

RIDLEY TERMINALS INC.

**RULES AND
REGULATIONS**



RIDLEY TERMINALS INC.

2110 RIDLEY ROAD
PRINCE RUPERT, BC
CANADA V8J 4H3

DOCUMENT UPDATE
06/07/2021

Table of Contents

	Page
1. DEFINITIONS.....	1
2. GENERAL.....	5
3. OPERATING POLICIES	5
3.1 CARGO RECEIVING	5
(a) TRAIN RECEIVING REQUIREMENTS.....	5
3.2 CARGO OFFLOADING	7
(a) TRAIN UNLOADING.....	7
(b) PRE-ARRIVAL REQUIREMENTS.....	7
(c) CARGO WEIGHT DETERMINATION – RECEIVED CARGO.....	8
(d) TERMINAL STORAGE	8
3.3 VESSEL OPERATIONS OVERVIEW.....	11
(a) PURPOSE.....	11
(b) APPLICABLE RULES AND REGULATIONS.....	11
(c) SECURITY RESPONSIBILITIES.....	11
(d) RTI RIGHT OF REFUSAL.....	12
3.4 VESSEL OPERATIONS STANDARDS	12
(a) VESSEL SUITABILITY	12
3.5 LAYCAN REQUESTS.....	12
(a) REQUEST PROCESS.....	12
(b) ACCEPTANCE PROCESS.....	13
3.6 VESSEL NOMINATIONS	14
(a) NOMINATION PROCESS.....	14
3.7 VESSEL VETTING POLICY	15
(a) PURPOSE.....	15
(b) VETTING PROCESS.....	15
(c) VESSEL APPROVAL AND ACCEPTANCE.....	16
(d) TERMINAL REPORTING/RESTRICTED VESSELS	16
3.8 VESSEL PRE-ARRIVAL REQUIREMENTS.....	16
(a) ESTIMATED TIME OF ARRIVAL.....	16
(b) PRE-ARRIVAL DOCUMENTATION.....	17

3.9	ARRIVAL TO PORT.....	17
(a)	CONDITIONS OF READINESS.....	17
(b)	NOTICE OF READINESS	17
(c)	TURN TIME.....	19
(d)	LAYTIME	19
(e)	VESSEL OUTSIDE OF LAYCAN.....	19
(f)	SHIPPER’S CARGO OUTSIDE OF LAYCAN.....	20
3.10	VESSEL ASSIGNMENTS.....	20
(a)	VESSEL ASSIGNMENT.....	20
(b)	BERTHING	20
(c)	VESSEL RESPONSIBILITIES AND REQUIREMENTS	21
3.11	MOORING	24
(a)	MOORING OPERATIONS	24
3.12	LOADING OPERATIONS	25
(a)	CARGO DECLARATION.....	25
(b)	LOADING PLAN.....	25
(c)	COMMUNICATIONS	27
(d)	VESSEL LOADING RESPONSIBILITY	27
(e)	DE-BALLASTING	27
(f)	TRIMMING.....	27
(g)	COMPLETION OF LOADING	27
(h)	CARGO WEIGHT DETERMINATION - SHIPPED CARGO.....	28
(i)	WEATHER.....	28
(j)	DEPARTURE FROM BERTH	29
3.13	REGULATORY AUTHORITIES AND SAFETY	29
(a)	PRINCE RUPERT PORT AUTHORITY	29
(b)	TRANSPORT CANADA (MARINE SAFETY BRANCH).....	30
(c)	VESSEL SAFETY RESPONSIBILITIES	30
(d)	VESSEL SECURITY RESPONSIBILITIES	31
(e)	VESSEL ENVIRONMENTAL RESPONSIBILITIES.....	32
(f)	LIMITATION OF LIABILITY	32
(g)	VESSEL PROVISIONING AND REPAIRS	33
(h)	DAMAGES	34

(i) TERMINAL TECHNICAL INFORMATION:..... 34

DEFINITIONS

1. DEFINITIONS

Berth

“Berth” or “Berths” means RTI’s docks and transfer facilities including RTI’s mooring buoys.

Buyers

“Buyers” means buyers of Cargo from the Shipper.

Canada Customs / CBSA

“Canada Customs” or “CBSA” means Canada Border Services Agency.

Cargo

“Cargo” has the meaning ascribed to it in the Terminal Services Agreement.

Cargo Sales Agreement

“Cargo Sales Agreement” means the agreement between the Shipper and the Buyer for the purchase and sale of Cargo.

DWT

“DWT” means deadweight Tonnes of 2,204 pounds.

ETA

“ETA” means the estimated time of arrival.

Free Pratique

“Free Pratique” is the license granted by Transport Canada to a Vessel to enter Port.

ISPS Code

“ISPS Code” means International Ship and Port Facility Security Code.

Laycan

“Laycan” is an abbreviation of laydays cancelling (lay/can) and means the earliest date at which Laytime can commence and the latest date upon which the Vessel can arrive at the Berth without being at risk of being cancelled.

Laycan Period

“Laycan Period” means the period of time as agreed by RTI and the Shipper during which the Shipper will make and keep the Vessel available for Loading.

Laytime

“Laytime” has the meaning ascribed to it in the Terms and Conditions of Use.

Loading / Unloading

“Loading” and “Unloading” means the loading of Cargo on Vessels or unloading of Cargo from Unit Trains.

Manifest Train

“Manifest Train” means a manifest trains conforming to the requirements set out in the Terminal Services Agreement and these Rules and Regulations.

MARSEC

“MARSEC” means MARine SECurity, the Maritime Security system with three (3) security levels which indicate the severity of any threat to security.

Master

“Master” means the captain in command of the performing Vessel.

MCTS

“MCTS” has the meaning ascribed to that term in Section 3.13(b) hereto.

Notice of Readiness / NOR

“Notice of Readiness” or “NOR” means the written notification given by the Master or the Owner’s/Master’s nominee to RTI, that a Vessel is clean and ready in all respects to receive Cargo.

Owner

“Owner(s)” means owner or operator of the Vessel, whichever is relevant.

Port

“Port” means the Port of Prince Rupert.

Port Regulations

“Port Regulations” means the regulations and/or requirements of the PRPA.

PRPA

“PRPA” means the Prince Rupert Port Authority of Prince Rupert, British Columbia, Canada.

Railway

“Railway” means Canadian National Railway Company, or its successors and assigns.

RTI

“RTI” means Ridley Terminals Inc.

Rules and Regulations

“Rules and Regulations” means these Rules and Regulations as may be amended or restated from time to time in RTI’s sole discretion.

Shipper

“Shipper” has the meaning ascribed to that term in the Terminal Services Agreement.

Statutory Holidays

“Statutory Holidays” means New Year’s Day (from noon on December 31 to 8:00 a.m. on January 2), Family Day (the third Monday in February), Good Friday, Easter Monday, Victoria Day (Monday before May 25), Canada Day (the first day of July), B.C. Day (the first Monday in August), Labour Day (the first Monday in September), Thanksgiving Day (the second Monday in October), Remembrance Day (November 11), Christmas Day (from noon on December 24 and including all of December 25), Boxing Day (December 26), and any other statutory holiday or holidays, which, notwithstanding Section 29 of the *Interpretation Act*, R.S.B.C. 1996, c. 238 will only include Sundays where the aforementioned Statutory Holidays fall on a Sunday, and which may be declared by the federal or provincial governments, and for greater certainty, means in respect of each such holiday the declared hours set out above or such other hours as RTI may from time to time advise the Shipper provided that the number of hours specified by RTI in respect of any holiday will not exceed the number of hours for that same holiday as set out above.

STEM

“STEM” is an industry term meaning “subject to enough merchandise” and which, in the context of these Rules and Regulations, refers to “subject to enough Cargo.”

Storage

“Storage” means the service of providing facilities for the storing of inbound or outbound Cargo.

Tariff

“Tariff” has the meaning ascribed to that term in Section 2 hereto.

Terminal

“Terminal” means RTI’s bulk handling terminal located at Ridley Island, Prince Rupert, British Columbia, Canada.

Terminal Services Agreement

Terminal Services Agreement means the Terminal Services Agreement between RTI and the Shipper for the delivery, Unloading, Storage, handling and Loading of Cargo, including all Schedules attached thereto, as may be amended from time to time.

Terms and Conditions of Use

“Terms and Conditions of Use” means those Terms and Conditions of Use attached to the Terminal Services Agreement, as may be updated from time to time.

Tonnes

“Tonnes” means metric tonnes.

Train

“Train” means a Manifest Train or Unit Train.

Turn Time

“Turn Time” has the meaning ascribed to that term in Section 3.9(c).

Unit Train(s)

“Unit Train” or “Unit Trains” means unit trains under power from dedicated locomotives conforming to the requirements set out in the Terminal Services Agreement and these Rules and Regulations.

User(s)

“User” or “Users” will include each Vessel Party, each Shipper, and all other individuals or business entities, including all Vessels, railways, railcars or other means of conveyance and/or equipment used by said individuals or business entities, which utilize RTI services, the Terminal and/or the Port.

Vessel(s)

“Vessel” or “Vessels” will include any vessel accepted by RTI that utilizes the services and facilities of RTI for the Loading of Cargo.

Vessel Party(ies)

“Vessel Party” or “Vessel Parties” means any party or parties owning, nominating or contracting with the Vessel including, but not limited to, its agent(s), operator(s), Owner(s) and/or charterer(s).

