

DESCRIPTION OF THE LEASE BACK CONCEPT

1. Introduction

Up to four of the five vessel positions will be chartered on lease back conditions with the following outline:

Vessel positions 1 and 2

In order to secure access to military sealift the ARK requires having a number of vessels under time charter contracts on lease back conditions, with an option to call upon the vessels with a defined period of notice. Vessels offered will therefore be chartered to the ARK with a lease back contract to the Bidder.

These charter parties with lease back fulfil the political and military requirements for strategic sealift which is guaranteed to national armed forces of Denmark/Germany and NATO etc.

2. Lease Back Contract

All vessels chartered to ARK, will be contracted on a standard BIMCO Uniform Time Charter Party (as revised 2001) code name: "BALTIME 1939" with amendments and Rider clauses made by JMTO in this context called the "Head Charter". The vessels subject to lease back will be chartered back to the Owners (as Charterers) under a back-to-back charter contract of same format, against a charter hire being lower than the head charter rate. The difference between the Head Charter and the lease back charter rate will correspond adequately to the notice time and the considered risk of activation.

Both the Head Charter and the lease back contract will include interrelated reference clauses, making both contracts dependant on the fulfilment of each contract by both parties.

The Lease back contract will include a Call Back Option clause, outlining under which conditions and with which notice JMTO can call upon the vessel.