

PREPARED BY
CLARKSON SECURITIES LIMITED
LONDON

for “Our Style Limited”

FORWARD FREIGHT AGREEMENT (FFA)

THE FFA OFFICE FILE

C O N T E N T S

- 1) FFA NEGOTIATION SHEET
- 2) CONFIRMATION OF TRADE
- 3) COPY OF AGREEMENT
- 4) BROKERS SETTLEMENT ADVICE
- 5) INVOICE
- 6) DOCUMENTATION AND FINANCIAL TRAIL

FFA NEGOTIATION SHEET

We are Buyers / Sellers (Delete as applicable)	Broking Company and individual initials	
Our Style Ltd	CSL	
Authorised by:	Date	
Authority: Buy R3a BPI, January 2008, \$ 35,000	04 January 2008	
		Time
1) Bid firm reply 10:50 – 20 mins Route 3a BPI 50 days January 2008 Settlement last 7 days \$ 34,800 Sub mutual appro counterparty (SMAC) FFABA 2007 contract, commission as agreed		10:30
2) Accept/Except Offer firm reply 11:00 \$ 35,250		10:45
3) A/E reply 11:10 \$ 34,900 Brokers discretion to \$ 35,000		10:55
4) \$ 35,000 – confirmed – Company ABCD of Connecticut, guaranteed by WXYZ, accepted – Our Style Ltd accepted - Seller requests P+C – agreed		11:00 11:00 11:05
Recap of Agreement		
<u>Brokers Contract Ref</u>	008001	
<u>Our Ref</u>	FFA – 4/1/08 – JS250	
<u>Buyers</u>	Our Style Ltd	
<u>Sellers</u>	ABCD of Connecticut guaranteed by WXYZ	
<u>Route</u>	R3a BPI	
<u>Month/Year</u>	January 2008	
<u>Quantity/Duration</u>	50 days	
<u>Rate</u>	\$ 35,000	
<u>Settlement</u>	Last 7 days January	
<u>Commission</u>	0.25%	
<u>Notes</u>	P+C	



CLARKSON
SECURITIES LIMITED

Confirmation of Trade

We have traded for your account today the following Forward Freight Agreement:

Contract Date:	04.01.08
File Ref:	008001
Buyer:	Our Style Ltd.
Seller:	ABCD of Connecticut guaranteed by WXYZ
Route:	3a BPI
Price:	USD 35,000
Contract Month(s):	January 2008
Quantity:	50 days
Settlement:	Based on the average of the last 7 of the Baltic Exchange Index Publication days of the contract month(s) up to and including the settlement date(s).
Settlement Date(s):	The last Baltic Exchange Index Publication day of the contract month
Commission:	As agreed
Contract Format:	As per FFABA 2007 Contract
Comments:	Please keep Private & Confidential

Many Thanks for this trade.

Best regards,
Clarkson Securities Limited
St. Magnus House,
3 Lower Thames Street
London
EC3R 6HE
Telephone: +44 (0)20 7334 3151
Fax: +44 (0)20 7283 9412
E-mail: csl@clarksons.co.uk

FORWARD FREIGHT AGREEMENT BROKERS ASSOCIATION ("FFABA")

FORWARD FREIGHT AGREEMENT

FFABA 2007 TERMS

Trade Ref: 008001
Contract Date: 04.01.08

The purpose of this Confirmation is to state the terms and conditions of the Transaction entered into between:

Our Style Ltd. (hereafter, "**Buyer**")

Attention:
Address:

Telephone No.:
Facsimile No.:
Email Address:

and

ABCD of Connecticut guaranteed by WXYZ (hereafter, "**Seller**")

Attention:
Address:

Telephone No.:
Facsimile No.:
Email Address:

The agreement between the parties set out in this Confirmation is a Confirmation pursuant to the Master Agreement.