2. GENERAL

These Rules and Regulations together with RTI’s published terminal services tariff (the “**Tariff**”), as may be updated from time to time, outline the accepted operating policies to be employed by RTI and its Users.

These Rules and Regulations, including any attached Appendices, together with the Terminal Services Agreement, the Terms and Conditions of Use and the Tariff, will constitute the full understanding and agreement between the parties in respect of the subject matter herein contained and will supersede all previous oral or written commitments, warranties or representations regarding the same. Notwithstanding the foregoing, certain terms and conditions set forth in these Rules and Regulations may be found in a separate negotiated Terminal Services Agreement with RTI or RTI’s Terms and Conditions of Use. In that event, to the extent of any conflict, the terms specified in that Terminal Services Agreement and the Terms and Conditions will govern over the terms in these Rules and Regulations, and to the extent there is any conflict between the Terminal Services Agreement and the Terms and Conditions, the provisions of the Terminal Services Agreement will take priority.

All Users are bound by these Rules and Regulations and Users are deemed to have accepted and agreed to abide by these Rules and Regulations, including without limitation being liable for charges of any kind or nature in the Tariff, when Users access, arrive at, berth at, deliver Cargo to, or otherwise use any of RTI’s facilities or services. The rights of any User to utilize RTI’s facilities will be subject to the prior approval of RTI.

Neither the Rules and Regulations nor the Tariff will be used to lessen the remedies available to RTI for any breach or charges assigned under either section. RTI may, at any time and in its sole discretion, update or revise one or both of the Rules and Regulations and the Tariff. The Rules and Regulations and Tariff are intended to be complementary.

3. OPERATING POLICIES

3.1 CARGO RECEIVING

(a) TRAIN RECEIVING REQUIREMENTS

Unit Trains arriving to RTI will consist of a single railcar type and carry a single commodity and grade of Cargo.

Trains will consist of only those railcars that adhere to RTI railcar suitability specifications outlined in the following Section (i) and will be delivered in a manner to allow safe and efficient handling based on limitations of RTI infrastructure.

(i) TRAIN & RAILCAR SUITABILITY SPECIFICATIONS

Unit Trains, Manifest Trains, railcars, railcar loads and railcar dimensions are not to exceed the following:

Maximum gross weight per railcar (Single Railcar)	286,000 pounds
Maximum average gross weight per railcar (Unit Train)	284,000 pounds
Total length of Unit Train	6,500 to 13,000 feet
Length over rotary couplings	59 feet
Overall maximum width	10 feet
Overall maximum height above rails (railcars)	13 feet
Overall maximum height above rails (locomotive)	16 feet
Couple type/railcar	
AAR Type F Rotary One End AAR Type F Standard Other End	
Unit Train end envelopes dimensions must at least comply with AAR Manual of Standards (AAR Plate C)	

(ii) TRAIN LENGTH

The maximum Train length that can be safely stored on each RTI track is 6,500 feet. Any Train exceeding 6,500 feet must not be delivered to RTI without the prior written permission of RTI.

(iii) TRAIN RAILCAR TYPE

All Trains presented for handling at RTI must be all the same railcar type (all steel or all aluminum), with all railcars having the same length, width and height dimensions.

Trains delivered to RTI with a mix of railcar types or with railcars having differing physical dimensions will be subject to additional handling charges, as defined in the Tariff, at the sole expense of the Shipper. Notwithstanding the foregoing, RTI reserves the right to refuse any Train delivered to the Terminal with mixed railcar types.

(iv) RAILCAR ROTARY COUPLING ORIENTATION

All Trains presented for handling at RTI must have all rotary couplings oriented the same way (all East or all West).

Any Train delivered to RTI with a mix of railcar rotary coupling orientations (mix of East and West) will be subject to additional handling charges, as set out in the Tariff, at the sole expense of the Shipper. RTI reserves the right to refuse any Train delivered to RTI with mixed rotary coupling orientations.

(v) UNIT TRAIN CARGO GRADE OR TYPE

All Unit Trains delivered to RTI must contain a single grade of Cargo per Unit Train.

Unit Trains delivered to RTI with multiple Cargo grade types will be subject to additional handling charges, as set out in the Tariff, at the sole expense of the Shipper. RTI reserves the right to refuse any Unit Train delivered to RTI with multiple Cargo grade types.

3.2 CARGO OFFLOADING

(a) TRAIN UNLOADING

RTI will Unload Trains arriving at the Terminal in a manner and order determined in RTI's sole discretion.

(b) PRE-ARRIVAL REQUIREMENTS

All Cargo delivered to RTI for handling must be identified prior to arrival by a bill of lading, which must include a unique Train identifier, the individual railcar numbers of all cars within the Train consist, volume of cargo per railcar, a description of the Cargo's type and grade per railcar and any additional pertinent characteristics.

(i) CARGO QUALITY AND RESPONSIBILITY OF SHIPPER

All Cargo delivered to RTI must be suitable for safe and efficient handling by RTI personnel. Whenever necessary, the Shipper will apply a spontaneous combustion treatment and/or dust treatment to Cargo being delivered to RTI. Any Cargo treatment that is necessary to ensure safe and efficient handling will be the Shipper's responsibility and at the Shipper's sole expense.

All Cargo delivered to RTI must be free flowing and free of any condition(s) that would inhibit the ability to safely dump the Cargo in its entirety from a railcar. Any treatment necessary to ensure that Cargo is free flowing will be the Shipper's responsibility and at the Shipper's sole expense.

Cargo that is too wet or contains high levels of moisture will not be considered free flowing and will be subject to additional handling charges. Furthermore, Cargo that is wet or contains high levels of moisture will tend to freeze during the winter shipping season (from October to April each year) and will require the Shipper to apply an antifreeze treatment to both the Cargo and the railcar to ensure it is of a free flowing nature.

Any Cargo that is not treated with a sufficient amount of antifreeze product, and that is consequently not free flowing, will be deemed to be unsafe Cargo and will be subject to

additional handling charges or, at RTI's sole discretion, may be refused and not received or handled. Any costs or losses incurred by RTI will be borne wholly by the Shipper and the Shipper will indemnify and hold harmless RTI for any refusal to handle the unsafe Cargo.

It is the responsibility of the Shipper:

- (A) To fully disclose in writing and in advance all of the Cargo's characteristics, risks, and any special requirements applicable to its safe Loading, handling and Storage in bulk;
- (B) To obtain all necessary special permits or permissions required by the Port and/or other provincial or federal authorities in connection with the sale and export of Cargo Loaded at RTI; and
- (C) To, prior to the tender of the Notice of Readiness, provide RTI with Material Safety Data Sheets for all commodities handled for its account.

(ii) RTI RIGHT OF CARGO REFUSAL

RTI reserves the right, without any responsibility for any loss, damage, or demurrage that may arise, to refuse handling of any Cargo that, in RTI's sole discretion, is deemed to be unsafe to handle or is un-merchantable or in unfit condition for Loading, Unloading, Storage, transfer or handling; or because of lack of space, facilities or equipment, or for any other reason based on the sole judgment of RTI.

(c) CARGO WEIGHT DETERMINATION – RECEIVED CARGO

RTI will accept the following two methods of determining the weight of Cargo arriving at the Terminal.

(i) CERTIFIED RAILCAR SCALE

RTI will accept the scaled loaded weight of railcars originating from the Cargo loading site provided that: (i) the Shipper has given RTI advance notice of the presence of a certified railcar scale at the Cargo loading site; and (ii) RTI has received copies of the current railcar scale certification.

(ii) CONVEYOR SCALE WEIGHTS

In the absence of the conditions in Section 3.2(c)(i) being met, the weight of the received Cargo will be determined by the RTI conveyor scale reading as recorded by RTI, with such weight to be communicated to the Shipper by RTI.

(d) TERMINAL STORAGE

In no event will the use of RTI Storage facilities be construed as a lease or sublease agreement between RTI and the Shipper.

(i) SPONTANEOUS COMBUSTION

The Shipper agrees that RTI may periodically groom and apply sponcom treatment, at the Shipper's cost, to their Cargo stored at RTI to prevent spontaneous combustion. If spontaneous combustion or a significant rise in temperature of the Cargo should occur, the Shipper assumes full responsibility for all resulting costs and damages, including without limitation all costs associated with the proper handling of the Cargo as will be charged in accordance with the Tariff. Notwithstanding the foregoing, RTI will not be responsible for altering the Cargo quality, or for ensuring that such mitigation measures is successful, or for any subsequent spontaneous combustion that may occur. This does not preclude the Shipper's responsibilities under Section 3.2 (b)(i).

(ii) DUST TREATMENT

The Shipper agrees that RTI at certain times of year may apply dust treatment, at the Shipper's cost, to their Cargo stored at RTI to prevent dusting from stockpiles. If the Cargo causes significant dusting, the Shipper assumes full responsibility for all resulting costs and damages, including without limitation all costs associated with the proper handling of the Cargo as will be charged in accordance with the Tariff. RTI will disclose the type of chemical to be used to mitigate the situation. Notwithstanding the foregoing, RTI will not be responsible for altering the Cargo quality, or for ensuring that such dust mitigation measures is successful, or for any subsequent dusting that may occur. This does not preclude the Shipper's responsibilities under Section 3.2 (b)(i).

