

LOGISTICS AGREEMENT

Between Karlshamns Hamn AB, registration number 556016-9467, below called The Port and Wasco, below called Wasco, the following agreement has been signed this day. *CoAT-93 Germany GmbH*

Preamble

Wasco has expressed a need of storing of pipes and related logistic activities at The Port pursuant to the Nord Stream 2 Project. The Port has expressed a will to fulfill these needs.

The scope of the The Port's obligations is to provide the Port facilities, storage area and stevedoring labour for the period of the Project as described in Clause 1.

No claim can be made against the Port for any delays that are a direct result of a delay in the issuance and delivery of the Byggnadslov necessary to perform its obligations under the Contract.

If within 15 days of signing this Contract, the Port has not been issued with the relevant Byggnadslov to permit the work then the Port, on request of WASCO, shall produce a concise report, for Wasco's review, on the status and honest and fair prognosis of potential outcome. Wasco will then have the right to terminate the Contract, with no financial penalty or obligations or liabilities, if the imminent and successful outcome of the Byggnadslov does not in their opinion to be forthcoming.

1. The Ports obligations

The Port commits to provide the following for the purpose of the Project:

- Port facilities for unloading and loading activities.
- Storage area to be prepared for storage of pipelines and related logistic activities.
- Stevedoring labour for unloading standard working hours (7-16) (appendix 1)
- Stevedoring labour for loading activities 24-hours SSHINC(appendix 1)
- Stevedoring labour for transportation of pipes to and from the storage area.
- Stevedoring labour for handling of the pipes on the storage area.
- Material and services for berm construction and maintenance according to Wasco's specification.
- Land maintenance services (such as snow removal, sanding, sweeping, measures against dust etc.). These services shall be agreed on separately.
- Back-up machinery if available, such as but not limited to cranes and tug masters.

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The services rendered by The Port shall be executed in professional manner and by the use of well maintained equipment.

2. Wasco's obligations

Wasco commits to provide the following for the purpose of the Project:

- Payment for the services rendered by The Port according to clause 6.
- An appropriate liability insurance covering their liability under this Agreement and under General Law.
- To provide The Port with adequate machinery, such as but not limited to cranes, reach-stackers and tug masters, for the unloading and loading operations.
- To provide The Port with information according to clause 3 and 4.
- To deliver an approximate amount of 28,000 pipes for the duration of this Agreement. However, the volume of pipes may change due to the logistics.
- Project management for the project.
- If Wasco need access to more land both parties will with joint resources try to get that.

All Wasco personnel that must be approved by the Port before entering the Port area.

3. The quality of the Site

The Port shall ensure that the Site is suitably and adequately prepared with reinforcement layer, stabilization layer and a rough surface to allow the storage of pipes and to perform logistics and other related activities on the Site. Furthermore the Port shall ensure that the Site is cordoned off in an adequate and secure manner to prevent the public from driving into or accessing the Site.

The Port warrants and represents that the Site is free from pollution, unexploded ordinances and environmental damage.

Wasco has to provide The Port with requirements for the surface of the Site. The surface must be suitable for driving with reach stackers and heavy handling equipment.

The Port undertakes to provide Wasco with a Site development schedule before the end of January 2017.

The Port shall not commence any activities in relation to the Site development until Wasco gives The Port the instruction to start this work.



4. The quality of the Quay

Quay for inbound pipes

The Port make a berth available upon arrival of Wasco's vessel. The Port will guarantee to make available a berth in the port that is able to accommodate a vessel with LOA 100 m, 6.5 m draft and with sufficient strength on the quay to unload the pipes.

Quay for outbound pipes

The Port will make available 2 x 120 m berth capacity with 8 m water depth to Wasco for the entire duration of the Load-out of pipes to Platform Supply Vessel.

The Port undertakes to make available a temporary limited storage area on the quay during discharging/loading operation approximately 1500 square meters per vessel.

Wasco will provide The Port with a specification of the crane, including the operational weight and the axle load.

5. Term of Agreement.

The term of the Agreement shall commence from the date of contract signing and shall terminate on the 31st of December 2019.

Until 31st of December 2021 Wasco has the option to extend the Term for a maximum of 200 000 m² with a minimum of 45 days' notice for 9 months at a time.

6. Pricing

(A) Storage cost for storage Site:

260 000 m2

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(B) Cost for option of storage Site:

The Port shall invoice Wasco for the option monthly in advance and Wasco shall pay the undisputed amount of the invoice no later than 30 days after the receipt of such invoices.

Cargo dues

Quay fees

Manpower

-

-

-

Machinery (excluding driver)

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Services

Quay rent:

Value-added-tax (VAT) will be added on amounts applicable.

Price for manpower is based on normal working hours. Other hours are according to pricelist, appendix 1 or separately negotiated per period prior agreed.

The prices are today's rates, the prices are subject to indexation following the agreements between Ports of Sweden and Swedish transport workers union.