In this Confirmation, "**Master Agreement**" has the meaning given to it in clause 9 if that clause applies, and if it does not, means any master agreement by which the Transaction entered into pursuant to and in accordance with this Confirmation is governed.

Until superseded by notice information in a subsequent Confirmation or other communication, the above addresses are hereby recognized as the correct addresses to which any notification under this Confirmation may be properly served.

The terms of this Confirmation are as follows:

1) Contract Route(s):

As per Route 3a of the Baltic Panamax Index (**Transpacific Round Voyage**) as defined on the Contract Date including any relevant official forthcoming amendments published at the Contract Date and any route replacing or substituting that route subsequently published by the Baltic Exchange on or before the Settlement Date and with effect from the date of such replacement or substitution.

2) Contract Rate:

USD 35,000 per day

3) Contract Quantity:

(i) Total Quantity : 50 days

(ii) Quantity by Contract Month: 50 days in total.

4) Contract Month(s):

January 2008

5) Settlement Dates:

The last Baltic Exchange Index publication day of the Contract Month.

6) Settlement Rate:

(a) Each settlement rate (the "**Settlement Rate**") shall be the unweighted average of the rates for the Contract Route(s) published by the Baltic Exchange over the Settlement Period (defined as all Baltic Exchange Index publication days of the applicable Contract Month up to and including the Settlement Date).

(b) If for any reason the Baltic Exchange cannot provide any rate required for establishing the Settlement Rate, then the current chairman of the FFABA may be instructed by either party to form a panel comprising of a minimum of three independent brokers (the "**Panel**") to determine an appropriate rate, which determination will be final and binding on both parties.

(c) Each party shall bear its own costs and expenses in connection with any determination made pursuant to this clause 6.

(d) The parties shall severally indemnify and hold harmless each of the members of the Panel, the Baltic Exchange and its members and the FFABA and its members (the "**Indemnified Persons**") against all liabilities, actions, demands, costs and expenses incurred by any of them arising directly or indirectly out of or in connection with the formation of the Panel and any determination made by the Panel.

(e) As between the parties, each party shall have a right of contribution against the other party in respect of any indemnity payment made pursuant to the preceding paragraph so that their respective liabilities pursuant to that paragraph shall be equal.

7) Settlement Sum:

The “**Settlement Sum**” is the difference between the Contract Rate and the Settlement Rate multiplied by the Quantity by Contract Month. If the Settlement Rate is higher than the Contract Rate, the Seller shall pay the Buyer the Settlement Sum. If the Settlement Rate is lower than the Contract Rate, the Buyer shall pay the Seller the Settlement Sum.

8) Payment Procedure and Obligations:

- (a) Payment of the Settlement Sum is due on the later of two (2) London business days after presentation of payee’s invoice (with complete payment instructions) or five (5) London business days after the Settlement Date and for this purpose a “**London business day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for business in London) . The Settlement Sum will be deemed “paid” when it has been received into the bank account designated by the payee.
- (b) Payment of the Settlement Sum shall be made telegraphically, in full, in United States dollars. The costs incurred in effecting payment shall be for the account of the payer. Payment may only be effected directly between the parties. The Settlement Sum shall be paid without any deduction or set-off except as permitted pursuant to the Master Agreement or otherwise as agreed by the Buyer and the Seller in writing.

9) ISDA Master Agreement:

This clause 9 applies only if either:

- (i) this Confirmation does not already constitute a Confirmation under an existing master agreement entered into by the parties to this Confirmation; or**
- (ii) the parties agree, either by virtue of clause 20 or otherwise, that the terms of the Master Agreement that is constituted by this clause are to replace any such existing master agreement.**

This Confirmation constitutes and incorporates by reference the provisions of the 1992 ISDA® Master Agreement (Multicurrency – Cross Border) (without Schedule) as if they were fully set out in this Confirmation and with only the following specific modifications and elections:

