KARACHI PORT TRUST.

UNDERTAKING OF TERMS AND CONDITIONS FOR LICENSED STEVEDORES

In pursuance of the license for stevedoring services issued by the Karachi Port Trust (the **"KPT"**) for the purposes of stevedoring services provided within the jurisdiction of the KPT (the **"Stevedoring License"**), I / We, _____, (the Chief Executive / Director / Partner / Proprietor) of M / s. _____, having registered offices at _____
_____,
(hereinafter referred to as the **"Licensee")**, on behalf of the Licensee do hereby agree and undertake to abide by the following terms and conditions:

TERMS AND CONDITIONS

1 OVERVIEW

1.1 A Stevedoring License is required by any person (other than an employee of a Licensee) who is engaged in the provision of stevedoring services on vessels berthed at piers, on piers or at other waterfront terminals within the jurisdiction of the KPT.

1.2 The Licensee shall abide by the terms and conditions of the Stevedoring License as provided herein, as stipulated on the Stevedoring License Certificate or as otherwise provided in writing by the KPT.

2 CONDITIONS FOR NEW APPLICANTS

2.1 Any sole proprietorship / registered firm / company having adequate financial and other resources required to handle the cargo at KPT may apply for Stevedoring License. For such purposes, a minimum working capital of Rs. 5,000,000/- (five million rupees only), not including investments made in cargo handling equipment, may be considered as evidence of adequate financial strength of the applicant. The aforementioned working capital of the Licensee shall be assessed by Chief Accounts Officer KPT based upon Audited balance sheet of applicant firm.

2.2 In case of applicant firms and / or companies which have not completed 01 (one) year since formation or incorporation, the following documents shall be provided by the applicant to the Traffic Manager, KPT (attested by a public notary or gazetted officer):

(a) Copies of relevant constitutional documents, which shall include the following (as may be applicable):

i. Registration certificate of sole proprietorship,

ii. Partnership Registration Deed / Certificate and Partnership Agreement, or

iii. Company Memorandum and Articles of Associations and Form "A" and Form 29 duly certified by Registrar Joint Stock Companies;

(b) Bank Transaction Statement of past six months showing a minimum account balance of Rs. 5,000,000/- (five million rupees only);

(c) A letter of reference issued from any scheduled bank in Pakistan;

(d) A taxpayer certificate issued by the Federal Board of Revenue (FBR);

(e) A completed copy of this undertaking as executed by the applicant; and

(f) Reference letters from 02 (two) reputable Ship's Agents having regular calling vessels at KPT or any one of the Container Terminal Operators operating at KPT (for the purpose of ensuring the applicant's potential in handling the awarded volume of cargo at KPT). In case of Ship's Agents, such reference letters shall state the details of cargo / containers handled by the Ship's Agents during the previous fiscal year.

2.3 All new applicants shall, at the time of making their relevant Stevedoring License application, provide a comprehensive list of managerial and supervisory staff and / or foreman intended to be employed by the Licensee for the purposes of operations at KPT. For such purposes managerial staff must have a minimum cargo handling experience of 05 (five) years and supervisory staff and / or foremen shall have a minimum cargo handling experience of 03 (three) years prior to joining. Such work experience details shall be supported with documentary evidence.

2.4 A non-refundable processing fee of Rs. 300,000/- (three hundred thousand rupees only) shall be charged for processing applications for issuance of Stevedoring License. This amount shall be paid through pay order in the name of Chief Accounts Officer, KPT.

2.5 Successful applicants shall be required to complete the following conditions:

(a) Licensee shall make a security deposit in favor of KPT of Rs. 1,000,000/- (one million rupees only) through pay order only prior to receiving their Stevedoring License Certificate. Where the Stevedoring License is surrendered by the party, the same will be released after clearance certificate from Chief Accounts Officer, KPT and Chief Accountant, KDLB.

(b) Licensee shall obtain relevant Sales Tax Registration from the Provincial Sales Tax Authority within 01 (one) month after getting Stevedoring License.

(c) The Licensee shall, before commencement of operational activities at KPT but not later than 01 (one) month after receipt of the License Certificate, submit to the Assistant Traffic Manager (Planning), KPT the details of all equipment / cargo handling gears owned / hired by the Licensee required to handle containers, bulk and dry bulk cargo to ensure minimum output as per KPT norms as amended from time to time to the Assistant Traffic Manager (Planning), KPT. Such equipment details shall be supported with documentary evidence.