(iii) LOSS OR CONTAMINATION OF CARGO

RTI will not be responsible for loss, contamination, damage to, or destruction of any Cargo in its care, custody or control, whether in Storage or elsewhere, during reasonable and prudent handling operations, including quantities lost by wind or shrinkage. Furthermore, RTI will not be responsible for loss of calorific content or loss of weight of any Cargo transferred or stored at RTI.

The Shipper specifically acknowledges that normal variance exists in the measurement of weight of Cargo shipped in bulk and that the weight of Cargo determined by a mutually agreed third party surveyor on behalf of the Shipper will be used for reconciliation purposes in the event of a dispute.

(iv) STOCKYARD MANAGEMENT

If the Shipper intends to store, or is already storing, more than one type of Cargo at the Terminal, the Shipper must provide instructions to RTI, prior to the arrival of the Train containing such Cargo, regarding the type of Cargo, stacking instructions, Storage management, including location within the stockyard. Notwithstanding such Shipper instructions, the stockyard will at all times be subject to RTI's control and management.

(v) INVENTORY TURNOVER

The Shipper will be responsible for the appropriate scheduling and spacing of Vessels to assist RTI in the proper management of the Shipper's stockyard and ensure that Shipper's Cargo is turned over on a regular basis (first in, first out). The turnover required of Shipper will be determined by Terminal Services Agreement between the Shipper and RTI.

(vi) MOBILE HEAVY EQUIPMENT USE

If necessary, on behalf of the Shipper, RTI will provide mobile heavy equipment for the purpose of moving the Shipper's Cargo within the Live Storage Area and Dead Storage Area (as set out in the Terminal Services Agreement) so that said Cargo may be Loaded to the Vessel. Associated charges for mobile heavy equipment use will be to the Shippers account as set out in the Tariff.

(vii) FREE TIME PERIOD

Cargo free time for Cargo received at RTI and stored on site shall be exclusively by arrangement and agreement with RTI.

(viii) STORAGE CHARGES

Charges for Cargo remaining at the Terminal beyond the agreed free time allowance shall be exclusively by arrangement and agreement with RTI.

(ix) ABANDONED CARGO

Cargo which is undelivered and remains at the Terminal beyond the expiration of the agreed upon free time will be considered as abandoned and sold for collection of RTI's storage charges.

At the time of sale of the Cargo, RTI makes no representation of the quality, integrity and/or condition of the Cargo. All bids for the Cargo will be final. Thirty (30) days prior to the Cargo's sale, a registered letter or email notice will be sent to the owner of record. Any monies received beyond the storage charges due and owing to RTI will be returned to the owner of record if claimed within one year of the mailed notice.

Acknowledgement by the owner of record prior to the timeframe mentioned above overrides all mentioned notice requirements for the sale of the Cargo.

Notwithstanding the foregoing, if RTI, in its sole discretion, determines that any Cargo remaining at the Terminal beyond the expiration of the agreed free time is (i) subject to spoilage; and/or (ii) subject to rapid devaluation due to the passage of time, then such Cargo may be considered abandoned, at RTI's sole discretion, as of the expiration of free time and may be sold at any time thereafter by RTI without notice to the owner of record. Nothing contained in this Section shall require RTI to investigate the nature of Cargo remaining at its Terminal beyond the free time, to take any special actions to preserve such Cargo, or to take any of the actions contemplated in this Section. Nothing in this Section shall accord to the owner of record or any

other person any right or claim against RTI for taking any actions permitted in this Section, for not taking any such actions or for delaying in the taking of any such actions.

3.3 VESSEL OPERATIONS OVERVIEW

(a) PURPOSE

The purpose of the following section is to communicate policies, procedures and information relevant to Vessel operations and ship-to-shore interface at Berth.

(b) APPLICABLE RULES AND REGULATIONS

A Vessel's use of the Terminal will constitute a warranty by the Vessel Party to RTI that there are no latent defects in the Vessel and that same is capable of receiving the declared grade and quantity of Cargo to be Loaded by RTI using the equipment normally employed by RTI. In no event will RTI be responsible for the seaworthiness, maintenance, repair or service of Vessels coming into Berth at RTI, such responsibility being solely that of the Vessel Party. For greater certainty, if any Vessel berthed at the Terminal develops any leaks, cracks or other conditions which, in the sole judgment of RTI, may result in damage to the Vessel and/or its Cargo and/or the Berth, Vessel Party agrees to take all necessary measures to protect the Vessel and/or its Cargo in addition to RTI infrastructure.

RTI will not be responsible for marine loss or damage to Cargo or to the Vessels utilizing RTI facilities including, but not limited to, damage to:

- (i) Vessel gear, equipment, or structures as a result of Cargo Loading; and
- (ii) Vessel parts or Cargo
 - (A) arising by reason of concealed or inadequately protected Vessel fastenings, attachments, covers, or parts projecting into the Cargo; and/or
 - (B) due to Vessel configuration.

RTI will receive, Load, Unload, transfer, handle, Store and/or deliver Cargo in accordance with these RTI Terminal Rules and Regulations, the Shipper's Terminal Service Agreement and the Terms and Conditions of Use.

(c) SECURITY RESPONSIBILITIES

All Vessels that wish to berth at RTI must comply, and prove compliance in writing, with the ISPS Code and meet all Transport Canada mandated security requirements as outlined in *Vessel Security Responsibilities* section of this document.

RTI will not be liable for any loss or damage attributable in whole or in part relating to its compliance with *Marine Transportation Security Act* and the *Marine Transportation Security*

Regulations, or with other security requirements required or said to be required by any lawful authority, including PRPA.

(d) RTI RIGHT OF REFUSAL

RTI reserves the right to refuse service to any Vessel that RTI deems incompatible with RTI's Vessel suitability requirements in Section 3.4(a)(i) or that otherwise fails to comply with these Rules and Regulations.

For greater certainty, but without limiting the generality of the foregoing, RTI reserves the right to refuse to accept any Vessel that RTI, in its sole discretion, deems unseaworthy due to damage, distribution of load, draft or lack of freeboard, lists, lack of air draft, or any such other reason for which RTI deems the Vessel unsuitable for handling at RTI. The Vessel Party, at all times, will remain responsible for the seaworthy condition of the Vessel.

3.4 VESSEL OPERATIONS STANDARDS

(a) VESSEL SUITABILITY

(i) VESSEL SUITABILITY REQUIREMENTS

Only those Vessels engaged in private or contract carriage pursuant to private commercial arrangements will be accepted by RTI.

The standard Vessel acceptable for Loading at the Terminal is a self-trimming, gearless, bulk carrier, maximum 325 meters length overall, maximum 50 meters beam, maximum 20 meters draft, which can ballast to achieve a clear air draft of 27 meters under fully de-ballasted condition from high high water to top of deck obstruction.

The dead weight tonnage of a suitable dry bulk Vessel will be from 60,000 DWT to 250,000 DWT. The distance from the forward end of number one hatch to the aft end of the hatch furthest aft must not exceed 240 meters.

No "tween" deck Vessels will be used. Vessels must not have Samson posts or timber stanchions and be of a gearless design free of any obstructions on deck between hatches. Hatch covers must be of a rolling type, folding or pontoon type hatch covers will not be permitted at RTI.

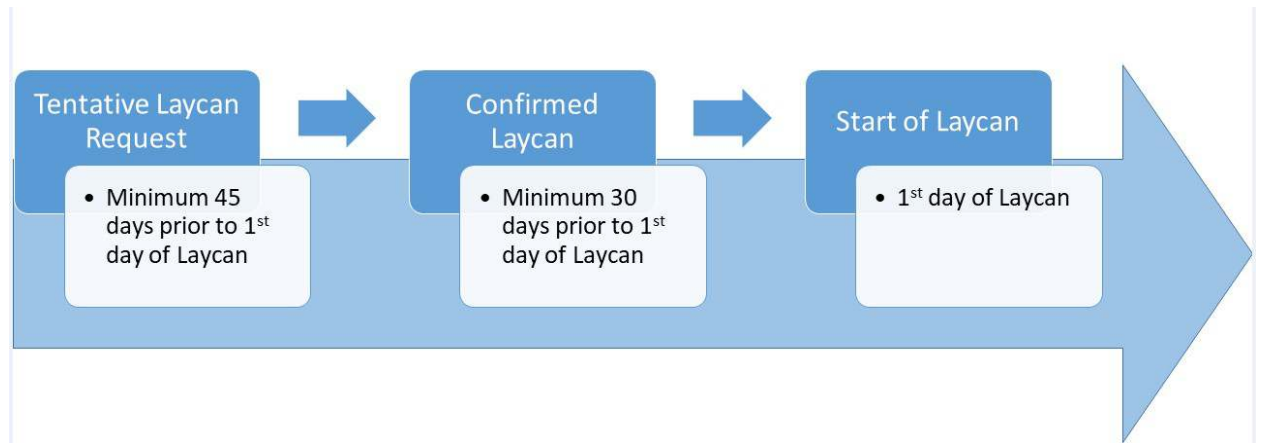
The age of a suitable Vessel will be a maximum of 20 years from build date or from the date of refit.