- (a) Section 2(c)(ii) shall not apply so that a net amount due will be determined in respect of all amounts payable on the same date in the same currency in respect of two or more Transactions;
- (b) Seller is the Calculation Agent except where the Seller is the Defaulting Party in which event Buyer is the Calculation Agent;
- (c) the most current published set of ISDA® Commodity Definitions and ISDA® Definitions shall apply;
- (d) Credit Event Upon Merger is applicable to both parties;
- (e) for the purposes of payments on Early Termination, Loss will apply and the Second Method will apply;
- (f) Automatic Early Termination will apply to both parties;
- (g) the Termination Currency is United States dollars;

- (h) the Applicable Rate shall mean the one month USD-LIBOR plus 2%, reset daily and compounded monthly;
- (i) Local Business Day or banking day shall each refer to such a day in London;
- (j) such other modifications as shall be necessary for such incorporation;
- (k) references to “this Master Agreement”, “this Agreement”, “herein” and other like expressions shall be construed as being references to this Confirmation incorporating such provisions,

and this Confirmation, including such incorporated provisions, shall govern the Transaction referred to in this Confirmation and any other Transaction referred to in clauses 20 and 21.

The agreement constituted and incorporated by the incorporation of the provisions of the 1992 ISDA® Master Agreement (Multicurrency - Cross Border) (without Schedule) pursuant to this clause is referred to in this Confirmation as the “**Master Agreement**”.

10) Capacity and Good Standing:

In line with and in addition to (as appropriate) the representations contained in Section 3 of the Master Agreement, each party represents to the other party that:

- (a) it is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation, and is solvent and in good standing;
- (b) it has the power to execute, deliver, and perform this Confirmation;
- (c) all governmental and other consents that are required to have been obtained by it with respect to this Confirmation have been obtained and are in full force and effect and all conditions of any such consents have been complied with;
- (d) in the event that a party to this Confirmation is a person organized under, domiciled in, or having its principal place of business in, the United States, each party represents to the other party that it is an “eligible contract participant” as defined in § 1a(12) of the Commodity Exchange Act (7 U.S.C. § 1a(12), as amended).

11) Telephone Recording:

Each party consents to the recording of telephone conversations in connection with this Confirmation.

12) Commission:

Each of the parties agrees to pay brokers’ commission to any broker (a “**Broker**”) as agreed with any Broker.

13) Non-Assignability:

Except as provided in Section 7 of the Master Agreement, this Confirmation is non-assignable unless otherwise agreed in writing between the parties to this Confirmation.

14) Principal To Principal:

This Confirmation is a principal to principal agreement with settlement directly between the two parties. Both parties agree that any Broker shall be under no obligation or liability in relation to this Confirmation. Both parties agree jointly and severally to indemnify and hold harmless any Broker against all actions, including but not limited to all claims, demands, liabilities, damages, costs and expenses both from the two parties and any third party. Claims, demands, liabilities, damages, costs and expenses suffered or incurred are to be settled directly by or between the two parties.

15) Law and Jurisdiction:

This Confirmation shall be governed by and construed in accordance with English law and shall be subject to the exclusive jurisdiction of the High Court of Justice in London, England. The terms of Section 12(a) of the Master Agreement notwithstanding, proceedings may be validly served upon either party by sending the same by ordinary post and/or by fax to the addresses and/or fax numbers for each party given above.

16) Entire Agreement:

This Confirmation and the Master Agreement set out the entire agreement and understanding of the parties with respect to the subject matter of this Confirmation and supersede all oral communication and prior writings with respect thereto.

17) Payment Account Information:

For Seller:
Bank address:

Aba:
Swift address:
Account no.:
Sort code:

For Buyer:
Bank address:

Aba:
Swift address:
Account no.:
Sort code:

18) Third party rights

- (a) Unless provided to the contrary in this Confirmation, a person who is not a party to this Confirmation has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Confirmation.
- (b) Any Indemnified Person and any Broker shall have the right to enjoy the benefit of and enforce the terms of clause 6(d) in the case of any Indemnified Person and clause 14 in the case of any Broker.
- (c) Notwithstanding any term of this Confirmation, the consent of any person who is not a party to this Confirmation is not required to rescind or vary this Confirmation.