2.6 In case of not providing the above mentioned information within stipulated period or unsatisfactory information / documents regarding equipment owned / hired by the Licensee, the Stevedoring License may be cancelled by the Board of Trustees, KPT on the recommendation of the Traffic Manager, KPT / KPT Management.

2.7 Initially the Stevedoring License will be issued for 01 (one) year on trial basis, however, on satisfactory performance and fulfilling the requisite condition for renewal, Stevedoring License may be renewed for a term up to 02 (two) years. The case will be decided by the Board of Trustees, KPT on the recommendation of the Traffic Manager, KPT / KPT Management.

2.8 That at the time of grant of Stevedoring License, the Licensee shall submit a statement disclosing the sources / showing the availability of the equipment used as precautionary measures to avoid accidents, Pandemics and pollution in the KPT.

3 CONDITIONS FOR RENEWAL OF LICENSE

3.1 Any existing Licensee seeking to make a renewal application shall attach the following documents with their application:

(a) No Dues Certificate from Chief Accounts Officer, KPT MPCD / EHS;

(b) Clearance Certificate from Chief Accountant, KDLB;

(c) Up to date list of Directors / Partners of the Licensee firm / Company; and

(d) Details of equipment / cargo handling gears owned / hired by the Licensee along with the supporting evidences / documents.

3.2 Renewal Fee of Stevedoring License for a period of 02 (two) years will be Rs. 100,000/- (one hundred thousand rupees only).

3.3 The Licensee should apply for the renewal of Stevedoring License at least 03 (three) months before expiry of the existing Stevedoring License. Upon failure, a penalty of Rs. 50,000/- (fifty thousand rupees only) will be imposed on the concerned Licensee.

3.4 In the event that the Licensee fails to apply for the renewal of Stevedoring License within 06 (six) months after the expiry of the existing Stevedoring License, the Licensee shall be required to apply for a new Stevedoring License under the conditions stated in Clause 2 (above).

3.5 All the applications for renewal of Stevedoring License will be considered subject to the fulfillment / implementation of Environmental, Health & Safety (EHS) Standards as provided by Manager MPCD.

4 ISSUANCE OF LICENSE

4.1 On approval by the Board of Trustees, KPT the Stevedoring License will be issued to the Licensee on submission of acceptance of Undertaking of Terms and Conditions for Licensed Stevedores on stamp paper valuing Rs. 500/- (five hundred rupees only) as amended time to time.

4.2 The family members or the partner / director of existing Licensees will not be eligible for issuance of fresh Stevedoring License (for such purposes “family” shall include the spouse and dependent children of the Licensee).

5 GENERAL

5.1 The Licensee shall obey and comply with all rules and regulations for performance of stevedoring services in the KPT premises in accordance with KPT Act 1886, Bye Laws and Container Handling Rules (SOPs) including safety rules enforced or as amended from time to time.

5.2 The Licensee may not act or purport to act on behalf of the KPT or to represent it in any way. The Licensee is not the mandatee, agent or employee of the KPT arising out of the issue of this Stevedoring License. The KPT shall not be liable, vicariously or otherwise, for the acts or omissions of the Licensee.

5.3 The Licensee shall comply with all relevant management systems, policies and procedures and directives of the KPT.

5.4 The Licensee acknowledges and agrees that the KPT may disclose any or all of the information provided by the Licensee to law enforcement, government and regulatory agencies and the Licensee releases and indemnifies the KPT from and against all losses, claims, damages, costs, liabilities, actions and causes of action arising out of or in any way connected with the disclosure or release of any information provided by the Licensee to such bodies.

5.5 In case of any difference of opinion between any department of KPT and Licensee, the matter shall be referred to the Board of Trustees, KPT whose decision shall be final and binding.

6 MINIMUM VOLUME GUARANTEES

6.1 Licensee shall be liable for the handling of a minimum volume as follows:

(a) New Licensees in their initial one year trial period shall be liable for handling a minimum of 02 (two) Vessels or engage a minimum of 20 (twenty) KDLB gangs for loading / unloading and stuffing / de stuffing operations per year. In case of failure to do so the Stevedoring License may be cancelled.

