contribute with the Owners in general average to the payment of any sacrifices, losses

or expenses of a general average nature that may be made or incurred, and shall pay salvage and special charges incurred in respect of the cargo.

If a salving ship is owned or operated by the Owners, salvage shall be paid for as fully as if the salving ship or ships belonged to strangers. Such deposit as the Owners or their agents may deem sufficient to cover the estimated contribution of the cargo and any salvage and special charges thereon shall, if required, be made by the cargo, shippers, consignees, or owners of the cargo to the Owners before delivery.

Charterers shall procure that all Bills of Lading issued under this charterparty shall contain this clause.

Ice.

23. In the event of the loading port being inaccessible by reason of ice when the Vessel is ready to proceed from her last port or at any time during the voyage or on the Vessel's arrival or in case frost sets in after the Vessel's arrival, the Master, for fear of the Vessel being frozen in, shall proceed to the nearest safe and ice-free position and at the same time request the Charterers by radio for revised orders. Immediately upon receipt of such request, the Charterers shall give orders for the Vessel either to proceed to nearby accessible port or to any other port or ports or places outside the range of loading ports established under the provision of this charterparty. On loading of the cargo at such port or ports or place or places, freight shall be paid at the rate applicable under this charterparty to such loading port or ports or place or places and in addition any period by which the time taken to reach such port or ports or place or places exceeds the time which would have been taken had the Vessel proceeded there direct shall be paid for by the Charterers at the rate of demurrage as specified in Box 28 per day of 24 running hours or pro rata for any part thereof, plus the cost of any additional bunkers consumed, all other conditions as per this charterparty.

If during loading the Master, for fear of the Vessel being frozen in deems it advisable to leave, he has liberty to do so with what cargo he has on board and to proceed to any other port or ports with option of completing cargo for the Owners' benefit for any port or ports including port of discharge. Any part cargo thus loaded under this charterparty to be forwarded to destination at the Vessel's expense but against payment of freight, provided that no extra expenses be thereby caused to the Receivers, freight being paid on quantity delivered (in proportion if lumpsum), if there is neither nearby and accessible port or ports nor any substituted port or ports, the Charterers shall pay dead-freight caused thereby.

In case of ice preventing the Vessel from reaching or entering the port of discharge, the Charterers shall have the option of keeping the Vessel waiting until the reopening of navigation paying demurrage, or of ordering the Vessel to safe and immediately accessible nearby port or ports where

she can safely discharge without risk of detention on account of ice. Such orders to be sent within 48 hours after receipt of the Master's telegraphic information to the Charterers of the impossibility of reaching the port or ports of destination. On delivery of the cargo at such port or ports, all conditions of this charterparty shall apply and the Vessel shall receive the same freight as if she had discharged at the original port or ports of destination, except that if the additional sailing distance exceeds 100 nautical miles, the freight on the cargo delivered at the substituted port or ports to be increased in proportion.

War risks.

24. 1. The Master shall not be required or bound to sign Bills of Lading for any blockaded port or for any port which the Master or the Owners in his or their discretion consider dangerous or impossible to enter or reach.

2. A) If any port of loading or of discharge named in this charterparty or to which the Vessel may properly be ordered pursuant to the terms of the Bills of Lading be blockaded, or

B) if owing to any war, hostilities, warlike operations, civil war, civil commotions, revolutions, or the operation of international law a) entry to any such port of loading or of discharge or the loading or discharge of cargo at any such port be considered by the Master or the Owners in his or their discretion dangerous or prohibited or b) it be considered by the Master or the Owners in his or their discretion dangerous or impossible for the Vessel to reach any such port of loading or of discharge — the Charterers shall have the right to order the Vessel or the cargo or such part of it as may be affected to be loaded or discharged at any other safe port of loading or of discharge within the range of loading or discharging ports respectively established under the provision of this charterparty (provided such other ports is not blockaded or that entry thereto or loading or discharge of cargo thereat is not in the Master's or the Owners' discretion dangerous or prohibited). If there is no range of loading ports agreed this charterparty to be considered cancelled for the voyage in question.

If part cargo has already been loaded and no range of loading ports being agreed, the Owners must proceed with same, (freight payable on loaded quantity only) having liberty to complete with other cargo on the way for their own account.

If in respect of a port of discharge no orders be received from the Charterers within 48 hours after they or their Agents have received from the Owners a request for the nomination of a substitute port, the Owners shall then be at liberty to discharge the cargo at any safe port which they or the Master may in their or his discretion decide on (whether within the range of discharging ports established under the

provisions of this charterparty or not) and such discharge shall be deemed to be due fulfilment of the contract or contracts of affreightment so far as cargo so discharged is concerned. In the event of the cargo being loaded or discharged at any such other port within the respective range of loading or discharging ports established under the provisions of this charterparty, this charterparty shall be read in respect of freight and all other conditions whatsoever as if the voyage performed were that originally designated. In the event, however, that the Vessel discharges the cargo at a port outside the range of discharging ports established under the provisions of this charterparty, freight shall be paid as for the voyage originally designated and all extra expenses involved in reaching the actual port of discharge and / or discharging the cargo thereat shall be paid by the Charterers or cargo owners. In this latter event the Owners shall have a lien on the cargo for all such extra expenses.

3. The Vessel shall have liberty to comply with any directions or recommendations as to departure, arrival, routes, ports of call, stoppages, destinations, zones, waters, delivery or in any other wise whatsoever given by the government of the nation under whose flag the Vessel sails or any other government or local authority including any de facto government or local authority or by any person or body acting or purporting to act as or with the authority of any such government or authority or by any committee or person having under the terms of the war risks insurance on the Vessel the right to give any such directions or recommendations. If by reason of or in compliance with any such directions or recommendations, anything is done or is not done such shall not be deemed a deviation.

If by reason of or in compliance with any such direction or recommendation the Vessel does not proceed to the port or ports of discharge originally designated or to which she may have been ordered pursuant to the terms of the Bills of Lading, the Vessel may proceed to any safe port of discharge which the Master or the Owners in his or their discretion may decide on and there discharge the cargo. Such discharge shall be deemed to be due fulfilment of the contract or contracts of affreightment and the Owners shall be entitled to freight as if discharge has been effected at the port or ports originally designated or to which the Vessel may have been ordered pursuant to the terms of the Bills of Lading. All extra expenses involved in reaching and discharging the cargo at any such other port of discharge shall be paid by the Charterers and / or cargo owners and the Owners shall have a lien on the cargo for freight and all such expenses.

War clause.
*(Section (a) and
(b) are optional but
section (b) to apply
if section (a) not
specifically agreed
in Box 42.)*

25. a) In the event of war involving two or more of the countries as indicated in Box 42, either party to have the right to cancel this charterparty.

b) If a world war breaks out or a situation arises that is similar to a world war, either party shall have the right to cancel this charterparty.

Brokerage.

26. A commission of the number of percentage as stated in Box 42 on the earned amount of freight and dead-freight is payable by the Owners as per Box 42.

Arbitration.

27. Unless otherwise indicated in Box 43, any dispute arising from this charterparty 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.

TOWAGE CONTRACT (code name "NIPPONTOW")

In view of ever increasing volume of towage contracts for dredgers, drilling rigs scrap vessels, etc. in recent years and a keen desire growing in the circles concerned for a standard form of such contracts, the Documentary Committee of the Japan Shipping Exchange, Inc. set up a sub-committee for drafting of such standard form, complying with the above requirement. The sub-committee was composed of some numbers of the skilled and experienced experts from among the circles concerned in Japan; tugowners, owners of dredgers, owners of drilling rigs, trading firms, marine underwriters and ship brokers.