19) Partial Invalidity

If, at any time, any provision of this Confirmation or the Master Agreement is or becomes illegal, invalid or unenforceable in any respect under any laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality or enforceability of the provision under the laws of any other jurisdiction will in any way be affected or impaired.

20) Inclusion of historical Confirmations under Master Agreement

- (a) **Unless the parties to this Confirmation specifically agree otherwise in writing, this clause 20 shall apply in accordance with its terms.**
- (b) This clause 20 applies to this Confirmation and to every agreement entered into between the parties to this Confirmation (and no other persons) before the date of this Confirmation that is in respect of a forward freight swap, option or derivative:
 - (i) that is expressly stated to be subject to, or is subject to substantially the same terms as, either the FFABA 2000 terms, the FFABA 2005 terms or the FFABA 2007 terms, with or without amendment; and
 - (ii) in the case of a Confirmation that is stated to be subject to, or subject to substantially the same terms as, the FFABA 2007 terms that does not incorporate a clause substantially in the same form as this clause 20.
- (c) Each agreement to which this clause 20 applies shall be treated as a Confirmation under the Master Agreement constituted pursuant to clause 9 as if such agreement had been entered into between the parties on the terms of the Master Agreement on the date of the first such Confirmation.
- (d) If there is any inconsistency between the provisions of any agreement constituted pursuant to paragraph (c) above and the agreement constituting a Transaction to which this clause 20 applies, the provisions of the agreement constituting the Transaction to which this clause 20 applies will prevail for the purposes of the Transaction under such agreement.
- (e) This clause 20 shall not affect any rights or obligations of the parties under any Transaction accrued before the date of this Confirmation.
- (f) This clause 20 is effective notwithstanding any entire agreement clause or similar provision in any such agreement relevant to any such Transaction.

21) Inclusion of subsequent Confirmations under Master Agreement

- (a) **Unless the parties to this Confirmation specifically agree otherwise in writing, this clause 21 shall apply in accordance with its terms.**
- (b) This clause 21 applies to every Confirmation that is in respect of a forward freight swap, option or derivative entered into between the parties to this Confirmation (and no other persons) subsequent to an agreement incorporating a Master Agreement (as defined in and pursuant to a clause substantially in the same form as and equivalent to clause 9) having been entered into by them.
- (c) Each such subsequent Confirmation shall constitute a Confirmation under the Master Agreement on the terms of clauses 20(c), (d), (e) and (f) as if they were incorporated and fully set out in this clause 21 with appropriate and necessary modifications for such incorporation.

Signed for the Seller by

Signed for the Buyer by

.....
Duly Authorized Signatory

.....
Duly Authorized Signatory



CLARKSON
SECURITIES LIMITED

SETTLEMENT ADVICE

January 2008 Settlements
Forward Freight Agreement dated: 04 January 2008

Buyer: Our Style Ltd
Seller: ABCD of Connecticut guaranteed by WXYZ
File Ref: 008001
Route: Route 3a BPI
Contract Rate: Usd 35,000
Quantity: 50 days
Settlement Rate: USD 37,869.5714

Therefore, in accordance with the terms of the agreement Mssrs Our Style Ltd due to be paid: USD 143,478.57 by Mssrs ABCD of Connecticut guaranteed by WXYZ being the difference between the contract rate and the settlement rate, times the contract size (quantity). A formal invoice should follow from Our Style Ltd.

Initially, please send the invoice by email to Clarkson Securities Limited (csl@clarksons.co.uk). The hard copy should then be sent by post to Clarkson Securities Limited.

The above calculation is presented in good faith to assist the settlement process. This does not constitute an invoice and no liability can be accepted for errors, omissions or miscalculations.