(b) All other Licensees shall be liable for handling a minimum of 04 (four) Vessels or engage a minimum of 40 (forty) KDLB gangs for loading / unloading and stuffing / de stuffing operations per term of 02 (two) years. In case of failure a penalty of Rs. 300,000/- (three hundred thousand rupees only) will be imposed at the time of renewal by the Board of Trustees, KPT.

6.2 Where a Licensee fails to fulfill the minimum volume guarantee and is penalized on 02 (two) or more occasions, the Licensee shall be liable to have their Stevedoring License cancelled and their security deposits released (after clearance certificate from CAO, KPT and Chief Accountant KDLB). All determinations in such cases shall be decided by the Board of Trustees, KPT on the recommendation of the Traffic Manager, KPT / KPT Management.

7 SECURITY DEPOSITS

7.1 An account having minimum balance of Rs. 400,000/- (four hundred thousand rupees only) should be maintained by the Licensee at all times in KPT's Security Deposit Account.

7.2 Payments by the Licensee into the KPT's Security Deposit Account shall be accepted by way of pay order, cross cheque and / or through online banking channels only.

7.3 All security deposits held in the form of Defence Savings Certificates shall, on maturity, be replaced by the Licensee at the time of renewal of Stevedoring License by way of pay order, cross cheque and / or through online banking channels only.

8 SAFETY, HEALTH, ENVIRONMENT AND EFFICIENCY

8.1 The Licensee shall arrange loading / unloading of containerized cargo, bulk cargo or break bulk cargo by taking all necessary safety precautionary and measures as applicable in established practices of the Trade and to the satisfaction of MPCD / Port Safety Department or as may be necessary for the avoidance of injury and work place accidents.

8.2 The Licensee shall perform the stevedoring services diligently, safely and without deliberate or undue delay.

8.3 The Licensee shall handle the loading and unloading of the cargo (all types) in accordance with professional safe practices using the modern equipment with due diligence and by meeting all safety standards.

8.4 The Licensee shall also arrange loading / unloading of containerized, bulk or break bulk cargo by taking all the precautionary measures to avoid accidents as applicable in established practices of the trade and to the satisfaction of MPCD.

8.5 The Licensee shall provide reliable, efficient and economical stevedoring services and facilities to port users in accordance with the conditions of the Stevedoring License granted.

8.6 The performance of stevedoring on board any vessel shall always be supervised by and be subject to the direction and approval of the vessel's Master, or his duly authorized agent.

8.7 The Licensee shall have written safety, health, environment and quality programs in place at all times and shall make these available to the KPT for inspection upon request at all reasonable times.

8.8 The Licensee shall undertake annual risk assessments of the stevedoring services that it offers within the KPT and shall make these available to the KPT for inspection upon request.

8.9 The KPT may conduct random safety, health and environmental audits without prior notification to assess the Licensee's compliance with the stipulations in this Stevedoring License, including compliance with all relevant laws and other instruments, whether specifically listed in the Stevedoring License or not.

8.10 During the on-loading or off-loading of cargo and containers, the Licensee shall ensure that all necessary measures are taken to prevent the spillage of cargo or containers into the waters of the KPT, or onto the quayside.

8.11 The dumping of material by or on behalf of the Licensee of any nature or specification anywhere within the KPT is strictly prohibited.

9 LABOUR

9.1 The Licensee shall at all times employ or engage sufficient and suitably qualified and competent personnel to enable it to efficiently provide the services envisaged by this License.

9.2 The Licensee is required to ensure that its total workforce, both permanent and casual employees, complies with the obligations contained in this Stevedoring License, under applicable laws, regulations and directions.

9.3 All forklift drivers, riggers, truck drivers, crane drivers, winch operators and gangway-men shall have valid certificates of competence as required by the KPT, and the certificate shall be available for inspection by the KPT.

9.4 All employees of the Licensee shall be uniformly attired, with the name and identification mark of the Licensee conspicuously displayed on their attire during the operations within the KPT premises.

9.5 All employees of the Licensee must be in possession of a valid access permit issued in terms of the KPT access requirements.

9.6 The Licensee shall ensure that the staff employed in the KPT premises wear proper Personal Protective Equipment (PPE) including distinctive vests / dress, safety helmet and other related safety equipment mandatory for safe working as per Standing Operating Procedures during the operations within the KPT premises.