The sub-committee worked for this purpose with deliberation for a period ranging over twelve months. Forms of towage contract now in actual use in the world have been carefully studied, and the current customs and usages in the international dealings closely reviewed. Advices have been obtained from the leading maritime legal experts and thoughtful attention specially paid to the wordings of the clauses, in order to avoid any possible doubts arising in interpretation of the clauses. We are glad to introduce here the 'Nippontow' Towage Contract now arrived at after our strenuous efforts on the support of all the people concerned.

It is earnestly expected that the form 'Nippontow' will contribute to development of the business in its field.

THE DOCUMENTARY COMMITTEE OF THE JAPAN SHIPPING EXCHANGE, INC

1 Place and date (Pre.)	TOWAGE CONTRACT (Lump Sum Basis) CODE NAME: NIPPONTOW*	
2 Tugowners (Pre)	3. Second Party (Pre)	
4. Name(s) of tug(s) (Pre)	9 Object to be towed (Cl.1)	
5 Engine (motor or steam)	10. Gross tons	
6 Gross tons	11. Displacement	
7. Horse powers	12. L. B. D	
8. Other particulars	13. Draft	
14. Port of sailing (Cl. 1)	15. Destination (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.	18. Whom and to whom notice of Tug's expected date of arrival to be given (Cl.3) at port of sailing	
<p style="text-align: center;">on signing this contract.</p> <p style="text-align: center;">on sailing from port of sailing.</p> <p style="text-align: center;">on sailing from or passing</p> <p style="text-align: center;">The balance on arrival at destination.</p>	<p style="text-align: center;">at destination:</p>	
19. Tow's readiness date (Cl. 4)	20 Cancellation 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 clause 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 4
Boxes 1 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 (in- 5
cluding arbitration clause) on Pages 2 and 3; provided, however, that in case of any conflict between any part of the typewritten provi- 6
sions and the printed provisions on Pages 2 and 3, then the former shall prevail over the latter. 7

Tugowners	Second Party
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to be communicated as shown overleaf.

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 "no cure, no pay" basis.	13 14 15 16 17
Notice of Expected Arrival, Preparation for Towage Service.	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 and maintain the Tow for the towage service in a proper and sufficient manner in all respects not later than the date specified in Box 19 and shall have the Tow in such condition as will meet the requirements of the underwriter's surveyor and the Master of the Tug. The Tugowners shall furnish all towing hawsers, bridles, navigation lights and other towing gear necessary for the towage service.	18 19 20 21 22 23 24
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.	25 26 27 28
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.	29 30 31 32
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.	33 34 35 36 37
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; but 12 hours shall be deducted from the time spent by the Tug. 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.	38 39 40 41 42 43 44 45 46
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 the 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.	47 48 49 50 51 52 53
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 because of any other reason for which the Second Party is responsible, the Second Party shall pay the 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 the 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.	54 55 56 57 58 59 60 61 62 63 64 65

Port Charges and Expenses.	12. All port charges, pilotages, agencies, taxes, dues, duties, canal tolls, insurance on the Tow and other expenses related to the Tow, including 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.	66 67 68 69
	All port charges, pilotages, agencies, taxes, dues, duties, canal tolls, insurance on the Tug and other expenses related to the Tug shall be borne by the Tugowners.	70 71
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 excepting the case where the Tug has rendered exceptional services which cannot be considered as rendered in fulfilment of this contract.	72 73 74 75
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 necessities, or landing disabled seamen.	76 77
Immunities.	15. The Tugowners (the Tug) shall not be liable (1) for any loss, damage or delay resulting from Acts of God, acts of war, hostilities, epidemics, acts of public enemies, arrests or restraints of princes, rulers or people, or seizure under legal process, quarantine restrictions, riots and civil commotions, perils, dangers and accidents of the seas or other navigable waters, strikes or lockouts or stoppage or restraint of labour from whatever cause, whether partial or general, and from acts related to, saving or attempting to save life or property at sea; (2) for any loss, damage or delay of whatsoever nature, including any loss, damage or delay arising from any errors but not limited to errors in navigation or management of the Tug, resulting from fire or explosion, or from any defect in the hull, machinery and equipment of the Tug or unseaworthiness thereof (whether existing at the commencement of the voyage or not), unless such loss, damage or delay results from the Tugowners' negligence, which shall not be presumed in fact or in law, but shall be affirmatively established.	78 79 80 81 82 83 84 85 86 87 88
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 the additional compensation to the Tugowners at the Tug's daily rate of hire as provided in clause 8.	89 90 91 92 93 94
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 cost of recovery of the same.	95 96 97
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.	98 99 100 101
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. 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.	102 103 104 105 106 107
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.	108 109
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.	110 111
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.	112 113 114

Guide to Maritime Arbitration, Mediation, Appraisal, etc.

The Guide to Maritime Arbitration was presented in October, 1971, in the form of "the Course of the Arbitration System of the Japan Shipping Exchange, Inc." of the Bulletin No.7.

It was placed on the wide circulation and met with a gratifying reception of the trade concerned. A flow of queries came in for detailed particulars of the arbitration procedure.

The following is edited with the view to fulfilling these requirements as well as supplementing its supply which is now almost exhausting.

I. Arbitration Procedure

(1) Application for Arbitration

Arbitration by the Japan Shipping Exchange, Inc. is rendered in accordance with the procedure stipulated in the provisions of the Code of Civil Procedure, of Japan, Book VIII, and further following the provisions stipulated in the Rules of Maritime Arbitration, provided in details by the Exchange. The parties in a dispute desirous of applying for arbitration must first sign an agreement showing their willingness to submit the case to arbitration by the Exchange. This agreement may be made independently as such or may be included in the contract of a dealing. The Exchange prepares Form of Arbitration Agreement for the former case (refer attached Form (1)), and for the latter case, provides an Arbitration Clause inserted in Forms of Maritime Contracts drafted by the Exchange (refer attached Form (2)).

When arbitration agreement takes effective, the parties concerned respectively lose in ordinary cases their rights of taking an action in ordinary law court. In other words, when an action is taken regarding a dispute on a contract which has therein arbitration agreement, the court has no necessity to refer to the said arbitration agreement so far as the

other party of the contract in dispute do not stick to existence of such arbitration agreement. Should it be the case, however, where the existence of the said arbitration agreement is insisted upon, (called plea by arbitration agreement), the court should admit this plea and reject the suit.

When an application for arbitration is made in writing with the Exchange on arbitration agreement, it shall be accepted without delay (Section 2) (refer attached Form (4)).

In Application for Arbitration the following must be mentioned (Section 5).

- (a) Names and Residences of the Parties (in case where a party or the parties concerned are legal person or persons, the trade name or names, the place or places of the respective offices of business, office status and function of the representative or representatives).
- (b) Place of Arbitration.
- (c) Title of the Case and Main Points of Controversy.

Application to be submitted in duplicate.

To Application for Arbitration, Statement of Claim must be attached (Section 4, para. 1). In case of a party or parties concerned being legal person or persons, a document showing the authority of its representative must be filed (including such for representative of the other party) (Section 4, para. 2). In case further when such representative nominates his agent in the said case, a power of attorney empowering him to act on behalf of the principal must be filed (Section 4).

