**CASE STUDY 1**

**EFFECTIVELY NEGOTIATING AND AMENDING A SUPPLYTIME CHARTERPARTY**

**WORKSHOP ON CHANGES OR MODIFICATIONS TO THE STANDARD WORDING**

Super Boat (SB) is the owner of the specialist offshore construction vessel, CSV Tromp. This is currently under construction and close to delivery at a well-known yard in the Netherlands. Despite considerable market interest so far SB has not found employment for the Tromp.

SB chartering department receives an enquiry from Rotterdam Offshore Contractors (ROC) as they are looking for a vessel of similar specification to assist with their construction project for the Ghanaian National Oil Company (GNOC).

ROC proposes a three year charterparty, with options for two more, at favourable day rates. The contract shall be based on the Supplytime 2017 form, with the following amendments:

1. During construction, the Tromp's main crane specification shall be upgraded from 100mt maximum load to 150mt maximum load and shall be certified as heave compensated.
2. ROC wishes to install on board project specific equipment before the Tromp departs for Ghana. Some of this equipment will be operated on board by ROC or its sub-contractors' personnel.
3. The Tromp shall comply at all times with all project safety, equipment and HSE criteria set by GNOC.
4. Hire will commence after the Tromp is inspected and approved by ROC's and GNOC's representatives in Ghana.
5. Where there is a weather waiting day as defined in the contract between GNOC and ROC, hire shall be adjusted to half the charter hire rate stated in Box 20.
6. Clause 14(a)(ii) will be amended so that SB will be responsible for loss of Charterers Group property where caused by SB or its sub-contractors gross negligence or wilful default.
7. Clause 21 will be deleted so that there will be no right to substitute the Tromp with another vessel of the same specification.
8. Clause 13(a) shall be amended so that hire is suspended whenever GNOC determines that the Tromp fails to comply with its project safety, equipment and HSE criteria.
9. Clause 34 shall be amended so that where the failure described in 8 above is not remedied to GNOC's satisfaction within seven days of SB receiving notice of it from ROC, then ROC can terminate the charter party.
10. Clause 37 is amended to the laws and jurisdiction of Ghana.

**QUESTIONS**

Given that SB is very keen to have a contract for the Tromp, can you categorise these clauses into one of the following.

a. Clauses which SB could accept. Would SB require some additional wording to avoid later issues?

b. Clauses which could be problematic but acceptable if ROC insists upon them.

c. Clauses which SB should attempt to reject.

Note: Where necessary please feel free to identify where you might need additional or more specific information. These questions can then be raised during our discussion session.

**Tony Concagh**

**Partner**

**STEPHENSON HARWOOD LLP**

[**Tony.concagh@shlegal.com**](mailto:Tony.concagh@shlegal.com)

**+44(0) 207 809 2626**