9.7 The Licensee shall engage adequate number of gangs on Sundays and Holidays for handling of Import / Export cargo on vessels under normal situation.

9.8 The Licensee shall be responsible for the conduct and discipline of the workers engaged by them including the KDLB workers during the operations within the KPT premises.

10 EQUIPMENT

10.1 The Licensee shall make available and maintain their equipment, for expeditious loading, unloading, sorting and stacking operations (according to marks and numbers).

10.2 All equipment shall be listed before use and the Licensee shall provide appropriate test certificates as per requirement of Dock Workers Safety Rules and Port Safety Department KPT, indicating specifications, manufacturing date, and the driver / operator of the appliances / equipment should possess valid Stevedoring License to operate the same. The CPSF staff at gates will not allow vehicles / equipment into the KPT premises without the above mentioned requirements being fulfilled.

10.3 The Licensee shall further ensure to maintain the following which is to be provided on demand by the KPT:

(a) All appliances / equipment must be logged in inspection register and certificate of proper earthing.

(b) The Licensee shall maintain proper movement register of all appliances / equipment and shall dispose of all non-operational appliances / equipment.

10.4 All lifting gear shall have a valid current inspection certificate which complies with the applicable legislation.

10.5 All appliances / equipment of the Licensee will be registered, certified and physically verified by a recognized third party organization with specialization in providing fitness certificates to the operational appliances and equipment. The same shall be verified by the staff of the Traffic Department, KPT / CPSF at the time of working of vessel.

10.6 All stevedoring gear and equipment required for the proper carrying out of stevedoring services by the Licensee shall be maintained in good order and condition.

10.7 All equipment must be in proper working order and machines and motor vehicles must be inspected regularly for oil leaks and spills. Any spills detected must be cleaned up immediately and disposed of at an appropriate landfill site by the Licensee to the satisfaction of the Manager MPCD, KPT and the concerned authorities.

10.8 All equipment used by the Licensee shall be removed from wharfs, quays, jetties and other work places in the KPT without delay after stevedoring is completed on a particular vessel, or within such extended time as the KPT may allow.

10.9 The KPT is neither bound to supply any equipment nor will be responsible for any breakdown in such equipment. Any available cargo handling equipment provided by the KPT on proper requisition by the Licensee, the hire charges for the same at the rates fixed by the Board of Trustees, KPT from time to time shall be charged and bill thereof will be deductible from the Licensee's Security Deposit Account.

10.10 The Licensee shall ensure that all appliances and equipment used in port operations are to be marked with safe working load, valid registration number, must have proper working lights, red revolving lights and a siren to alert people.

11 MOTOR VEHICLES

11.1 Each motor vehicle used by the Licensee in the KPT in excess of 1.5 (one and a half) tons carrying capacity, shall bear the name of the Licensee in a conspicuous place, or in such manner as the KPT may from time to time stipulate.

12 PORT RULES

12.1 The Licensee shall follow the cargo handling methodology currently in practice at KPT. The proposal for change in the system to enhance efficiency and output may be communicated in writing to the Traffic Manager, KPT. It shall not be implemented until the approval is accorded by the Traffic Manager, KPT or his Deputy.

12.2 The Licensee shall comply with and follow the relevant laws, rules, regulations and directions as stated in the KDLB Scheme 1973 and the KDLB Act 1974.

12.3 The Licensee shall have relevant KPT port entry documentation and shall comply security obligations during operations within the KPT premises.

13 TRANSFER AND ASSIGNMENT

13.1 A License may not be transferred to any third party without the prior written consent of the KPT and any transfer of a License without such consent is of no force or effect. If the members or shareholders of a Licensee alienate some or all of their interests or shares, prior written consent must be obtained if the transfer of shares or of membership interest results in a change of control of the Licensee.

13.2 The Licensee shall intimate any change in the partners, directors or owner of the firm / company within 30 (thirty) days of such change to the Board of Trustees, KPT. However, the Licensee shall not make any change in the legal entity status of the firm / company without prior approval of the Board of Trustees, KPT. In case of violation, the Board shall be at liberty to cancel the Stevedoring License or impose penalty as deem fit.