In Statement of Claim, the following must be described:

- (a) a claim or claims on application for arbitration.
- (b) a fact or facts which are the grounds of such claim or claims.

A document or documents of evidence or evidences supporting the said fact or facts are to be attached (Section 6, para. 1). The documentary evidence or evidences above described must be in the form of its original or its duplicate.

All the attached documents or papers once submitted are as a rule not returnable. When desired, however, to get them returned, this desire must

Indication in parenthesis indicates the section of the Rules of Maritime Arbitration of the Exchange.

be clearly expressed when application is made, in which case the attached documents or papers will be returned at the time when arbitration award is delivered. Statement of Claim and all the attached documents or papers submitted shall have their copies in a reasonable number, in addition to their originals and the duplicates. The number of the copies required will be suggested on inquiry by the Exchange, in view of the number of the arbitrator or arbitrators, etc. (Section 11).

It is possible that new claims or additional claims other than the claims already applied for in Application for Arbitration be presented, application for such claims will be filed without approval of the Exchange and the other party, in case where the arbitrators are not yet appointed (Section 6).

When an Application for Arbitration is properly submitted by one of the parties in dispute, the Exchange forwards all the duplicates of the Application for Arbitration, Statement of Claim, and other attached documents and/or papers to the other party, and instructs the other party to file Statement of his case together with its supporting evidence or evidences (Section 7).

Mention may be made here regarding the relation between arbitration and interruption of prescription.

In this respect, there is no written stipulation in law. A legal case holds that prescription is interrupted at the time when an arbitrator or arbitrators are appointed. As a matter of fact, it seems to cause no question to understand that interruption of prescription takes effective at the time when the relative Application for Arbitration is accepted. So far as the prescription is interrupted at the time when a lawsuit is filed with the competent law court, the aforesaid understanding will be admitted, in view of the fact that our Exchange is a standing organization for arbitration.

(2) Cost for Arbitration

1) Engagement Fee (Section 30)

¥50,000 (say Fifty Thousand Yen Only)

When an Application for Arbitration is filed with the Exchange, the applicant must pay to the Exchange ¥50,000 (say Fifty Thousand Yen

only), within 1 (one) week from such filing, which Fee shall not be refunded, as a rule.

2) Deposit for Cost of Arbitration (Section 30)

The applicant for arbitration and the other party shall respectively deposit with the Exchange, within 1 (one) week from receipt of the notice from the Exchange, the sum covering the respective costs of arbitration. Amount of deposit may be determined by the arbitrators according to the rates previously fixed. This deposit shall not be refunded when and after the arbitration tribunal sat and the first hearing was held.

(3) Appointment of Arbitrators

There is set up the Maritime Arbitration Commission in the Exchange, and in this Commission there are about 200 members in a panel.

These members are selected by the Board of Directors, of the Exchange, from among those persons closely connected with the shipping businesses, the shipowners, trading firms, ship brokers, marine underwriters, shipbuilders and other scholars and experienced experts, and recommended by the president of the Exchange.

When Application for Arbitration is filed, the Maritime Arbitration Commission shall appoint arbitrators in an odd number from among such persons who are listed on the Panel of Members of the Maritime Arbitration Commission and have no concern either with the parties or in the subjects in dispute (Section 11, para. 1). A person or persons who are not listed on the Panel may be appointed arbitrator or arbitrators when such appointment is deemed particularly necessary (Ibid). In the case where there is an agreement between the parties that each party shall appoint an arbitrator respectively, appointment by the parties is admitted. In any case, however, the third arbitrator is appointed by the Commission (refer attached Form (3)).

Arbitrators appointed will proceed with the deliberation of the controversy forthwith. In order to arrive at a fair and reasonable decision, it is imperative to know the true facts of the case. To this end, witnesses and experts, as well as the parties or their representatives will be examined. The Exchange then assigns, in ordinary case, 2 (two) personnel

exclusively to the Case now on file and place them to such service of assistance to Arbitrators as arrangement of the necessary documents, study of legal problems and administration of the procedure, etc.

When the arbitrators come to consider that there exist no further evidences to be submitted by the parties concerned nor further witness or witnesses, expert or experts from whom they are to hear, then the arbitrators pronounce conclusion of hearing (Section 17).

When the arbitrators have pronounced conclusion of hearing, the award is to be adjudicated, within 30 (thirty) days therefrom as a rule, (Section 21), on the basis of the present legal regime, in view of the results of the hearings, by all the arbitrators concerned (the number being always in odd number), following the principle of majority voting. (There is no umpire, although an arbitrator may be appointed chairman of the proceedings for the purpose of speedy and smooth promotion of the procedure).

This award is to be produced in writing as mentioned below and delivered to the parties in dispute.

(4) Procedure to Terminate Arbitration Case

Arbitration proceeding is brought to an end by —

1) Preparation of Award. A written award, bearing the names and addresses of the parties and their representatives and the date upon which it was made, will state the award given, a summary of the facts, the point at issue, and the reasons for the award (in some cases the ground of award is omitted by mutual consent of the parties— Sub-sec. 2 of Section 23—and will be signed by the Arbitrators and the Chairman of the Maritime Arbitration Commission. The award is written as a rule in the Japanese language, but it will also be written in English if so requested by either party.

2) Service of Award. Attested copies of the award, signed by the Arbitrators and the Chairman of the Maritime Arbitration Commission, will be served to the parties.

3) Deposit of Award. The original award will be deposited with the Court of jurisdiction together with a certificate of service. Upon preparation of a written award, service of its attested copies on

the parties, and deposit of the original document of award with the Court, the award takes effect.

(5) Effect of Award of Arbitration

Award made by the Exchange shall be valid as final decision of law court, according to the stipulation in the present Code of Civil Procedure, BK. VIII, Arbitration Procedure, Article 800.

Hence there is no appeal. So far as award is given legitimately, the parties of the case shall be finally bound thereby. They are not in a position to take action in ordinary law court, nor arbitrators withdraw or repeal this award. The parties of the case shall not go into further controversy regarding respective interests decided by the award in arbitration.

The parties of the arbitration case can, however, institute a proceeding with law court for cancellation of award of arbitration, if and when there exists regarding the arbitration award any reason or reasons whatsoever which are stipulated in Article 801 of the Code of Civil Procedure, such as there was no hearing from a party or parties of the case in dispute, or there is no statement of reason or reasons which brought about the award, etc., provided, however, when the parties of the case have agreed regarding the aforementioned two examples, the award in question cannot be cancelled (Art. 802, Sec. 2, Code of Civil Procedure).

The parties of the case who have respectively received the Award will, in ordinary case, end the controversy. But should a party who lost in arbitration does not follow the Award, then necessity of execution arises. Japan is participated in the 'Protocol on Arbitration Clauses', made and entered into in September, 1923, and the 'Convention on the Execution of Foreign Arbitral Awards', made and entered into in September, 1927, and further ratified the 'Convention on the Recognition and Enforcement of Foreign Arbitral Awards', made and entered into at New York in June, 1958. Effective and legitimate execution of award made and given by the Exchange will be done thereupon in those countries which are participated in the aforesaid Protocol and or Treaties.

II. Mediation Procedure

When application for arbitration is formally submitted to the Exchange, the Exchange immediately accepts it and the arbitration proceeds, and finally ends in settlement of the case in dispute when award is made.