3.5 LAYCAN REQUESTS

(a) REQUEST PROCESS

RTI requires tentative Laycan Periods to be submitted by the Shipper a minimum 45 days prior to the 1st day of requested Laycan Period. Laycan Periods of (7 days or 168 hours) must subsequently be confirmed a minimum of 30 days prior to the 1st day of the requested Laycan

Period. Following receipt of a Laycan request issued as per the conditions outlined above, RTI will respond by reply email within 3 business days.



Laycan requests are to be submitted via email to central@rti.ca , with a “Read Receipt” requested, and addressed as follows:

Attention: RTI Central Control Room
Subject: Tentative Laycan Request for _____ *[Insert Laycan dates requested]*.

Shippers must make Laycan requests between 8:00 a.m. and 4:00 p.m. Monday through Friday, exclusive of Saturdays, Sundays and Statutory Holidays.

(i) REQUIRED INFORMATION

RTI requires the following information in order for it to consider a Laycan request:

- (A) The proposed Laycan Period;
- (B) Who the Shipper is;
- (C) What kind of Cargo is to be Loaded, including without limitation such Cargo’s grade and quantity;
- (D) The approximate size of the Vessel to be Loaded as expressed in Deadweight Tonnes (DWT); and
- (E) Who the Cargo Buyers are (if applicable), and the off-load port(s).

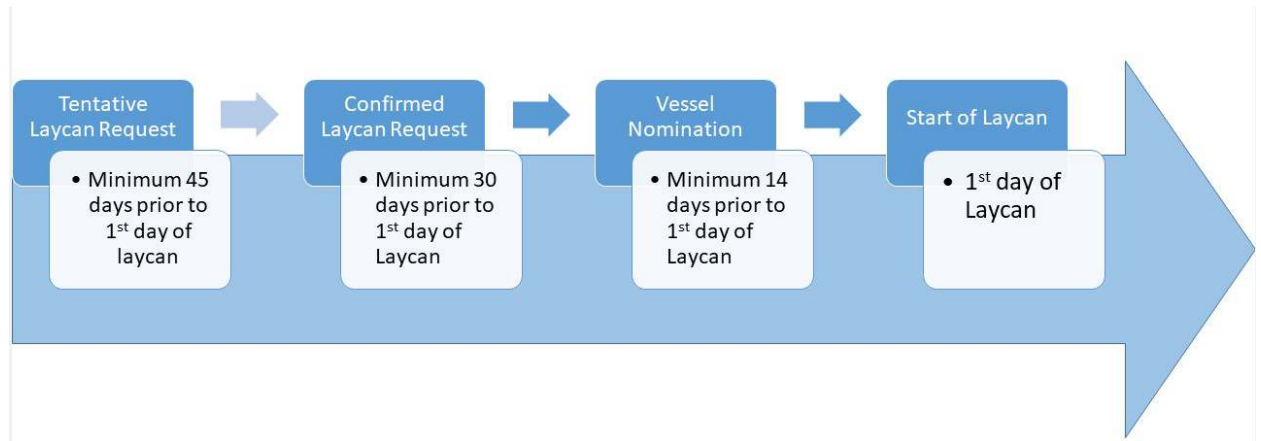
(b) ACCEPTANCE PROCESS

RTI’s acceptance of a tentative Laycan Period request will be evidenced by RTI sending an e-mail to the Shipper. Once the tentative Laycan Period has been confirmed by RTI, a Vessel Nomination can be made to start the Vessel vetting process.

3.6 VESSEL NOMINATIONS

(a) NOMINATION PROCESS

After a requested Laycan Period has been confirmed by RTI, the Shipper must submit, and RTI must receive, a formal Vessel nomination minimum 45 days and no later than 14 days prior to the commencement of such Laycan Period. Following receipt of a Vessel nomination issued as per the conditions outlined above, RTI will respond by reply email within 3 business days.



Vessel nominations will be submitted to RTI by email to central@rti.ca, with a “Read Receipt” requested and addressed:

Attention: RTI Central Control Room

Subject: Proposed Vessel Nomination for Laycan, _____ *[Insert Laycan dates]*

The Shipper must make the request between 8:00 a.m. and 4:00 p.m. Monday through Friday, exclusive of Saturdays, Sundays and Statutory Holidays.

(i) REQUIRED INFORMATION

RTI requires that Vessel nominations be submitted with a completed *Terminal Vessel Nomination Form*; this form will be used to identify preliminary suitability requirements in the Vessel vetting process that occurs pursuant to Section 3.7(b)(i). *Terminal Vessel Nomination Forms* are available upon the Shipper’s request. The Shipper must include the following information when submitting Vessel nominations to RTI:

- (A) Vessel Name and IMO number;
- (B) Assigned Laycan Period;
- (C) Confirmation of the Owner of the Cargo;
- (D) Confirmation of the type of Cargo to be Loaded;

- (E) Amount of Cargo to Load (in Tonnes) with an Owner option tolerance provision e.g. +/- 10%;
- (F) ETA of Vessel to Prince Rupert Pilot Station (Triple Island); and
- (G) Demurrage/despatch amount confirmed through submission of applicable Vessel Charter Party Agreement.

3.7 VESSEL VETTING POLICY

(a) PURPOSE

RTI's Vessel vetting process is used to evaluate, manage, and avoid potential risk. The vetting process involves sourcing and reviewing historical Vessel data in an effort to determine the inherent risk level associated with accepting a nominated Vessel.

(b) VETTING PROCESS

RTI will vet all Vessels nominated for interface with the Berth at the Terminal in accordance with RTI's risk management assessment process.

RTI policy dictates that no Vessel can be classed generically acceptable and all Vessels must be vetted for each proposed nomination. For greater certainty, recommendations are not transferrable between nominations.

RTI employs a two stage comprehensive vetting process for all Vessels nominated for interface at Berth.

(i) STAGE 1 – PRELIMINARY VETTING

Any Vessel nominated to interface with Berth must supply sufficient information to allow RTI to conduct a preliminary investigation as to the subject Vessel's suitability.

Proposed Vessel nominations, having been received in accordance with the above Section 3.6(a), will be subject to a review of the preliminary suitability parameters outlined in Section 3.4(a)(i).

The sole purpose of the preliminary review is to confirm that the Vessel subject to nomination meets the most basic RTI suitability requirements. Upon confirmation of initial suitability, RTI will then undertake the comprehensive vetting in Section (ii).

(ii) STAGE 2 – COMPREHENSIVE VETTING PROCESS

RTI engages an independent third party service to collect and review relevant information pertaining to nominated Vessel condition, performance, integrity, history, safety record, ownership, management, and personnel and fleet performance. From this review, a risk analysis metric is determined to inform the subject Vessel's suitability.

(c) VESSEL APPROVAL AND ACCEPTANCE

Once a Vessel proposed for nomination has successfully gone through the Section 3.7(b) Vessel vetting process, acceptance of such Vessel proposed for nomination, if granted, will be evidenced by RTI’s confirmation via e-mail to the requesting Shipper.

(d) TERMINAL REPORTING/RESTRICTED VESSELS

Vessels approved by RTI will be subject to performance reporting completed by RTI personnel. Such reports will be reviewed and followed up with the Vessel Party, RightShip Pty Ltd. and the Shipper, as appropriate.

If, following review of the Vessel performance reports, in RTI’s sole discretion a Vessel is deemed “Unsuitable”, the Vessel will be placed on the RTI “Restricted Vessel List” and notification of the restriction will be sent to the Vessel Party.

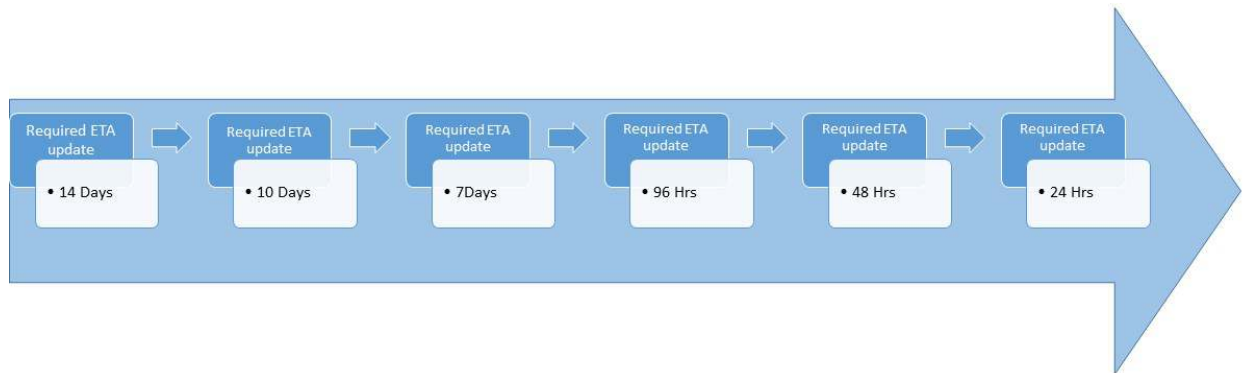
Upon receipt of an unsatisfactory performance report, a Vessel Party will be provided with an opportunity to rectify performance gaps by way of corrective action and follow up reports. If the Vessel Party satisfactorily addresses all performance concerns, the Vessel in question will be removed from RTI’s “Restricted Vessel List”.