We thank you again for your support.

Regards.

Clarkson Securities Limited, London

St Magnus House
3 Lower Thames Street
London
EC3R 6HE
Telephone: +44 (0)20 7334 3151
Telefax: +44 (0)20 7283 9412
E-mail: csl@clarksons.co.uk

		The Panamax Indices			
Date	P1A_03	P2A_03	P3A_03	P4_03	Av 4TC
02/01/2008	72895	77097	54737	50912	63910.25
03/01/2008	72515	77237	52650	48583	62746.25
04/01/2008	73252	78125	52631	48105	63028.25
07/01/2008	74460	79200	54941	49463	64516.00
08/01/2008	75052	79771	56682	50632	65534.25
09/01/2008	73738	79280	57057	51097	65293.00
10/01/2008	72000	78293	56000	50316	64152.25
11/01/2008	69810	76574	54261	48975	62405.00
14/01/2008	68650	75300	52655	47654	61064.75
15/01/2008	67740	73960	50375	45566	59410.25
16/01/2008	66357	72298	48177	42434	57316.50
17/01/2008	64069	70007	44811	39468	54588.75
18/01/2008	63663	69429	43905	39071	54017.00
21/01/2008	63429	69124	43762	39204	53879.75
22/01/2008	62357	68171	42773	38403	52926.00
23/01/2008	59869	66012	41080	37282	51060.75
24/01/2008	55655	62536	39932	36150	48568.25
25/01/2008	52467	60276	38580	34737	46515.00
28/01/2008	51214	59121	37134	33474	45235.75
29/01/2008	50336	58262	36327	32526	44362.75
30/01/2008	50633	58712	36000	32263	44402.00
31/01/2008	53298	61214	36034	32182	45682.00
last 7 days	53353.1429	60876.1429	37869.5714	34087.7143	
Monthly	64248.1364	70454.5000	46841.0909	42204.4091	55937.0341

(Our Style Ltd letter headed paper)

INVOICE

31st January 2008

To: Mssrs ABCD of Connecticut

Forward Freight Agreement dated 04 January 2008

File Ref: 008001
Route: Route 3a BPI
Fixed Quantity: 50 days
Contract Month: January 2008
Contract Rate: Usd 35,000
Settlement Rate: Usd 37,869.5714

Amount due: (Usd 37,869.5714 – Usd 35,000) x 50 days (**USD 143,478.57**)

Kindly transfer the above amount by 7th February 2008:

To: Any Bank
Anytown
Anywhere
Anyplace
Account No. 0123456
Swift Code: ABCDEF
USD Corresp bank: Any Bank USA
In favour of Our Style Ltd

DOCUMENTATION AND FINANCIAL TRAIL

Recap of Agreement FFA Date:	
<u>Brokers Contract Ref</u>	008001
<u>Our Ref</u>	FFA – 4/1/08 – JS250
<u>Buyers</u>	Our Style Ltd
<u>Sellers</u>	ABCD of Connecticut guaranteed by WXYZ
<u>Route</u>	R3a BPI
<u>Month/Year</u>	January 2008
<u>Quantity/Duration</u>	50 days
<u>Rate</u>	\$ 35,000
<u>Settlement</u>	Last 7 days January 08
<u>Commission</u>	0.25%
<u>Notes</u>	P+C

FFA Contract Document		
Faxed contract received Date	Brokers informed ok/not ok Date	
Original received Date	Signed / countersigned Date	Returned Date
Requested copies received Date	Photocopies in file Date	

Settlement Advice	
Settlement advice received Date	Checked Date

Invoice	
Sent /received invoice Date	Copy in file yes/no

Payment	
Payment received / effected Date	Broker sent ack. of receipt / bank transfer details sent Date:

Commission	
Invoice received Date	Paid Date:

Internal	
Pre-FFA expectations	
Result	