Arbitrators, however, may with the consent of the parties of the case settle the whole, or a part of, the dispute by mediation (which is not the mediation as one of the proceedings by the state authority procedure).

In practice, there are many cases where applications are already filed in and arbitration proceedings are going on, and yet, during which proceedings, or through the services of hearings, it is considered preferable to go to mediation rather than getting arbitration awards.

In such a case where settlement by mediation is practicable, in the judgement on the part of the parties of the case or of the arbitrators, amicable and speedy settlement can be attained by mediation, by and through assistance and intermediary on the part of arbitrators.

As the elements which enable such amicable settlement of the case by mediation, elapse of time and change in circumstances may be mentioned, as the parties of the case will review the details of the case deliberately and calm judgement, not speaking of drastic change in the situation which might inevitably brought about by elapse of time after filing of the application for arbitration.

Cases once in dispute and submitted to arbitration and then amicably settled by mediation are numerous, it is reported, and moreover, it must be specially mentioned that those parties once in dispute are doing business in much more intimate relations after the case was settled by mediation.

The aforesaid procedure of mediation is explained here in connection with Section 19 of the Rules of Maritime Arbitration of the Exchange which stipulates mediation procedure through arbitration procedure.

There is another mediation procedure. When the parties in dispute prefer mediation from the very first of the proceeding, persons in odd number are appointed for mediation from among the Panel of Members of

the Maritime Arbitration Commission who have no interest with the parties in dispute.

III. Expert Opinion, Valuation of a Ship, and Certification, etc.

The Exchange renders, in addition to maritime arbitration, other businesses such as expert opinion, ship's valuation, certification, etc.

Among the above, requests for examination of a certain clause causing dispute on a maritime contract are increasing in number recently.

Valuation of a ship is also required in no small cases. The method adopted in this valuation is a particular one originated by the Exchange, in which prospective profitability is added to the physical, material value of a ship. This is highly appreciated for sound value in sale of ship, mortgage, damage arising from collision, and adjustment of general average, etc.

IV. Consultation

Consultation and guidance are another service rendered by the Exchange.

Speaking of service of consultation and guidance there are, in addition to those regarding the procedures of arbitration, mediation, expert opinion, valuation, and certification, as mentioned above, a variety of consultation relating to interpretation of clauses when the Standard Contract Form is used in actual dealing, interpretation of the current customs and usages, as well as consultation for getting any amicable settlement of dispute arising on the contract between the parties.

It must be particularly stated here in this connection that the Exchange renders drafting service or amendment service by its Documentary Committee, in order to foster smooth dealing of maritime businesses and to prevent beforehand any possible dispute in dealing. Inquiries and consultation come in regarding interpretation of the Standard Contract Form (presently 35 Forms, drafted as at the end of September, 1973), on the related matters and possible dispute around these Standard Forms.

These consultaion services are handled at the Document and Arbitration Department of the Exchange, the number of which comes up to in average yearly 700 to 800 cases, covering domestic and foreign sources. As the result of such consultation services, there appear no small number of cases where amicable settlements are arrived at between the parties, without going to actual procedure of arbitration.

**The Rules of Maritime Arbitration of
the Japan Shipping Exchange, Inc.**

Made 13th September, 1962.
Enforced 1st October, 1962.
Amended 24th November, 1964.
Amended 4th December, 1967.
Amended 16th July, 1969.

Section 1. Subjects of Arbitration.—The Japan Shipping Exchange, Inc., (hereinafter referred to as “the Exchange”) shall perform arbitration of any dispute relating to the ownership (including joint-ownership) of a ship, an agreement of demise, charter, or consignment of a ship, or any other maritime matter such as carriage of goods by sea, bills of lading, combined transport, combined transport bills of lading, towage, marine insurance, sale of a ship, building or repair of a ship, salvage, average, etc.

Section 2. Acceptance of an Application for Arbitration.—Where in accordance with an agreement between the parties to submit a dispute to the Exchange for arbitration, an application therefor is made in writing, the Exchange shall accept it.

Section 3. Relation between these Rules and an Arbitration Agreement or an Arbitration Clause.—Where the parties to a dispute have, by an arbitration agreement entered into between them or by an arbitration clause contained in any other contract between them, stipulated to refer any cause or matter to arbitration under these Rules, these Rules shall be deemed

to constitute part of such arbitration agreement or arbitration clause.

Section 4. Filing of an Application for Arbitration, etc.—(1) Any person desirous to apply for arbitration shall file a written Application stating that he submits a dispute for arbitration under these Rules. The Application must be accompanied by a Statement of Claim.

(2) Where a party to the dispute is a legal person, a document showing the authority of its representative must be filed. For an agent a power of attorney empowering him to act on behalf of the principal must be filed.

Section 5. Particulars to be Specified in Application for Arbitration.—The Application for Arbitration must specify the names and residences of the parties (or, if they are legal persons, their trade names and places of business, and the capacities of the representatives), the place of arbitration, the title of the case, and an outline of the dispute.

Section 6. Statement of Claim.—(1) The Statement of Claim shall specify the claim made by the applicant and the facts which are the grounds of such claim, and shall be accompanied by material documentary evidence (original or copy) supporting such facts.

(2) After a Statement of Claim has been filed, a varied or additional claim may only be made prior to the appointment of Arbitrators. Such a claim, however, may be made at any time if the consent of the Arbitrators and the other party to the dispute is obtained.

(3) The Statement of Claim filed by the applicant must be in so many copies as may be needed for the proceedings.

Section 7. Statement of the Other Party's Case.—Where a proper application for arbitration has been made by a party to a dispute, the Exchange shall forward to the other party the Application for Arbitration, the Statement of Claim, and other documents, and shall instruct him to file a Statement of his Case together with necessary evidence. The time limit within which such Statement of his Case must be filed shall be fixed each time by the Exchange.

Section 8. Counterclaim.—(1) Where the party who has received service of an Application for Arbitration, a Statement of Claim, and other documents has a counterclaim in the same cause or matter, he can submit such counterclaim for arbitration under these Rules.

(2) In the case of the preceding sub-section, whether the two cases submitted for arbitration, i.e., the original claim and the counterclaim, should be dealt with jointly at the same time or not shall be decided by the Arbitrators.

Section 9. Place of Arbitration.—(1) The arbitration shall as a rule be conducted in Tokyo or Kobe.

(2) Where it is not clear whether the arbitration clause contained in a contract form made by the Exchange designates Tokyo or Kobe as the place of arbitration, and no mutual consent of the parties is obtained, arbitration shall be conducted in Tokyo.

(3) Where neither the arbitration clause nor the arbitration agreement designates the place of arbitration, Tokyo shall be the place of arbitration.

Section 10. Delivery of Documents.—Documents relating to arbitration shall be sent by registered post to the residence or business place of each party, except in case where they are handed to a party in exchange for a receipt. Each party, however, may authorize a person to receive documents on his behalf and specify a spot in the place of arbitration upon which the documents shall be delivered.

Section 11. **Appointment of Arbitrators.**—(1) The Maritime Arbitration Commission shall appoint an odd number of Arbitrators from among such persons listed on the Panel of Members of the Maritime Arbitration Commission as have no concern either with the parties or in the subject of controversy. But a person or persons not on the panel may be appointed as Arbitrator or Arbitrators, when such appointment is deemed particularly necessary.

(2) If it is required by the mutual consent of the Arbitrators already appointed, the Arbitration Commission may appoint an additional arbitrator or additional arbitrators.

Section 12. Filling Vacancy of Arbitrators.—Where a vacancy takes place in the Arbitrators, the Arbitration Commission shall fill it by appointing an Arbitrator according to the provisions of the preceding section.

Section 13. Challenge of an Arbitrator.—(1) Where a party desires to challenge an Arbitrator, he may do so by making a motion of challenge to the Arbitration Commission in writing showing the name of the Arbitrator to be challenged and the reason for challenge.

(2) The Arbitration commission shall appoint three persons from among those on the Panel of Members of the Maritime Arbitration Commission and shall cause them to decide whether to allow or dismiss the challenge.

Section 14. Notice of Hearing.—(1) The Arbitrators shall fix the date when and the place where the arbitration tribunal shall sit and give notice thereof to the parties at least seven days prior to the day of hearing. But the notice may be given later in case where special reasons exist for delay.

(2) The parties, if they find it necessary, may request a change of the date of hearing in writing showing cause, so as to reach the Exchange at least three days prior to the originally fixed date. The request will be granted only for a cogent reason.

Section 15. Appearance of Parties.—The parties must appear in person before the arbitration tribunal at the appointed date. He may appear in proxy only where he cannot appear in person owing to unavoidable circumstances.

Section 16. Examination of Witnesses, etc.—The Arbitrators, in order to examine the subject of controversy and elucidate relevant facts, may request voluntary appearance of witnesses and experts and examine them, and take evidence in any other way.

Section 17. **Pronouncement of Conclusion of Hearing.**—The Arbitrators shall question the parties whether any evidence, witness, or expert still remains to be taken or called, and upon ascertaining that there is none, shall pronounce the conclusion of hearing. But the Arbitrators may, by their own discretion or in compliance with either party's admissible request, allow further evidence to be taken or order the hearing to be re-opened, at any time before an award is granted.

Section 18. **When Oral Examination Dispensed with.**—Where oral examination of the parties is impossible owing to their absence without cause on the fixed day of hearing either in person or in proxy, an award may be adjudicated solely on the documentary or other evidence produced by the parties.

Section 19. **Settlement by Mediation.**—At any stage of the arbitration proceeding the Arbitrators may, with the consent of the parties, settle whole or part of the dispute by mediation.

Section 20. **Disallowance, Dismissal, etc. of Application for Arbitration.**—In any of the following cases the Arbitrators may without going into examination of the subject of controversy disallow or dismiss the application for arbitration or make such other decision as they deem fit:—

1. When the arbitration agreement is not lawfully made, is void, or cancelled.
2. When either of the parties is not lawfully represented or his agent has no authority to act on his behalf.
3. When both parties without cause fail to appear at the date set for hearing.
4. When both parties fail to comply with such directions or requirements of the Arbitrators as they consider necessary for a proper conduct of the arbitration proceeding.

Section 21. **When Award Granted.**—When the Arbitrators have pronounced the conclusion of hearing in accordance with section 17, they must

within 30 days thereof adjudicate an award. The said time, however, may be extended if extension is unavoidable.

Section 22. How Award etc. Determined.—(1) The award, the disallowance or dismissal of an application for arbitration, or any finding, rule, or order of the Arbitrators must be made upon their deliberation and resolution.

(2) The resolution referred to in the preceding sub-section must be passed by a majority vote of the Arbitrators who took part in the arbitration proceeding, unless there is a stipulation to the contrary in the arbitration agreement.

Section 23. Award to be in Writing.—(1) The award must be reduced to writing and signed and sealed by all the Arbitrators who have taken part in the proceeding and the Chairman of the Arbitration Commission (or a person authorized by him to sign and seal on his behalf). The written award must state the following:—

1. The names and addresses of the parties to the dispute and their representatives or agents.
2. The decision given.
3. The material facts and the main points at issue.
4. The reason of the decision.
5. The date on which the written award is prepared.
6. The costs of arbitration and a direction as to the payment thereof.
7. The competent Court of jurisdiction (the Tokyo District Court or the Kobe District Court).

(2) Where the consent of both parties is obtained, the Arbitrators may omit No.4 of the preceding sub-section.

(3) The written award shall as a rule be in the Japanese language, but according to the request of either party it may be made out in the English language in addition to the Japanese version, and both the Japanese and the English versions may be regarded as the authentic texts of the award. If

any conflict or variance arises in the interpretation of the award between the two versions, the Japanese version shall be regarded as conclusive.

Section 24. **Settlement of Part of Dispute out of Arbitration Proceeding.**—If during the progress of the arbitration proceeding the parties settle out of the arbitration proceeding any part of the dispute, the terms of such settlement may, if required by the parties, be embodied in the award.

Section 25. **Service and Deposit of the Award.**—Authentic copies of the award signed and sealed by the Arbitrators shall be served on the parties, and the original document of award shall be deposited with the Office of Clerks of the Court of competent jurisdiction in accordance with sub-section 2 of section 799 of the Civil Procedure Code.

Section 26. **Rectification of Error on the Award.**—If any miscalculation, misprint, mistyping, miswriting, or any other apparent error is discovered on the face of the written award within a week after its service, the Arbitrators can rectify it.

Section 27. **Inspection of Documents.**—Only the parties to the dispute, but no other persons, shall for a due cause be permitted to inspect documents relating to the arbitration.

Section 28. **Publication of the Award.**—The award given by the Arbitrators may be published in the periodical, *The Kaiun* (The Shipping), and other suitable papers issued by the Exchange, unless both parties beforehand communicate their objections.

Section 29. **Documents Not Returned.**—Documents submitted to the Exchange by the parties shall as a rule not be returned. If any document is desired to be returned, it must be marked to that effect at the time of its submission, and a copy thereof must be attached to it.

Section 30. **Engagement Fee and Costs of Arbitration.**—(1) When the Exchange has accepted an application for arbitration, it shall cause the applicant to pay to it within one week of the acceptance an engagement fee of Yen 50,000.

(2) The party who applied for arbitration and the other party shall respectively deposit with the Exchange, within one week of the receipt of notice from the Exchange, for appropriation to the payment of costs of arbitration such sum of money as the Arbitrators may determine according to the rates given below:

When the amount of claim is Yen 10,000,000 or less, the sum to be deposited is Yen 200,000.

When the amount of claim exceeds Yen 10,000,000 but does not exceed Yen 50,000,000, the whole sum to be deposited is the sum to be deposited in regard to the Yen 10,000,000 plus Yen 7,500 for each additional Yen 1,000,000.

When the amount of claim exceeds Yen 50,000,000, but does not exceed Yen 100,000,000, the whole sum to be deposited is the sum to be deposited for Yen 50,000,000 plus Yen 3,500 for each additional Yen 1,000,000.

For such portion of the amount of claim as exceeds Yen 100,000,000, the sum of Yen 2,000 for each Yen 1,000,000 shall be deposited.

In the calculation of deposit, a fraction of Yen 1,000,000 in the amount of claim shall be deemed to be Yen 1,000,000.

(A table of the amounts of deposit is appended at the end of these Rules.)

(3) As a rule, the engagement fee paid shall not be returned, and money deposited for appropriation to the costs of arbitration shall, after the first hearing is held, not be returned.

Section 31. **Special Expenses.**—Expenses caused by the particular nature of the subject of controversy, and the expenses defrayed on account of calling witnesses or experts by the Arbitrators, shall, notwithstanding the provisions of the preceding section, be equally apportioned between the parties to the dispute. The expenses in respect of witnesses or experts called by a party shall be borne by the party who called them.

Section 32. **Remuneration to Arbitrators.**—The remuneration to the Arbitrators* shall be determined by consultation between the Chairman and the Deputy Chairmen of the Arbitration Commission considering the degree of difficulty of the case and other circumstances.

Section 33. **Maritime Arbitration Commission.**—Matters relating to the Maritime Arbitration Commission shall be provided for in the Rules of the Maritime Arbitration Commission.

Section 34. **Interpretation of these Rules.**—Where any doubt, or a difference of opinion among the Arbitrators, arises on the interpretation of these Rules, it shall be determined by a majority vote of the Arbitrators; and failing such determination, the matter may be referred to the Maritime Arbitration Commission and their decision shall be final and binding.

Section 35. **Enforcement Regulations.**—Regulations necessary for putting these Rules into operation shall be separately made.

*Included in the costs of arbitration.

Table of the Amounts of Deposit (each party)

Amount of Claim	Deposit	Amount of Claim	Deposit	Amount of Claim	Deposit	Amount of Claim	Deposit
¥ 10mil. Y 200,000		¥ 54mil. ¥ 514,000		¥ 100 mil. ¥ 675,000		¥ 260 mil. ¥ 995,000	
		55 517,500				—	—
¥ 11mil. Y 207,500		56 521,000		¥ 101mil. ¥ 677,000		270	1,015,000
12 215,000		57 524,500		102 679,000		—	—
13 225,500		58 528,000		103 681,000		280	1,035,000
14 230,000		59 531,500		104 683,000		—	—
15 237,500		60 535,000		105 685,000		290	1,055,000
16 245,000		61 538,500		—		—	—
17 252,500		62 542,000		110 695,000		300	1,075,000
18 260,000		63 545,500		—		—	—
19 267,500		64 549,000		115 705,000		325	1,125,000
20 275,000		65 552,500		—		—	—
21 282,500		66 556,000		120 715,000		350	1,175,000
22 290,000		67 559,500		—		—	—
23 297,500		68 563,000		125 725,000		375	1,225,000
24 305,000		69 566,500		—		—	—
25 312,500		70 570,000		130 735,000		400	1,275,000
26 320,000		71 573,500		—		—	—
27 327,500		72 577,000		135 745,000		425	1,325,000
28 335,000		73 580,500		—		—	—
29 342,500		74 584,000		140 755,000		450	1,375,000
30 350,000		75 587,500		—		—	—
31 357,500		76 591,000		145 765,000		475	1,425,000
32 365,000		77 594,500		—		—	—
33 372,500		78 598,000		150 775,000		500	1,475,000
34 380,000		79 601,500		—		—	—
35 387,500		80 605,000		160 795,000		550	1,575,000
36 395,000		81 608,500		—		—	—
37 402,500		82 612,000		170 815,000		600	1,675,000
38 410,000		83 615,500		—		—	—
39 417,500		84 619,000		180 835,000		650	1,775,000
40 425,000		85 622,500		—		—	—
41 432,500		86 626,000		190 855,000		700	1,875,000
42 440,000		87 629,500		—		—	—
43 447,500		88 633,000		200 875,000		750	1,975,000
44 455,000		89 636,500		—		—	—
45 462,500		90 640,000		210 895,000		800	2,075,000
46 470,000		91 643,500		—		—	—
47 477,500		92 647,000		220 915,000		850	2,175,000
48 485,000		93 650,500		—		—	—
49 492,500		94 654,000		230 935,000		900	2,275,000
50 500,000		95 657,500		—		—	—
		96 661,000		240 955,000		1,000	2,475,000
¥ 51mil. ¥ 503,500		97 664,500		—		—	—
52 507,000		98 668,000		250 975,000		—	—
53 510,500		99 671,500		—		—	—

The Rules of the Maritime Arbitration Commission of the Japan Shipping Exchange, Inc.

Made 13th September, 1962
Enforced 1st October, 1962
Amended 20th June, 1966
Amended 26th May, 1972
Amended 11th August, 1972

Section 1. There shall be set up in the Japan Shipping Exchange, Inc., a Maritime Arbitration Commission.

Section 2. The object for which the Maritime Arbitration Commission is set up is to promote arbitration, mediation, and other means of solution of disputes relating to maritime matters, and thereby to contribute to a prosperity of various industries relating to maritime matters.

Section 3. In order to attain the object referred to in the preceding section, the Commission shall carry on the following activities:

1. To make, alter, and interpret the Rules of Maritime Arbitration.
2. To participate in consultation and give advice relating to international maritime arbitration cases.
3. To examine, investigate, and study matters relating to maritime arbitration.
4. To appoint arbitrators, experts, and certifiers in regard to maritime disputes.
5. To compile and keep a Panel of Members of the Maritime Arbitration Commission.
6. To encourage and promote the insertion of an arbitration clause in maritime contracts.
7. To compile and publish materials relating to maritime arbitration.
8. To do other things necessary for achieving the object of the Commission.

Section 4. (1) The Commission shall be composed of a number of persons selected by the Board of Directors, and recommended by the President, of the Japan Shipping Exchange, Inc., from among the Members including managers and staff of Members, and Special Members of the Exchange and other persons of learning and experience.

(2) Those persons who have been recommended to be members of the Commission shall be listed on the Panel of Members of the Maritime Arbitration Commission.

(3) The vacancy made by the resignation of a Member of the Commission may be filled according to the provision of the preceding first sub-section.

(4) The term of office of the Members of the Commission shall be two years.

(5) A Member who fills the vacancy caused by the resignation of a Member shall be in office for the remaining period of his predecessor's term.

Section 5. There shall be in the Commission a Chairman and several Deputy Chairmen elected by and from among the Members of the Commission.

Section 6. The Chairman of the Commission represents the Commission and has general control of the business of the Commission. The Deputy Chairmen assist the Chairman and act on his behalf.

Section 7. The Chairman shall convene a meeting of the Commission when necessary.

Section 8. (1) The meeting of the Commission shall be constituted by one fourth or more of its Members, and its resolutions shall be passed by a majority of the Members present.

(2) The chairman of the meeting has a vote in the resolutions referred to in the preceding sub-section.

Section 9. The Chairman and the Deputy Chairmen of the Documentary Committee (Rules of the Documentary Committee section 5) can be present at the meeting of the Maritime Arbitration Commission and give their opinions, but have no right of vote.

Section 10. The Chairman of the Commission shall preside over the meeting of the Commission. If he is unable to do so, one of the Deputy Chairmen shall take his place. If neither the Chairman nor the Deputy Chairmen are able to take the chair, a person elected by and from among those present shall preside.

Section 11. The Chairman of the Commission shall report to the Commission the results of the awards, reports, or certificates prepared by Arbitrators, experts, or certifiers respectively, filing with the Commission copies of them.

Section 12. The Chairman of the Commission, if he considers it necessary, can entrust a suitable person with the investigation of a professional, technical, or other specific matter and let him report the results to the Commission.

Section 13. (1) In case where any business of the Commission needs deliberation or investigation extending over some length of time, the Chairman of the Commission can nominate a number of persons from among those on the Panel of Members of the Maritime Arbitration Commission and assign the task to them.