3.8 VESSEL PRE-ARRIVAL REQUIREMENTS

(a) ESTIMATED TIME OF ARRIVAL

Once a Vessel Nomination has been accepted by RTI and such Vessel’s Laycan Period has been confirmed, the Vessel ETA must be communicated regularly to RTI via emails addressed to central@rti.ca, with a “Read Receipt” requested. Although such ETAs will be recognized as estimates, the Shipper must ensure that they are as accurate as possible.

The Vessel ETA is an important part of determining the Vessel allocation. As such, the Shipper must provide RTI with updates regarding Vessel ETA at the following intervals prior to the Vessel’s arrival at the Port (entrance at Triple Island Pilot Station (54°19.00’ N, 130° 53.10’ W)): 14 days, 10 Days, 7 days, 96 hours, 48 hours, and 24 hours.



(b) **PRE-ARRIVAL DOCUMENTATION**

Vessels wishing to call at the Berth must supply RTI with pre-arrival documentation 3-days prior to arriving within Port limits. Any information missing from the pre-arrival documentation may result in RTI refusing to allow the Vessel to interface to Berth, with all costs for delays at the full expense of the Vessel and/or Vessel Party.

(i) **REQUIREMENTS**

The pre-arrival documentation provided by the Shipper to RTI must include:

- (A) Vessel Attendance List with all expected Vessel visitors;
- (B) CBSA Crew List;
- (C) Vessel voyage memo listing all ports of call in the last two years and each such port's MARSEC level;
- (D) International Ship Security Certificate; and
- (E) Vessel particulars document.

3.9 **ARRIVAL TO PORT**

(a) **CONDITIONS OF READINESS**

In no event will RTI commence Loading a Vessel until such time as the Vessel has been cleared by all applicable Canadian agencies and authorities, including:

- (i) Transport Canada (Vessel safety and security);
- (ii) PRPA (authorization to enter the Port);
- (iii) CBSA (customs and entry to Canada).

If any Vessel or Vessel Party fails to comply with all applicable laws and regulations enforced by Transport Canada, PRPA, and CBSA, or attempts enter the Port under false pretense, RTI may order the Vessel to either vacate the Berth or wait at anchor until such deficiencies have been rectified, with all associated costs of such delay being to the account of the Vessel Party.

(b) **NOTICE OF READINESS**

(i) **ISSUANCE OF NOTICE OF READINESS**

Notice of Readiness may be tendered by the Vessel after its arrival to Port. NOR may be tendered during or outside of usual Operating Hours, and such Notice of Readiness will be accepted at any time of day or night, including Saturdays and Sundays, but excluding Statutory Holidays, provided:

- (A) The Vessel is within Laycan;
- (B) The Vessel has obtained all requisite governmental approvals, inspections and clearances, including, but not limited to, those required by CBSA and Transport Canada;
- (C) The Vessel is ready and suitable in all respects to receive the Cargo in all holds to be Loaded, with such holds having successfully passed quality inspection; and
- (D) The Shipper has verified that the Cargo is in a condition satisfactory to the Vessel Party and all regulatory authorities for shipment.

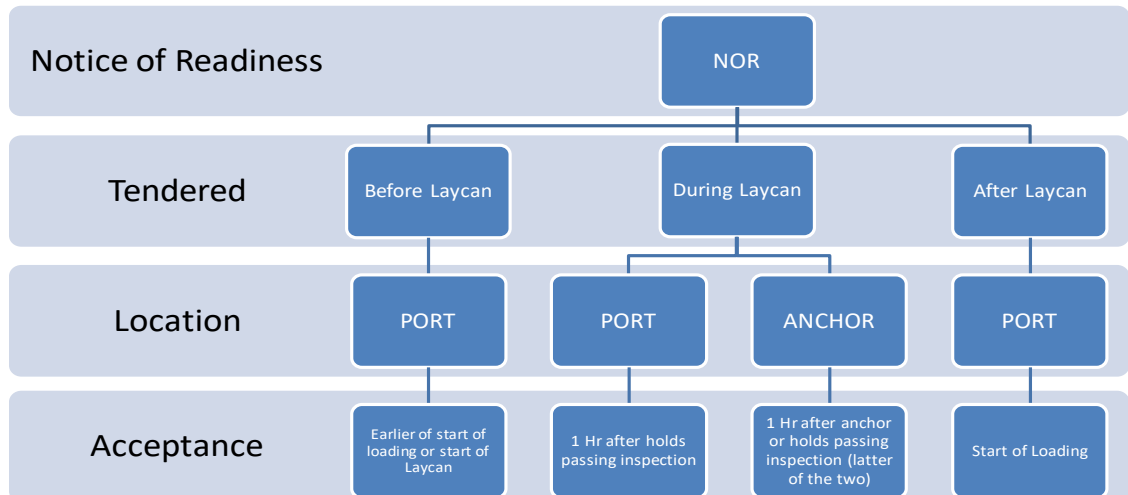
The Vessel Party must tender the Notice of Readiness to RTI in writing and provide RTI with proof that Vessel has obtained CBSA clearance and is in Free Pratique as soon as possible following the tender of the Notice of Readiness. If the Vessel is ordered to await Berth at a place where Free Pratique is not normally granted, Notice of Readiness may be tendered by radio subject to Free Pratique being granted subsequently. If Free Pratique is not subsequently granted and/or provided to RTI, the previous Notice of Readiness will be considered null and void and the Vessel will tender a new Notice of Readiness when it has received Customs clearance, has provided said clearance to RTI and is ready in all respects to Load Cargo.

The tendering of a Notice of Readiness will constitute a written acknowledgement by the Master of the Vessel that, the Vessel, its Master, its Owners, and its charterers are bound by the provisions of RTI's published Rules and Regulations and Tariff, in effect from time to time.

Whenever a Notice of Readiness has been tendered, if not already in Berth, the Vessel will be prepared to come to Berth and commence Loading operations within three (3) hours' notice given by RTI.

(ii) ACCEPTANCE OF NOTICE OF READINESS

After a Notice of Readiness has been tendered to RTI and the tendering Vessel has met all provisions as outlined in Section (ii) above, RTI must accept the Notice of Readiness according to the Notice of Readiness flow chart provided by RTI.



RTI’s acceptance of the Notice of Readiness, on behalf of the Cargo Owner, will be evidenced by a duly authorized representative of RTI providing confirmation of the date and time of acceptance and a signature.

(c) TURN TIME

Turn Time (which is sometimes also referred to generally by RTI as “free time”) means the twenty-four (24) hour time period (or, if the Cargo Sales Agreement or charterparty provides for a longer period, then such longer period will apply), provided to RTI that will precede the start of Laytime.

Turn Time will commence upon the later of:

- (i) RTI’s acceptance of Notice of Readiness; and
- (ii) All Cargo required for Loading being available at RTI.

(d) LAYTIME

Laytime will commence upon the expiration of Turn Time unless Vessel is sooner worked; in which case Laytime shall commence when, by way of Loading performed by RTI, Cargo first enters the Vessel hold.

(e) VESSEL OUTSIDE OF LAYCAN

Any Vessel that arrives at the Terminal and submits a Notice of Readiness prior to such Vessel’s confirmed Laycan Period will be worked using first past the post (based on arrival to port) once laycan has commenced if not earlier worked, at the discretion of RTI at a time convenient for RTI. Vessels arriving or submitting a Notice of Readiness after the confirmed Laycan Period will similarly be worked mitigating loading delays by balancing the demands of all users of the terminal at the discretion of RTI at a time convenient for RTI.

(f) SHIPPER’S CARGO OUTSIDE OF LAYCAN

Any Vessel that, due to a lack of available Cargo required for Vessel’s Loading at RTI, is forced to await to Berth and falls outside of Vessel’s assigned Laycan as a result of waiting for Cargo (STEM incomplete), will be worked mitigating loading delays by balancing the demands of all users of the terminal at the discretion of RTI at a time convenient to RTI.

3.10 VESSEL ASSIGNMENTS

(a) VESSEL ASSIGNMENT

RTI may alter the order of Vessels for Loading when, in RTI’s sole discretion, such an alteration is in the operational interest of RTI.

Vessels may be granted a stay at Berth to utilize RTI facilities in RTI’s sole discretion, with such discretion to be exercised with consideration of certain factors, including without limitation;

- (i) Vessel Laycan Period
- (ii) ETA of the Vessel to the Port; and
- (iii) completeness of Cargo arrivals (STEM) to RTI.

Prior to the issuance of the particular Berth assignment, the Vessel Party must provide, at the option of RTI , either a deposit against estimated Berthage fees or a guarantee regarding payment of the Berthage fees to be charged pursuant to the Tariff.

(b) BERTHING

Upon assignment to Berth, the Vessel must remain ready and be properly crewed, in accordance with applicable law, at all times so that, on order given by RTI in RTI’s sole discretion, such Vessel is able to promptly carry out Cargo Loading operations while alongside Berth, as well as undock and vacate the Berth, 24 hours a day, 7 days a week, with any personnel overtime being at the sole cost and expense of the Vessel.

There is a minimum tug requirement of two dedicated, 65 tonne bollard pull tugs and one line boat. Tugs will be required to rendezvous with the Vessel off of the Berth face. The Vessel will be required to interface port side to Berth face and will require 12 lines minimum in a 4-2 arrangement.

(i) COMMUNICATIONS

While docking at Berth, the Master and Pilot will maintain communication with RTI via either of the below methods.

