
GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains terms used in this document as they relate to our business. As such, these terms and their meanings may not always correspond to the standard industry meaning or usage of these terms.

“Baltic Dry Index” or “BDI”	an index of the daily average of international shipping prices of various dry bulk cargoes from key dry bulk routes published by The Baltic Exchange Limited in London and is a composite of average charter rates for capesize, panamax and supramax charter rates, namely the Baltic Capesize Index (BCI), Baltic Panamax Index (BPI) and the Baltic Supramax Index (BSI)
“bareboat charter”	an arrangement for the hire of a bare vessel whereby no administration or technical maintenance is included and where the charterer obtains full possession and full control of the vessel
“BIMCO”	The Baltic and International Maritime Council, an international shipping association representing shipowners and the world’s largest direct membership organisation for shipowners, charterers, shipbrokers, and agents
“bunker”	fuel, consisting of diesel or heavy fuel oil, used for vessels
“CAGR”	compound annual growth rate
“capesize”	vessels whose weight carrying capacity is approximately 100,000 dwt or larger
“chartered-in vessels”	vessels which we chartered from vessel suppliers primarily under period-based time charters and trip-based time charters (TCT), and occasionally under voyage charters, and we typically are not required to manage these chartered vessels
“charterparty(ies)”	contract(s) for leasing of a vessel
“charter hire”	the sum paid to the shipowner by a charterer for the use of vessel under a charterparty
“classification society”	an independent organisation that certifies that a vessel has been built, delivered and maintained in accordance with the rules of such organisation
“COA”	contract of affreightment, a type of charterparty which covers a series of voyage (instead of a single voyage) over a fixed period of time and the freight charges are pre-determined under the contract made between a shipowner and a charterer
“COLREGS”	International Regulations for Preventing Collisions at Sea

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“controlled vessels”	vessels which we (i) self-owned; (ii) jointly-owned with our business partners; (iii) chartered from finance leasing companies under finance lease arrangements; and (iv) chartered from vessel suppliers under bareboat charters
“demurrage”	a pre-determined penalty payable by the charterers of a vessel to the shipowner where the charterers fail to load and unload cargo from a vessel within the agreed period of laytime
“despatch”	a pre-determined incentive payable by the shipowners of a vessel to the charterers if the charterers completes loading and unloading cargo from the vessel earlier than the agreed period of laytime
“dry bulk”	cargoes which are not in packages or containers, and generally shipped loose in the hold of a ship without mark and count
“dry-dock”	a facility or establishment where a vessel can be removed from the water for inspection, maintenance and/or repair of submerged parts
“dwt”	an acronym for deadweight tonnage, a measure expressed in metric tons or long tons of a ship’s carrying capacity, including cargoes, bunker, fresh water, crew and provisions
“fixed period time charter”	an arrangement whereby a shipowner hires out the vessel for a specified period, whereby the shipowner is required to provide and pay for the crew and other fixed cost of the vessel (such as insurance, repair and maintenance), while the charterer may, at its disposal, select the ports and direct the vessel where to go, and shall generally pay for all bunker, port charges and other costs that are directly related to the voyage. Charter hire under a fixed-period time charter is generally charged on a per day basis for the charter period, and is customarily paid periodically in advance
“flag of convenience” or “convenience flag”	a business practice whereby a vessel is registered under the laws of a country (i.e. the flag state) different from the laws of its shipowners
“flag state”	the country where the vessel is registered
“handymax”	vessels whose weight carrying capacity ranges from approximately 40,000 dwt to approximately 50,000 dwt
“handysize”	vessels whose weight carrying capacity ranges from approximately 10,000 dwt to approximately 40,000 dwt

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“IMO”	International Maritime Organisation, a United Nations agency that issues international trade standards for shipping
“ISM Code”	International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention
“ISPS Code”	the International Ship and Port Facility Security Code, an amendment to the SOLAS Convention
“laytime”	the amount of time allowed for the charterer of a vessel to load and unload cargo from a vessel
“LIBOR”	London Inter-Bank Offered Rate
“MARPOL Convention”	International Convention for the Prevention of Pollution from Ships
“MLC”	the Maritime Labor Convention
“off-hire”	the period a vessel is temporarily unable to perform the services for which it is required under a period-based time charter and a trip-based time charter, or the period between two charters
“panamax”	vessels whose weight carrying capacity ranges from approximately 70,000 dwt to approximately 100,000 dwt
“port charge”	a general term which includes charges and dues of every nature assessed against a vessel, cargo and passengers in a port. Such charges can be classified into three categories: (i) charges in relation to the vessel such as vessel tonnage tax, vessel port dues, pilot fee and towage, (ii) charges in relation to the cargoes such as cargo port duties, loading and unloading fees and cargo handling fees and (iii) other expenses such as ship repairing costs and advances by the crew
“SOLAS Convention”	the International Convention for the Safety of Life at Sea
“STCW”	International Convention on Standards of Training, Certification and Watchkeeping for Seafarers
“stevedores”	a person or a company who manages the operation of loading or unloading of cargo from a vessel
“supramax”	vessels whose weight carrying capacity ranges from approximately 50,000 dwt to approximately 58,000 dwt

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“TCT”	an abbreviation for time charter trip or trip-based time charter, a time charter with attributes of both time and voyage charters where the charter is typically for a certain trip or voyage, as with a voyage charter, but charter hire is payable (not freight), as with a typical fixed-period time charter
“time charter”	period-based time charters and trip-based time charters
“ultramax”	vessels whose weight carrying capacity ranges from approximately 60,000 dwt to approximately 66,000 dwt
“voyage charter”	an arrangement for the hire of a vessel under which the shipowner is paid on the basis of the cargo movement from the loading port to the unloading port. The shipowner is generally responsible for paying both operating costs and voyage costs and the charterer is generally responsible for any delay at the loading or discharging ports