(2) The persons nominated in accordance with the provisions of the preceding sub-section shall form a Special Committee.

(3) The Special Committee shall report to the Commission the results of its deliberation or investigation.

Section 14. The Chairman of the Commission shall from time to time report to the Board of Directors decisions made, resolutions passed, and other matters dealt with by the Commission.

Section 15. Matters necessary for the management of the business of the Commission shall be provided for in the private regulations of the Commission.

Section 16. Any amendment of these Rules may at the instance of the Chairman be made by the Commission with approval of the Board of Directors.

**The Rules of Appraisal, Certification, etc.,
of Maritime Matters
of the Japan Shipping Exchange, Inc.**

Made 13th September, 1962

Enforced 1st October, 1962

Amended 28th May, 1964

Amended 24th November, 1964

Amended 11th August, 1972

Section 1. Any person desirous of obtaining from the Japan Shipping Exchange, Inc., a written opinion, advice, appraisal, or certificate relating to the ownership (including joint-ownership) of a ship, an agreement of demise, charter, or consignment of a ship, or any other maritime matter such as carriage of goods by sea, bills of lading, marine insurance, sale of a ship, building or repair of a ship, salvage, average, etc., may file with the Exchange a signed and sealed written application showing the subject matter of the application.

Section 2. (1) Upon receipt of an application referred to in the preceding section, the Maritime Arbitration Commission shall decide whether or not it should accept the same, and if it is accepted, the Commission shall cause the thing applied for to be prepared by such a person or persons as it shall appoint from among those on the Panel of Members of the Maritime Arbitration Commission (or other persons in case of special need).

(2) The decision of the Maritime Arbitration Commission referred to in the preceding sub-section shall be notified to the applicant in writing.

Section 3. (1) The written appraisal, expert opinion, or certificate shall be in the Japanese language, but it may, according to the request of the applicant, be made out in the English language or in both the Japanese and the English languages.

(2) When a document is made out both in Japanese and in English, both versions shall be regarded as authentic texts. But in case of any differ-

ence of interpretation between the two versions, the Japanese version shall be regarded as conclusive.

Section 4. The written appraisal, expert opinion, or certificate shall be signed and sealed by the appraiser(s), expert(s) or certifier(s) respectively and the Chairman of the Maritime Arbitration Commission (or a person authorized by him to sign and seal on his behalf); provided that when the applicant has required only the signature and seal of the Chairman of the Maritime Arbitration Commission, the same alone will suffice.

Section 4. bis. An applicant, upon receipt of a notice of acceptance of application according to section 2(2), shall pay to the Exchange an engagement fee of Yen 20,000, provided that an applicant for the appraisal of the price of a ship need not pay an engagement fee. An engagement fee once paid shall not be returned for any reason.

Section 5. (1) An applicant, upon receipt of a notice from the Exchange that a written appraisal, opinion, or certificate shall be delivered, shall pay to the Exchange a fee therefor and such expenses as shall have been defrayed by the Exchange in regard to the appraisal, expert opinion, or certification.

(2) Notwithstanding the provision of the preceding sub-section, the applicant shall pay in advance to the Exchange part of the fee for appraisal, expert opinion, or certification, when the Exchange deems it necessary.

(3) Money paid in advance according to the provision of the preceding sub-section shall, after the first meeting of the appraiser(s) or expert(s) (certifier(s)), not be returned for any reason.

Section 5. bis. (1) The amount of the fee for the appraisal, opinion, or certificate referred to in the preceding section, shall be fixed by the Maritime Arbitration Commission according to the nature and degree of difficulty of the subject matter and in consultation with the appraiser(s), expert(s), or certifier(s).

(2) The fee for the appraisal of the price of a ship shall be Yen 50,000 (in case of a request of the Member of the Exchange shall be Yen 40,000), and any special expenses shall be separately collected.

Section 6. Regulations necessary for the enforcement of these Rules shall be separately made.

**The Rules relating to Arbitration in the Code
of Civil Procedure of Japan**

Arbitration Procedure

Section 786. An agreement to submit a controversy to one or more arbitrators is valid only where the parties have the right to make a compromise regarding the subject matter in dispute.

Section 787. An agreement to submit a future controversy to arbitration shall have no effect unless it relates to a particular relation of right and a controversy arising therefrom.

Section 788. If in an arbitration agreement no provision is made for the nomination of arbitrators, each party shall nominate an arbitrator.

Section 789. (1) Where both parties are entitled to nominate arbitrators the party initiating the arbitration procedure shall in writing signify to the other party the arbitrator of his own nomination and call upon that other party to take the corresponding steps on his side within a period of seven days.

(2) In default of nomination of an arbitrator within the period specified in the preceding sub-section the competent Court, upon application by the party initiating the arbitration procedure, shall appoint an arbitrator.

Section 790. A party having nominated an arbitrator shall be bound by such nomination in relation to the other party as soon as he has given to that other party notice of the nomination.

Section 791. Where an arbitrator nominated otherwise than by an

arbitration agreement dies, or his position is otherwise vacated, or he refuses to accept or exercise the office of arbitrator, the party who has nominated him shall, upon demand by the other party, appoint another arbitrator within a period of seven days. In default of appointment of an arbitrator within the specified period, the competent Court, upon application by the said other party, shall appoint an arbitrator.

Section 792. (1) The parties may challenge an arbitrator on the same grounds and on the same conditions as they were entitled to challenge a Judge.

(2) Apart from the provisions of the preceding sub-section, an arbitrator nominated otherwise than by an arbitration agreement may be challenged if he unduly delays the exercise of his office.

(3) Persons who are under disability, deaf, dumb, or deprived of or suspended from the enjoyment of public rights may, if nominated to be arbitrators, be challenged.

Section 793. An arbitration agreement shall be void unless by mutual consent of the parties provisions are made therein against the following contingencies:

1. That, specified persons being nominated arbitrators in the arbitration agreement, any one of them dies, or his position is otherwise vacated, or he refuses to act, or withdraws from the agreement entered into by him, or unduly delays the discharge of his duties;
2. That the arbitrators notify the parties that their opinions are equally divided.

Section 794. (1) The arbitrators, before making an award, shall hear the parties and make such enquiries into the causes of controversy as they deem necessary.

(2) Where the parties disagree on the arbitration procedure to be followed, the arbitrators shall adopt such procedure as they think fit.

Section 795. (1) The arbitrators may examine such witnesses and

experts as may voluntarily appear before them.

(2) The arbitrators have no power to administer an oath to a witness or an expert.

Section 796. (1) Any act which the arbitrators consider necessary in the course of the arbitration procedure but which they are unable to perform shall, upon application by the parties, be performed by the competent Court, provided such application is deemed proper.

(2) If a witness or an expert refuses to give evidence or expert opinion, the Court which ordered him to do so shall have the power to make such adjudication as may then be necessary.

Section 797. If the parties contend that the arbitration procedure entered upon is not one which is to be allowed, or in particular, that no legally binding agreement of arbitration has been made, or that the arbitration agreement does not relate to the controversy to be settled, or that the arbitrators have no power to exercise their office, nevertheless the arbitrators may proceed with their function and make an award.

Section 798. When an award is to be made by several arbitrators, it shall be decided by a majority vote of the arbitrators, unless otherwise provided in the arbitration agreement.