14 DIRECTIVES

14.1 The KPT may give directives with respect to standards of performance and procedures to be observed by Licensees to ensure the reliability of the supply of port services and facilities or in the interest of public safety or the environment.

15 CANCELLATION AND SUSPENSION

15.1 The Stevedoring License Certificate issued by Secretary, KPT shall be valid for the period it is issued for.

15.2 In case of any lapse / violation, the Licensee will be liable to imposition of penalty / fine. If the Licensee is responsible for repeated violations or an accident is caused due to such violations or omissions, the Licensee's Stevedoring License shall be put up for suspension for a period of 03 (three) months to the Board of Trustees, KPT. In case of loss of life caused as a result of non-adherence to Port Safety and EHS procedures, the Stevedoring License of the Licensee may be cancelled after carrying out a joint investigation with 01 (one) member each from the Managing Committee of Pakistan Stevedores Conference and KPT Management.

15.3 The KPT may fine the Licensee or cancel or for a reasonable period suspend this Stevedoring License, giving 01 (one) months' notice, if:

(a) the Licensee contravenes or breaches any condition of its Stevedoring License, any provision of the Act or the regulations, or any directive issued by the KPT in terms of the Act;

(b) the Licensee is sequestrated, liquidated or placed under judicial management.

15.4 Prior to cancelling or suspending a Stevedoring License or issuing a directive, the KPT, shall give written notice to the Licensee:

(a) indicating the intention to cancel or suspend the Stevedoring License or the intention to issue a direction;

(b) setting out the reasons why it is considering cancelling or suspending the Stevedoring License or issuing the direction; and

(c) affording the Licensee a reasonable opportunity to make representations as to why the Stevedoring License should not be cancelled or suspended or the direction should not be issued.

15.5 The decision of the Board of Trustees, KPT in any matter and in every case shall be accepted and binding upon the Licensee.

16 MODIFICATION

16.1 The KPT may modify the terms and conditions of this Stevedoring License. Prior to modification, the KPT will give 01 (one) month's written notice to the Licensee:

(a) indicating the intention to modify the terms and conditions of the Stevedoring License;

(b) setting out the reasons why it is considering modifying the terms and conditions of the Stevedoring License; and

(c) affording the Licensee a reasonable opportunity to make representations as to why the terms and conditions should not be modified.

17 LIABILITY

17.1 The Licensee shall keep the Board of Trustees, KPT indemnified against any loss or damage sustained by the Board of Trustees, KPT in consequence of omission, commission or negligence of the Licensee or any person working under them. The Licensee shall make good all the losses sustained by the Board of Trustees, KPT and as a result of the omission, commission or negligence of the Licensee or any other person working under them at the KPT.

17.2 The Licensee shall ensure that property of KPT should not be damaged. In case of any incident or mishap, the Licensee shall be liable for payment of damage cost to KPT. The damage so assessed and approved by the Board of Trustees, KPT shall be binding on the Licensee.

17.3 No defective packages from any vessel / barge / container shall be accepted by the KPT unless those have been adequately repaired and surveyed by the ship representatives to the satisfaction of the concerned DTM / section in-charge prior handing over to KPT.

17.4 In case of personal injuries / fatal accident, the compensation shall be payable by the concerned Licensee as determined by the Inquiry Team (appointed by the Competent Authority comprising of KPT Management) and approved by the General Manager (Operations).

18 REMEDIAL WORKS

18.1 A committee comprising of the following will conduct a joint survey on a monthly basis for resolving the short term remedial issues and the proposal for major civil and electrical work at container yards operated by the Licensee:

(a) Deputy Traffic Manager, KPT of the concerned wharf;

(b) Executive Engineer, KPT;

(c) Assistant Electrical Engineer, KPT; and

(d) Representative of the respective Licensee.

19 **ADMINISTRATIVE**

19.1 In case of change of office accommodation, the Licensee should inform the Assistant Traffic Manager (Planning), KPT in writing within 30 (thirty) days.

19.2 The family members or the partner / director of existing Licensee will not be eligible for issuance of Fresh Stevedoring License (for such purposes "family" means the husband, wife and dependent children of a Licensee).

As witnessed by:	On behalf of the Licensee: M / s.
Signature:	Signature:
Name:	Name:
Title:	Title:
CNIC:	CNIC:
Dated:	Dated:
	Company Stamp: