

## GLOSSARY OF TERMS

“back-haul cargoes”	cargoes transported against the standard flow of traffic, i.e. loading in a port situated in what is usually a discharge area, and discharging in a port situated in what is usually a loading area
“ballast day(s)”	day(s) on which a ship performs a voyage without cargo on board
“Baltic Dry Index” or “BDI”	is the general dry bulk freight market indicator (based on spot rates for larger bulk carriers) generated by the Baltic Exchange
“Baltic Supramax Index” or “BSI”	the BSI is published every London working day by the Baltic Exchange, who have collated information on fixtures for a number of routes in relation to a Standard “Tess 52” type vessel. This vessel is 52,454 mt dwt, with 4 x 30 mt cranes and grabs, and maximum 10 years of age. The index is published on the basis of a Time Charter return, and is used to determine the trading routes and settlement prices for FFAs
“Bareboat Charter-party”	document containing the contract between the owner of a ship and the bareboat charterer, and signed by both, in which are all the terms and conditions such as the period of the charter, the rate of hire, the trading limits and all the rights and responsibilities of the two parties
“bareboat charter (to)”	to hire or lease a ship for a period of time during which the shipowner provides only the ship while the charterer provides the crew together with all stores and bunkers and pays all operating costs
“bunkers”	fuel, consisting of fuel oil and diesel, burned in the vessel's engines
“charter”	a contract for the commercial leasing of a vessel or space on a vessel
“charter-hire”	the revenue earned by a vessel pursuant to a Bareboat Charter or Time Charter (See “freight” for Voyage Charter revenue)
“charterer”	a person, firm or company hiring a vessel for the carriage of goods or other purposes

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"classification societies"	independent societies which certify that a vessel has been built and maintained in accordance with the rules of such society and complies with the applicable rules and regulations of the flag state of such vessel and the international conventions of which that country is a member
"commercial management"	management of those aspects of ship owning and operation that relate to obtaining economic value from the vessel which includes ship financing, sale and purchase, chartering or vessel employment, voyage execution, insurance and claims handling, accounting and corporate administration
"Contract of Affreightment" or "COA"	is similar to a Voyage Charter but is for two or more shipments over an agreed period of time (this could be over a number of months or years) and no particular vessel is specified
"contract cargoes"	are cargoes carried under the terms of a Contract of Affreightment
"Controlling Shareholder"	any person who has the power, directly or indirectly, to secure that the affairs of the Company are conducted in accordance with the wishes of such person: <ul style="list-style-type: none"> <li>(i) by means of the holding of shares entitling him to exercise or control the exercise of 30% (or such other percentage as may from time to time be specified in the Code on Takeovers and Mergers and Share Repurchases as being the level for triggering a mandatory general offer) or more of the voting power at general meetings of the Company, or</li> <li>(ii) by means of controlling the composition of a majority of the Board.</li> </ul>
"draft"	vertical distance between the waterline and the bottom of the vessel's keel (i.e. the depth of the ship in the water)
"drydocking"	the removal of a vessel from the water for inspection, maintenance and/or repair of submerged parts

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"dwt"	dead weight tonnes, the unit of measurement of weight capacity of vessels, which is the total weight (usually in metric tonnes) the ship can carry, including cargo, bunkers, water, stores, spares, crew, etc. at a specified draft
"FFAs" or "Forward Freight Agreements"	provide a means of hedging exposure to freight market risk through the purchase or sale of specified time charter rates for forward positions. Settlement is in cash, against a daily market index published by the Baltic Exchange.
"flag state"	the country where the vessel is registered
"freight"	the revenue earned by a vessel pursuant to a Voyage Charter or Contract of Affreightment
"front-haul"	the typical flow of the transportation of cargoes from the main loading areas to the main discharging areas
"Handymax"	dry bulk carrier of 40,000 to 59,999dwt which carries a wide variety of cargoes including major and minor bulk cargoes
"Handysize"	dry bulk carrier of 10,000 to 39,999dwt which is commonly equipped with cargo gear such as cranes. This type of vessel carries principally minor bulk cargoes and limited quantities of major bulk cargoes. It is well suited for transporting cargoes to ports that may have draft restrictions or are not equipped with gear for loading or discharging cargo
"ISM Code"	the International Management Code for the Safe Operation of Ships and for Pollution Prevention adopted by the International Maritime Organisation
"mt"	metric tonnes
"major bulk"	dry bulk cargoes consisting of iron ore, coal and grain
"minor bulk"	dry bulk cargoes such as forest products, iron and steel products, fertilisers, agricultural products, minerals and petcoke, bauxite and alumina, cement, other construction materials and salt

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"newbuilding"	a vessel under construction or on order
"off-hire"	period during which a vessel is temporarily unable to operate under the terms of its charter, resulting in loss of income under the charter
"P&I"	protection and indemnity. This denotes the insurance coverage taken by a ship owner or charterer against third party liabilities such as oil pollution, cargo damage, crew injury or loss of life, etc.
"P&I Association"	a mutual insurance association providing P&I insurance coverage
"spot market"	the market for immediate chartering of a vessel, usually for a single cargo or short term trading
"time charter"	charter for an agreed period of time where the ship owner is paid on a per day basis and is responsible for operating the vessel and paying the operating costs while the charterer is responsible for paying the voyage costs and bears the risk of any delays at port or during the voyage except where caused by a defect of the ship
"Time Charter Equivalent"	The net result of a voyage charter or COA contract shipment expressed as a daily rate over the duration of the voyage
"tonnage"	a generic term referring to any kind of ocean-going cargo vessel or vessels
"tonnes"	metric tonnes
"voyage charter"	charter under which a ship owner is paid freight on the basis of transporting cargo from a load port to a discharge port and is responsible for paying both operating costs and voyage costs
"vessel operating expenses"	these consist of crew expenses, insurances, spare parts, stores and lubricating oils, vessel repairs and surveys, commissions and other miscellaneous costs
"voyage costs"	bunker costs, port charges and canal dues (or tolls) incurred during the course of a voyage