Primary – Radio	VHF Marine Channel 17	TX – 156.850 RX – 156.850
-----------------	-----------------------	---------------------------

Secondary – Telephone	RTI Shift Coordinator	1.250.627.3588
Email	RTI Central Control Room	central@rti.ca

(c) VESSEL RESPONSIBILITIES AND REQUIREMENTS

(i) PRIOR TO BERTHING

Prior to a Vessel interfacing at the Berth, the following conditions must be met:

- (A) The Vessel has complied with all Federal regulations and Port Regulations, has obtained Free Pratique, and has verified both of the foregoing to RTI through its issuance of a valid Notice of Readiness;
- (B) The Vessel will ensure it arrives ballasted and trimmed in a condition ready to accept a continuous flow of cargo in accordance with the coal loading plan approved by both the Vessel and RTI;
- (C) RTI’s air draft limit will be met given the tide at the expected time of entry;
- (D) The Vessel has a suitable support and location for RTI’s gangway to be placed mid-ship on the Vessel deck once all lines are fast;
- (E) All Cargo holds are clear of waste material, previous cargo or other foreign objects (other than holds containing ballast);
- (F) All mooring lines on winches have been flaked on deck and spooled correctly onto the drum, with the line tightly packed and correctly layered; and
- (G) If wire ropes are to be used for mooring the lines company has been notified (via agent) and fiber tails will be used.

(ii) PREPARATIONS FOR BERTHING

The Vessel must meet the following requirements prior to berthing:

- (A) The Master of the Vessel is aware of typical mooring arrangements at the Berth;
- (B) The Vessel personnel is aware of how communication will occur with the shore mooring party;
- (C) All head and stern lines on the Vessel have a 3-meter tail of light rope spliced into the eye; and

- (D) When the Vessel is running lines ashore Vessel personnel will control how quickly line is paid out and ensure that an excessive amount of line is not flaked on deck.

(iii) ONCE ALONGSIDE BERTH

When a Vessel is berthing and/or is berthed at RTI, the Master will be solely responsible for the safety of the Vessel and its personnel. Any Vessel in Berth will at all times maintain appropriate officers and personnel aboard the Vessel in order to maintain an alert watch and respond to emergencies. In addition, the following requirements must be complied with while the Vessel is in Berth:

- (A) The Vessel will allow for safe access via RTI gangway as soon as possible after all lines are fast.
- (B) The Vessel power plant and trim are maintained in a state of readiness to respond to emergency situations and to avoid delays in vacating the Berth;
- (C) All personnel on the Berth will wear personal protective equipment and such other safety equipment or gear as required by RTI at all times. Vessel personnel will adhere to this requirement when on the dock and when transiting the walkway system to and from the docks.
- (D) RTI will not provide the Shipper with services of any kind for hazardous materials, substances or wastes, and Cargoes which are of a highly flammable, radioactive, explosive, noxious or dangerous nature, or reactive to personnel except under advance arrangement with RTI accompanied by full disclosure of the hazardous characteristics, risks and special handling requirements of such Cargo as outlined by Material Safety Data Sheets. In such case, negotiated rates and charges will be applied.
- (E) Vessels must not violate any air emission standards applicable in the vicinity of RTI facilities covered under the *Canada Shipping Act, 2001* including smoke discharge from the Vessel funnel.
- (F) (F) Vessels must not clean their decks, nor discharge any oily waste or unclean water, in the vicinity of RTI facilities or while alongside in Berth, and must similarly prevent any other actions which would violate the *Canada Shipping Act, 2001*.

In addition to the foregoing, the Master of the Vessel must be aware that RTI personnel will board the Vessel as soon as it's safe to access the Vessel and meet a Vessel representative to complete all necessary arrival and pre-Loading documentation.

(iv) DEAD BERTH

In the event that the Vessel does not comply with these Rules and Regulations and an alternate Vessel is immediately available for Loading operations, RTI may, in its sole discretion and without liability to any party, bypass the subject Vessel and permit an alternate Vessel to come to Berth first. The foregoing applies even if the alternate Vessel filed its Notice of Readiness later than the subject Vessel.

In addition, if the subject Vessel is ordered to Berth and, due to circumstances or conditions within the control of or due to the fault of the Vessel, there is a delay in delivery of the Vessel coming to Berth in excess of 3 hours from the time that the Vessel was ordered to Berth, the Vessel Parties including its Owner(s), operator(s), charterer(s) and agent(s) will be responsible, jointly and severally, for a Dead Berth charge as set out in the Tariff.

(v) FAILURE TO COME TO BERTH

If the Vessel is ordered to Berth and does not attempt to come to Berth for the Order To Berth time or shift from anchorage to Berth at the time that the Vessel was ordered to Berth due to circumstances or conditions within the control of or due to the fault of the Vessel, the Vessel Parties including its Owner(s), operator(s), charterer(s) and agent(s) will be responsible, jointly and severally, for a Failure to Come to Berth charge, as set out in the Tariff.

(vi) NOTICE TO VACATE BERTH

If the Vessel does not vacate the Berth when so ordered by RTI, in addition to the liquidated damages outlined by Dead Berth charge as set out in the Tariff, the Vessel and the Vessel Party will be responsible to pay RTI all costs (including, but not limited to solicitor's fees determined on a solicitor and own client basis) and expenses incurred by RTI in connection with the moving of the Vessel.

(vii) TUG SERVICES

In consultation with the Pacific Pilotage and Port Sections Guide, when entering or leaving the Berth, Vessels must engage tug services as prescribed by Section 3.10(b) of these Rules and Regulations. The cost of tug operations will be at the sole expense of and for the account of the Vessel and the Vessel Party without refund or credit against any charges due and owing to RTI. If, in the opinion of RTI, the weather or other conditions so warrant, each Vessel upon entering and leaving or lying at Berth (including shifting within the Berth) may be required to make use of additional tugs, depending on the size of the Vessel, which additional tugs will similarly be at the sole risk and expense of the Vessel and the Vessel Party. The Vessel agent will arrange for and pay all charges for towage services directly with a tug provider accredited to RTI's operations.

3.11 MOORING

(a) MOORING OPERATIONS

All Vessels must furnish safe ingress and egress from the Vessel at all times while in Berth. Upon berthing, the Vessel will immediately and at all times provide adequate lighting, equipment and appropriate officers and personnel aboard to permit Loading of Cargo at any time of the day or night, including Saturdays, Sundays and Statutory Holidays.

(i) MASTERS RESPONSIBILITY FOR LINES

It is the Master of the Vessel's sole responsibility to ensure the safe mooring of the Vessel in accordance with industry standards and the *Canada Shipping Act, 2001*, as well as such other specifications as may be indicated by RTI from time to time, including without limitation the following requirements:

- (A) Mooring lines must be kept taut and secure at all times. Regular inspections and adjustments must be performed as the Vessel's vertical height relative to the Berth varies as a result of Loading operations or tide height.
- (B) All mooring lines must be of a suitable type and in adequate condition.
- (C) Shipboard winches brake hold capacity must be set at a level that will ensure the Vessel remains secured along the Berth face yet allows for the winch to render before lines are snapped.
- (D) Mooring layout should be correct for prevailing conditions.

(ii) LINE HANDLING

The Master and qualified and certified personnel of every Vessel will provide assistance in handling lines and operating deck machinery. An English-speaking deck officer must be available to ensure timely response to directions given by any representatives of RTI relating to the handling of lines. RTI representatives will position lines on the shore side. Line handling for docking and undocking of Vessels in Berth and at the buoys will be charged at the rate provided in the Tariff.

At all times the Master of the Vessel will be responsible for monitoring lines and ensuring lines are tended and taut to keep Vessel in position along the Berth face.

(iii) VESSEL SHIFTING

Any Vessel which is required to shift/warp within the Berth will be responsible for any/all expenses pertaining to shifting/warping including, but not limited to, line handling, pilot, tug(s) and applicable Vessel delay charges.

(iv) GANGWAY

RTI provides the use of a gangway subject to and in accordance with RTI Gangway Safety Notice issued upon arrival. The Vessel's Master will be required to review and acknowledge RTI Gangway Safety Notice terms prior to commencement of Loading operations.

3.12 **LOADING OPERATIONS**

The Vessel Party will be solely responsible for the stowage of the Cargo. Cargo will be stowed within the Vessel only in areas where grabs and equipment spouts can reach, subject to Vessel design capability.

(a) **CARGO DECLARATION**

Loading shall not commence until the Master of the Vessel is in possession of a Cargo Declaration identifying the specifications of the type and grade of Cargo to be Loaded. RTI is not responsible for providing Cargo Declarations on behalf of the Shipper and encourages Vessels to obtain Cargo Declarations through their appointed agency.

Cargo Declarations must include the following Cargo particulars:

- (A) Moisture content;
- (B) Transportable Moisture Limit;
- (C) Stowage factor;
- (D) Angle of repose;
- (E) Susceptibility of the Cargo to emit methane or self-heat; and
- (F) Cargo emergency handling procedures.

(b) **LOADING PLAN**

Preliminary Load Plans may be submitted at any time following acceptance of Vessel nomination from RTI. It will be the responsibility of the Master to ensure that Load Plans account for all Cargo particulars identified within the Cargo Declaration.

(i) **REVIEW OF LOAD PLAN**

The Vessel Party must submit a Final Load Plan for the Vessel at least 48 hours prior to Vessel berthing and RTI must approve such Final Load Plan before the Vessel will be called to Berth.