All payments shall be paid into the following bank account:

Account Name: Karlshamns Hamn

Bank address: Drottninggatan 55, 374 36, Karlshamn

IBAN: SE88 8000 0815 3900 4300 7384

BIC: SWEDSESS

7. Signs

Wasco shall have the right, after prior agreement with The Port, to erect signs related to its operations and business.

8. Transfer of Agreement

Wasco agrees that the rights under this Agreement shall not be transferred to any third party by any means without written approval from The Port.

9. Bank Guarantee

Wasco shall issue a bank guarantee or a letter of credit of the sum of _____ per pipe for any given time stored at the Port covering costs that might arise for The Port if all pipes have not been removed from the Site or the port at the time when this Agreement expires.

10. Termination by Wasco.

Wasco has the right to terminate this Agreement, upon written notice to The Port without penalty, under the following circumstances:



- Any breach by The Port of any of its material obligations, representations under this Agreement and The Port has failed to take appropriate measures to rectify this breach within fifteen (15) days after receiving written notices of the breaches from Wasco; or
- If The Port becomes indisputable insolvent or bankrupt or similar proceedings have been initiated against The Port.
- In the event of a suspension or cancellation of the Nord Stream 2 Project. If this event occur The Port has no obligation to reimburse any previous payments made by Wasco.

11. Termination by The Port.

The Port shall have the right to terminate this Agreement, upon written notice to Wasco without penalty, under the following circumstances:

- Any breach by Wasco of any of its material obligations, representations under this Agreement and Wasco has failed to take appropriate measures to rectify this breach within fifteen (15) days after receiving written notices of the breach from The Port; or
- If Wasco becomes indisputable insolvent or bankrupt or similar proceedings have been initiated against Wasco.

12. Force Majeure

No Party shall be in breach of any of its obligations under the Order, or liable for any delay or failure in performance of any of its obligations under the Order, to the extent that its performance is prevented, impeded or delayed by any act, event or circumstance, whether of the kind described herein or otherwise, which is not reasonably within the control of such Party, cannot be avoided by the exercise of due diligence and is not due to the affected Party's fault or negligence ("Force Majeure"). Subject to the immediately foregoing sentence, acts, events or circumstances constituting Force Majeure shall include (but not be limited to) the following:

- a) fire, drought, explosion, atmosphere disturbance, lightning, storm, tempest, hurricane, cyclone, typhoon, tornado, earthquake, landslide, perils of the sea, soil erosion, subsidence, washout, epidemic or other acts of God;
- b) war (whether declared or undeclared), riot, civil war, blockade, insurrection, acts of public enemies, invasion, embargo, trade sanctions, revolution, sabotage, piracy or the serious threat of or an act of terrorism;
- c) strikes, lock out, or other industrial disturbances (other than those specific to The Port or Wasco); and/or
- d) chemical or radioactive contamination or ionizing radiation.

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If an occurrence of Force Majeure or its consequences continue for more than 30 calendar days, either Party shall have the right to terminate this Lease Agreement without penalty by giving prior written notification to the other Party. If this event occur The Port has no obligation to reimburse any previous payments made by Wasco.

13. The Port's Liability for property damage

The Port shall be liable for damages to or loss of the property of Wasco if caused by a negligent act or omission on the part of The Port or its employees.

The liability for property damage is limited to : - SEK per accident.

The Port will have no liability for loss due to delay.

No compensation shall be paid for consequential loss or indirect damages.

14. The Port's liability for other breaches

The Port shall be liable for all costs incurred by Wasco as a result of The Port's failure to comply with its obligations under clauses 1, 3 and 4, including The Port's refusal to allow Wasco to enter the Site and withdrawal of all manpower support to Wasco without any good reason.

The Port's liability under this clause is limited to .. SEK.

15. Partial Invalidity.

If any term of this Lease Agreement shall be invalid or unenforceable, the remainder shall be valid as written to the fullest extent permitted by law.

16. Governing Law and Settling of Disputes.

This Agreement shall be governed by and construed in accordance with the laws of Sweden including its choice of law provisions. Any dispute, controversy or claim arising out of or relating to this Agreement shall be settled by the Court of Sweden as the first instance.

17. Entire Agreement


This document contains the entire agreement of the parties and supersedes all previous communications, representations and agreements, whether oral or written, with respect to this Logistic Agreement. This Agreement may not be modified with the exception of it being rewritten, signed and acknowledged by both parties.



IN WITNESS WHEREOF, The Port and Wasco hereby execute and agree to the terms and conditions of this Agreement.

Signed for The Port

Date: 6/2-2017

By: 
Signature


Mats Olsson
CEO

Signed for Wasco

Date: 17/2/2017

By: 
Signature

Rik Nugent
Title: Director

By: 
Signature

Anders Karlsson
Chairman of the Board

By:
Signature

Print
Title:

APPENDICES

Appendix 1 - Port tariff

Appendix 2 - Outline of the storage area (the Site)