Section 799. (1) The award shall bear date of the day on which it was prepared, and be signed and sealed by the arbitrators.

(2) Authentic copies of the award signed and sealed by the arbitrators shall be served on the parties, and the original document of award accompanied by a certificate of service shall be deposited with the Office of Clerks of the competent Court.

Section 800. As between the parties the award shall have the same effect as a final and conclusive judgement of a Court of Justice.

Section 801. (1) Application to set aside an award may be made in any of the following cases:—

1. Where the arbitration was one which ought not to have been allowed;

2. Where the award orders a party to do an act which is prohibited by law;
3. Where in the arbitration procedure the parties were not lawfully represented;
4. Where the parties were not heard in the arbitration procedure;
5. Where the award does not show the ground on which the decision was made;
6. Where for any of the reasons specified in 4, 5, 6, 7 and 8 of section 420 a motion for a new trial is to be allowed.

(2) Where otherwise agreed between the parties, an award cannot be set aside for the reasons specified in 4 and 5 in the preceding sub-section.

Section 802. (1) Execution by virtue of an award can be carried out only if it is pronounced to be allowed by an execution-judgement.

(2) No such execution-judgement as is referred to in the preceding sub-section shall be given, if there exists any ground upon which application for setting aside an award can be made.

Section 803. After an execution-judgement has been given application for setting aside the award can be made only on the ground specified in 6 in section 801, and then only if it is shown that the party has, not owing to any fault on his part, been unable to plead the ground for setting aside the award in the previous procedure.

Section 804. (1) In the case mentioned in the preceding section, an action for setting aside an award must be instituted within a peremptory term of one month.

(2) The term referred to in the preceding sub-section shall commence to run from the day on which the party becomes aware of the ground for setting aside the award, but not before the execution-judgement becomes conclusive. After the expiration of five years from the day on which the execution-judgement becomes conclusive, this action cannot be brought.

(3) When setting aside an award, the Court shall also pronounce the

setting aside of the execution-judgement.

Section 805. (1) The Court competent to entertain an action having for its object the nomination or challenge of an arbitrator, the termination of an arbitration agreement, the disallowance of arbitration, the setting aside of an award, or the giving of an execution-judgement shall be the Summary Court or District Court designated in the arbitration agreement. In the absence of such designation, the action may be brought before such Summary or District Court as would be the competent Court if the claim were judicially made before a Court of Justice.

(2) In case there are two or more Courts having jurisdiction according to the preceding sub-section, the Court to which the parties or arbitrators first resorted shall be the competent Court.

NEW TRIAL

Section 420. (1) For any one of the following reasons, except where the party has in an appeal pleaded it or knowingly has not pleaded it, a final judgement which has become conclusive may be appealed against in the form of a motion for a new trial:—

1. If the Court which gave judgement was not so constituted as the law prescribed;
2. If a Judge who was precluded by law from participating in the decision participated therein;
3. If the legal representative or process-attorney or agent was not vested with the necessary power to do acts of procedure;
4. If a Judge who participated in the decision was guilty of an offence relating to his official duties in connection with the case tried before him;
5. If the party by a criminally punishable act of another person was

led to make a confession or prevented from producing a means of attack or defence calculated to affect the decision;

6. If a document or any other object which was produced in evidence and on which the judgement was based was a forged or fraudulently altered matter;
7. If the judgement was based on a false statement of a witness, expert, or interpreter or a sworn party or legal representative;
8. If a civil or criminal judgement or any other judicial decision or an administrative decision on which the judgement was based has been altered by a subsequent judicial or administrative decision;
9. If no adjudication was made of a material fact which would have affected the judgement;
10. If the judgement appealed against conflicts with a conclusive judgement previously pronounced.

(2) In the case of 4, 5, 6, or 7 of the preceding sub-section, a motion for a new trial may be made only when a judgement of conviction or a decision imposing a non-criminal fine has become conclusive in regard to the punishable act, or when a conclusive judgement of conviction or a decision imposing a non-criminal fine cannot be obtained for a reason other than the lack of evidence.

(3) If judgement on the subject-matter of the action was given by the Court of second resort, a motion for a new trial against the judgement given by the Court of first instance cannot be made.

Form (1)

THE JAPAN SHIPPING EXCHANGE, INC.

ARBITRATION AGREEMENT

_____ 19

It is hereby mutually agreed that any dispute arising from the (Charter Party / Contract / Agreement) dated _____, 19 __, shall be submitted to arbitration by the Japan Shipping Exchange, Inc., in _____, conducted in accordance with the provisions of the Rules of Maritime Arbitration of the Exchange then prevailing; and that the award given by the arbitrators appointed in accordance with the said Rules shall be final and binding. It is also hereby mutually agreed that the court of jurisdiction shall be the _____ District Court.

Form (2)

Any dispute arising from this Charter/Agreement/Contract shall be submitted to arbitration held in Tokyo by the Japan Shipping Exchange, Inc., in accordance with the provisions of the Rules of Maritime Arbitration of the Japan Shipping Exchange, Inc., and the award given by the arbitrators shall be final and binding on both parties.

Form (3)

Any dispute arising in connection with this Agreement shall be submitted to arbitration held in Tokyo, Japan by the Japan Shipping Exchange, Inc. (hereinafter referred to as "the Exchange"), in accordance with the provisions of the Rules of Maritime Arbitration of the Exchange, excepting the relevant provisions in the said Rules related to the appointment of arbitrators, which being stipulated hereinafter. Either party desiring to submit such dispute to the arbitration of the Exchange shall file with the Exchange the written Application for Arbitration, the Statement of Claim and the notice of appointment of an arbitrator accompanied by written acceptance of, and signed by, such arbitrator appointed by such party. Within fourteen (14) days after receipt of such documents as aforementioned from the Exchange, the other party shall file in return with the Exchange the notice of appointment of an arbitrator accompanied by written acceptance of, and signed by, such second arbitrator appointed by the other party. These two arbitrators shall be deemed, in performance of office of arbitration, as the arbitrators appointed by the Maritime Arbitration Commission (hereinafter referred to as "the Commission") of the Exchange. The third arbitrator to preside over the proceedings shall be appointed by the Commission from among such persons on the Panel of Members of the Commission (or in case of particular need, from among persons not so empanelled) as have no concern whatever with the parties or in the subject of controversy.

In the event, however, the said other party should fail to appoint a second arbitrator as aforesaid within fourteen (14) days following receipt of documents concerned from the Exchange, the second arbitrator shall be appointed by the Commission according to the same method and conditions as in the case of the third arbitrator aforementioned. The award given by the arbitrators shall be final and binding on both parties.

Form (4)

THE JAPAN SHIPPING EXCHANGE, INC.

APPLICATION FOR ARBITRATION

19

vs.

Application is hereby made by the undersigned for an Arbitration by the Japan Shipping Exchange, Inc., in accordance with the provisions of the Rules of Maritime Arbitration of the Exchange then prevailing, of the matters in dispute or difference between —

of _____

whose legal representative is _____

and _____

of _____

whose legal representative is _____

The place of arbitration _____

The main points of controversy being — _____

Annexes:

- Evidence of the signer's authority legally to represent the Applicant
- Power of Attorney
- Statement of Claim

THE JAPAN SHIPPING EXCHANGE, INC.

(Nippon Kaiun Shukaisho)

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KOBE OFFICE

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