If the Load Plan is submitted less than 48 hours prior to Loading, RTI may, in its sole judgment, refuse to call the Vessel to Berth until a Load Plan has been submitted by the Vessel and

accepted by RTI. Any delays or charges associated with the late submission of a Load Plan will be for the full account of the Vessel and/or Vessel Party.

Any changes to a Load Plan that has already been accepted must be agreed upon by RTI and the Vessel Party requesting such changes. Any delays caused by a requested change to the Load Plan will be for the full account of the Vessel and/or Vessel Party.

(ii) LOAD PLAN REQUIREMENTS

The Load Plan must set out details of the Vessel's stowage plan, hatch Loading sequence, ballasting/de-ballasting operations, and any requirement to access cargo holds.

Vessels Loading at RTI must prepare two separate Load Plans to account for either single or dual loader Loading operations.

When completing the Load Plan, the Master of the Vessel must take into account and provide details pertaining to the following:

- (A) Port and RTI ingress/egress requirements.
- (B) If Loading more than one type of Cargo, each type of Cargo must be Loaded to completion before commencing each subsequent type of Cargo.
- (C) The number of passes to each Cargo hold should be minimized. When possible, holds should be Loaded in a single pour. Prior to trimming, the maximum number of passes per hold is two.
- (D) When the Load Plan calls for two passes per hold, initial passes should be as large as possible and rounded to the nearest 500 Tonnes.
- (E) The Load Plan should provide for, at minimum one and no more than two, interim surveys prior to undertaking hatch trimming/final Cargo placement.
- (F) At no time should the Load Plan allow for the Vessel to become in a negative trim position (down at the head) at the completion of any pour sequence.
- (G) Following the interim survey, two trimming passes per hold will be permitted. Trim passes must be of only one Cargo type and must be a minimum of 500 Tonnes per pour.
- (H) Load Plan must take into account de-ballasting time and be configured so as to eliminate stoppages resulting from de-ballasting operations.
- (I) Vessels that are Loading to summer draft or are voyaging to a draft restricted port must indicate such on the Load Plan.

- (J) Vessels must at all times meet and adhere to RTI Air Draft restrictions outlined in Vessel Suitability Requirements herein.

(c) COMMUNICATIONS

Throughout the duration of Loading, the Vessel's Chief Engineer will maintain contact with RTI. RTI will supply the Vessel with a ship to shore cell phone to ensure lines of communication are maintained.

(d) VESSEL LOADING RESPONSIBILITY

The Load Plan is the sole responsibility of the Master or authorized Vessel Party representative and RTI will be under the continuous direction of either such party. The Load Plan must ensure that the Vessel is maintained in trim and the engine(s) in a condition that the Vessel could leave the Berth on short notice (i.e. less than 60 minutes). RTI's sole obligation is to Load in accordance with the Load Plan and RTI will have no obligation if such Load Plan is unsafe or deficient in any manner.

(e) DE-BALLASTING

Vessels shall arrive to Berth with minimum ballast so as not to delay Loading operations. The de-ballasting capacity of any Vessel calling at RTI must be of a volume such that, at a minimum, the Vessel can accommodate a continued Loading rate of 4,500 Tonnes per hour (mtph) for a one ship loader Load Plan or 9,000 mtph for a two ship loader Load Plan.

(f) TRIMMING

At the interim draft survey stage, calculation of the final trim tonnage requirement will be determined by Vessel. The minimum trimming amount is 500mt's per hatch over two hatches maximum and must be of a singular Cargo type.

(g) COMPLETION OF LOADING

All Cargo contained on RTI's out-Loading conveyance system must be run off into the Vessel at the completion of Loading operations. RTI representatives will provide an estimate of the quantity anticipated. It is essential that the inadvertent overloading of Vessels be prevented since there is no cargo discharge facilities available at the Terminal.

Any Vessel that cannot complete Loading due to a lack of Cargo (STEM incomplete) may be required to vacate the Berth within one hour of completion of Loading all available Cargo, as the Vessel will be deemed to have completed Loading.

A Vessel that is lacking further Cargo to Load (STEM incomplete) may, in RTI's sole discretion, be allowed to dwell at Berth while awaiting arrival of STEM, with all charges for delays and lost opportunity at the full expense of the Shipper and/or Vessel Party.

RTI will not be held responsible for any short shipments or dead freight claims as a result of the Vessel calling, and being refused, for additional tonnage following the completion of final draft survey.

(h) CARGO WEIGHT DETERMINATION - SHIPPED CARGO

To maximize Cargo Loading and meet Load Plan targets, it is imperative that the Vessel perform interim draft checks prior to undertaking final Cargo trimming operations.

(i) INTERIM DRAFT CHECK

RTI will allow each Vessel two (2) interim draft checks which are not to exceed a period of 30 minutes each. Interim checks will be at the expense of the Vessel Party and will not count as Laytime.

Final Cargo requests and/or adjustments to the Load Plan must be agreed upon by RTI and the Master, and the Master must make any such requests known to RTI as soon as possible following the completion of the interim check(s).

Any Vessel exceeding the allotted time for draft checks may be assessed the Dead Berth fee as set out in the Tariff.

(ii) FINAL DRAFT SURVEY

The tonnages Loaded onto a Vessel will be determined by a marine surveyor designated by the Shipper, and satisfactory to RTI, by the survey of the Vessel's draft and utilization of the Vessel immersion scale weights to the nearest Tonne. The Certificate of Weight prepared by such marine surveyor will be conclusive of the final tonnage Loaded. The costs incurred in connection with hiring the marine surveyor will be for the Shipper's account, and the Shipper will cause the marine surveyor to deliver a copy of the draft survey to the Shipper and RTI immediately following the completion of the survey. RTI may have a representative of its own choosing present at all times when the weights are being computed or calculated by the marine surveyor.

In the event an accurate draft survey cannot be made for any reason, the tonnages Loaded will be measured by RTI's conveyor scale weights.

(i) WEATHER

Where, in the opinion of either the RTI or the Master, weather conditions make Loading perilous, RTI will cease Loading operations and record the occurrences and durations of non-working periods.

Exceptional weather events may restrict Vessel movement within the Port area. Port entry and departure times may be changed at the discretion of RTI should the need arise as a result of any such events.

(j) DEPARTURE FROM BERTH

Vessel will vacate the Berth within one (1) hour of completion of Loading. If any Vessel refuses or fails to vacate the Berth when ordered to vacate, RTI will be entitled to charge and recover as liquidated damages from the Vessel and each Vessel Party the sum specified in the Tariff for failing to comply with a Notice to Vacate Berth, regardless of any intervening circumstances of any nature. If the Vessel does not timely vacate the Berth, the Vessel and Vessel Party will be, jointly and severally, subject to, in addition to the liquidated damages above, all costs (including but not limited to solicitor's fees) and expenses in connection with the moving of the Vessel.

3.13 REGULATORY AUTHORITIES AND SAFETY

All Vessels calling into RTI will ensure that they are capable of operating in a safe, efficient and environmentally responsible manner, compliant with all applicable rules and regulations, including without limitation those outlined by:

- (A) PRPA's Port Operating Regulations;
- (B) Transport Canada, in the Canada Marine Act, Canada Shipping Act, 2001, and Marine Transportation and Security Regulations; and
- (C) International Maritime Organization, in the Safety Of Life At Sea Convention and supporting codes.

(a) PRINCE RUPERT PORT AUTHORITY

The PRPA is responsible for overseeing the waters within Port boundaries and the safe operation of all Vessels that call into these waters.

The Port Regulations and information may be found at <http://www.rupertport.com/>

(i) HARBOUR MASTER

The Harbour Master can be contacted 24 hours a day via the PRPA Port Security Operations Center (PSOC), at (250) 627-2522 or VHF Channel 68, for all emergencies, including collision, grounding, striking, pollution, fire on a Vessel, man overboard, and medical emergency. Once the emergency service has been called, the Master must immediately call the RTI operations control centre at (250) 624-9511 so that proper directions can be given to emergency vehicles arriving at RTI .

Any Vessel within PRPA harbour limits wishing to undertake repairs of any nature must first obtain express permission and consent from the Harbour Master's office, and if permission is granted, then all requirements stipulated by the Harbour Master must be followed. Personnel aboard a foreign Vessel are also restricted by the work they may perform without permission/work permit from HRSDC and/or subject to the *Coasting Trade Act* (should they be on a CTA licence). The Harbour Master may require a tug (or tugs) to be in attendance when a

Vessel undertakes repairs to its main engines and/or other machinery affecting the seaworthiness of the Vessel.

The Vessels acknowledge that no hot work may be performed onboard any Vessel within Port without a “Hot Work” permit issued by the Harbour Master’s office.

(b) TRANSPORT CANADA (MARINE SAFETY BRANCH)

Transport Canada oversees the safe and responsible operation of all Port Authorities within Canada. Vessels should be aware that there are Marine Communication and Traffic Services (“MCTS”) systems in operation in the coastal waters of British Columbia. Traffic routing systems are set out on the appropriate charts. Details on MCTS procedures are available in the latest Canadian “Notice to Mariners” Annual Edition, or by contacting any MCTS Traffic Centre at (604) 666-6011.

Transport Canada has established notices and regulations governing requirements and precautions for Vessels Loading coal in Canadian waters. These regulations are contained in Transport Canada publication TP No. 10944, “Notice to Shipmasters Loading Coal”. RTI requires, and the Shipper agrees, that all Vessels must be familiar with these requirements before arriving at the Terminal.

(c) VESSEL SAFETY RESPONSIBILITIES

A three-digit telephone number (911) is the emergency number to contact fire, police, and ambulance. This number applies both at RTI and throughout the entire Port of Prince Rupert area.

When a Vessel is at RTI , it is expected that the Master will give priority to the safety of his Vessel and RTI in accordance with the normal practice of good seamanship and with Marine Personnel Regulations. The Master is responsible for safe mooring at the Berth, and all Cargo handling operations on Vessel.

The following safety protocols are to be followed, with such representing both the generally accepted and practiced protocols in the marine transport industry together with additional protocols specific to RTI:

- (A) The Vessel will have a sufficient number of personnel to attend moorings, conduct Cargo Loading operations safely, and enable prompt Vessel departure from the Berth in an emergency.
- (B) Vessel mooring lines will be tended to keep Vessel in position and lines taut at all times.
- (C) Vessel gangways and access will be tended and kept safely rigged and illuminated.

- (D) No person will remove or interfere with any lifesaving gear or appliance except for the purpose of saving life.
- (E) No person will smoke or light matches or fires within the Terminal, except where expressly permitted.
- (F) No person will discharge any firearm, or explode any detonator or other signal, except as a signal of distress, nor use any explosive on any Vessel or otherwise within the Terminal.
- (G) The Vessel's radar must not transmit during the Loading operations that utilize ship loaders.
- (H) No one will leave a Vessel unless wearing a life jacket (personal flotation device), safety vest or suitable reflective clothing, safety boots and a hard hat. Entry to the RTI seaside area will be denied without this required protective clothing. The Vessel's agent may obtain spare life jackets from RTI's security department. Such will be provided on a loaner basis and must be returned to RTI prior to the Vessel's departure. Any losses of any such borrowed life jackets will be to the account of the Vessel.

(d) VESSEL SECURITY RESPONSIBILITIES

Further to the Government of Canada programs under the *Marine Transportation Security Act*, a compliance security certificate has been issued for the Terminal. This certificate certifies that the compliance of the port facility with the provisions of the *Marine Transportation Security Regulations* has been verified and that the port facility operates in accordance with an approved port facility security plan.

(i) ACCESS CONTROL

All persons who wish to enter or depart RTI's restricted areas will be required to show a valid Port Pass ID card (photo identification badge) to the Security Guard and advise of their business reason for access. Only persons with both a valid Port Pass ID card and business requirement will be allowed access.

Persons without a valid Port Pass ID card will be directed to a secondary inspection area where picture proof of identification and a valid business reason must be given before access will be granted via the issuance of an RTI visitor pass. While at RTI, all persons are required to wear their Port Pass ID card or visitor pass above the waist.

The "Marine Facility Security Officer" and the RTI Security Station are to be advised of all Vessel visits by chandlers, contractors, visitors, family members, delivery personnel, and others in advance of all such persons/services arriving at the Terminal. This notice is to be circulated through the Vessel Agent. Personnel leaving the Vessel must also advise the Security Station prior to departing the Terminal.

(ii) MARSEC LEVEL CO-ORDINATION

When notified of an increase in the MARSEC level, RTI will ensure that the Vessel(s) interfacing with the Terminal are notified of the new MARSEC level and the declaration of security is updated accordingly.

(e) VESSEL ENVIRONMENTAL RESPONSIBILITIES

In the event of a spill of petroleum products or other toxic materials, the Vessel at fault is responsible for clean up under the *Canada Shipping Act, 2001*. If the cleanup is not satisfactory, Harbour Master or the Canadian Coast Guard may initiate clean up at the expense of Vessel.

The *Canada Shipping Act, 2001* requires all Vessels to have a shipboard oil pollution emergency plan, which must incorporate the name of Vessel's response authority and a designated response organization. Vessel's response authority is the person(s) designated to initiate the response plan with the response organization.

(f) LIMITATION OF LIABILITY

- (i) No act, matter or thing done or omitted to be done by RTI, its directors, officers, employees or agents, or by any person acting with the authority of RTI, in good faith and without negligence for the purpose of the construction, management, operation, maintenance and/or use of the Terminal, any harbour works, or of the Port or approaches thereto, or for the purpose of Loading, Unloading, regulating, mooring, moving, directing and/or managing Trains or Vessels, will subject RTI or any person as aforesaid to any liability in respect thereof, provided that nothing in these Rules and Regulations will affect or diminish any liability of any person to RTI.
- (ii) Notwithstanding that RTI may have acted negligently or willfully, neither RTI nor any director, officer, employee or agent of RTI will be under any liability to any person for:
 - (A) Any loss, damage or injury to any Vessel while at Berth; or
 - (B) Any loss, damage, injury or expense arising out of any failure to ensure that a Berth or access to RTI, or any harbour works or any part thereof is made available (either at all, or at any particular time, including any time previously notified or agreed) to any Vessel.
- (iii) RTI, its directors, officers, employees and agents, shall in any event be entitled also to the same exceptions, exemptions, restrictions and limitations of liability provisions of all contracts of affreightment as are set out in the User's favour in any bill of lading or similar document relating to the Cargo in question. User agrees that in no event shall RTI have any liability in excess of that of the User respecting loss or damage of Cargo and agrees to hold RTI harmless from and

indemnify it against any liability incurred by RTI in excess of that of the User respecting loss or damage to Cargo.

- (iv) In any legal or other proceeding in which destruction, damage, loss or disappearance of the Cargo is in issue, the burden of proving the fact of such destruction, damage, loss or disappearance, the cause thereof, and the responsibility therefore, will lie always with the claimant; RTI, its directors, officers, employees and agents, being at all times presumed to have exercised due care in the custody and handling of the Cargo until the contrary is specifically proved by evidence.
- (v) Notwithstanding any liability or alleged liability of RTI under these Rules and Regulations or otherwise, Users and any other persons responsible for charges under the Tariff shall not be entitled by reason of any such liability or alleged liability to any deduction from, reduction of, set-off against or waiver of any such charges payable under the Tariff, all of which shall be paid in full as and when due.
- (vi) The exclusions, exemptions and limitations of liability set forth and referred to above are cumulative and are in addition to and not in substitution for or in limitation of any other clauses excluding, exempting or limiting liability as set forth in these Rules and Regulations or any other exclusions, exemptions or limitations of liability upon which RTI may rely at law or in equity.

(g) VESSEL PROVISIONING AND REPAIRS

(i) BUNKERING

Absent RTI's prior written approval, no bunkering or taking aboard of bulk lubricants will be allowed at RTI. In addition, the transfer of bunker/diesel fuel internally on board Vessels is strictly forbidden.

(ii) POTABLE WATER

Vessels are responsible to make arrangements for delivery of potable water.

(iii) PROVISIONS TO VESSEL

Delivery of provisions or Vessel stores to any Vessel berthed at RTI will be the responsibility of the Vessel agent and require the prior written approval of RTI. The granting of such approval will be subject to a determination by RTI whether such activities will interfere with Cargo operations, RTI maintenance, or Vessel arrivals, departures, or shifting. The Vessel agent must be present when provisions are to be brought on to a Vessel, or RTI will not allow the provisioning. Charges related to facilitating the movement of provisions or Vessel stores to a Vessel at the Berth will be as set out in the Tariff and must be paid in full or guaranteed on

account prior to service being rendered. All garbage and residue from Vessel provisions will be removed by the Vessel Parties or be subject to a garbage removal charge set out in the Tariff.

(iv) REPAIRS

Once the Notice of Readiness has been tendered, no repairs that would impede the movement of the Vessel or that would interfere with Cargo transfer operations or affect safety will be undertaken.

No Vessel repairs of any kind will be permitted while Vessels are interfaced with the Berth.

(h) DAMAGES

RTI may sue the Vessel and Vessel Party for damages in any court of competent jurisdiction for any injury, damage or loss caused by such Vessel to any harbour works or to any works or property, or under the management or control, of RTI, provided that, without limiting the generality of the foregoing, the Vessel at the direction of RTI will repair and make good to the reasonable satisfaction of RTI any such injury, damage or loss.

(i) TERMINAL TECHNICAL INFORMATION:

The following information is applicable to the Berth and is for the assistance of and will be used by Vessels contemplating Loading at RTI:

(i) DOCK SPECIFICATIONS:

- (A) Maximum water depth at the Berth: 22 metres
- (B) Dolphin type Berth with berthing dolphins of 150 metres, and mooring dolphins of 370 metres
- (C) Maximum berthing velocity of 0.15 m/s

(ii) MAXIMUM VESSEL SIZE:

- (A) 325 metres LOA
- (B) 50 metres beam
- (C) 20 metres draft
- (D) 250,000 DWT

(iii) SHIPLOADER SPECIFICATIONS:

- (A) Two quadrant slewing shiploaders with a Loading rate capacity of 4,500 TPH each; 9,000 Tonnes per hour combined

- (B) Can Load Vessels built with maximum air draft of 27 metres over cargo holds, measured from HHW with Vessel in fully de-ballasted condition
- (C) Outreach of 43 metres
- (D) The overall hatch length of the Vessel should not exceed 240 metres.