

Confidential - Term Sheet

TasPorts & TT Line

For endorsement (prior to contract drafting)

Terms	Contents
Trading Entity	TT-Line Company Pty Ltd ACN 061 996 174
Agreement Structure	TasPorts will provide to TT-Line contemporary agreements featuring an Agreement of Lease to govern works, and Lease and "Terminal Operating Agreement(s)" to govern ongoing use.
Term Sheet	The terms endorsed within this document are intended to enable contract drafting, parties are not bound by these terms and this is not intended to be an exhaustive list of terms. Final contract executions are subject to delegations' parameters for each authorising officer.
Commencement	New terms to commence July 1, 2021 – <i>Invoicing not to increase until contract signing with a true up reconciliation post contract signing (or before end of FY22, whichever earlier).</i>
Pricing	FY22 \$7.994M FY23 \$8.566M FY24 \$10.953M FY25 \$11,671M FY26 \$12.454M
Escalation	Escalation begins from 1 July 2026. CPI + 1.5%. <i>CPI – All Capitals All Groups</i> <i>Ratchet clause – no negative CPI to be applied.</i> CPI (April-March) previous period.
Term	<i>30 years (10 year term plus 2 options of 10 years). Options exercisable by TT-Line.</i>
Payment terms	14 Days from end of month, or earlier if agreed.
Landlord Works (TasPorts)	Include: Berth pocket dredging to Harbour Master determined under keel clearance. Reclamation to wharf AHD level (excluding abutment, ramps and structures). Base earth works (excluding major change to existing levels and pavement).

	Wharf infrastructure to enable berthing of vessels to be described in the functional user requirements of the Agreement for Lease (FUR). Side fendering to suit vessels - as proposed in the FUR. Basic mooring bollards to suit vessels as currently proposed in the FUR. Trunk services and power (including communications conduits only) to property boundary only. Stormwater to property boundary only. Lighting to agreed lux levels to wharf only. Sewer to property boundary only. Fire and base potable water to property boundary only. External perimeter fencing excluding gates.
TT-Line Works (TT-Line Leasehold Improvements)	<i>Include:</i> Ramps (fixed and articulated) including all foundations and abutments. Fendering protecting TT-Line assets (i.e., stern fenders for ramp or additional fendering around AMU's). Buildings and access walkways. Services and Service Reticulation (water, electrical, lighting, sewer). Gates and landscaping. Automatic mooring units. Bunkering. Pavement, wearing surface and line marking. Vessel servicing requirement (sullage, power, water). Weighbridges. All other works to enable TT-Line's occupation and operation of the terminal.
Project Management of Leasehold Improvement Works	<i>TasPorts to project manage the agreed TT-Line scope on behalf of the TT-Line.</i> <i>TT-Line to fund the agreed works.</i> <i>Parties agree to prepare and execute an agreement on reasonable commercial terms which describes obligations, governance and assignment of warranties.</i> <i>(TasPorts has had some experience in this regard with other SOC/GBE's)</i>
Purpose of Use Clause	<i>Operations of a Terminal (with at least 5 days per week shipping) to support Bass Strait trade</i>
Force Majeure	<i>An appropriate Force Majeure clause to be agreed, example provided.</i> <i>A fire, storm, flood, earthquake or other natural disaster, explosion, war, invasion, rebellion, act of sabotage, pandemic, epidemic, quarantine or any compulsory acquisition by any government or Authority that is not caused or contributed to by the Operator or an Operator's Associate</i>
Volume & Activity Thresholds	<i>Volume & Activity Thresholds</i> <i>This clause applies for the period of agreement after the first five years and during any option term.</i>

	<i>For clarity 1x Sailing (turnaround) = 2x Voyage</i> <i>Threshold to be set 410 sailings / 820 Voyage in any given year.</i> <i>For sailings/voyages greater than the threshold the Schedule of Port Charges will apply to the following categories:</i> <i>Full Container (TEU)</i> <i>Vehicles (Freight vehicles not pax accompanied vehicles)</i> <i>Marine charges</i> <i>Fleet configuration – Volume & Activity Threshold</i> <i>This threshold applies to the 2x proposed vessels with an expected GRT of 48,000.</i> <i>Any additional vessel or material change in the proposed ship(s) GRT would be subject to TasPorts consent and would attract additional charges.</i>
Outgoings	<i>Parties agree to the inclusion of a clause for TasPorts recovery of outgoings.</i>
Termination Clause	<i>Parties agree to the inclusion of - Show Cause Termination Event & Step-In and Step-Out Clauses that require TT-Line to actively rectify defaults and give TasPorts clear termination rights for TT-Line default, as well as the ability to rectify/manage those defaults.</i>
Assignment Clause	<i>Parties agree to the inclusion of an assignment clause which prescribes the reasonable consent conditions under which parties may assign the contract and any circumstances where assignment is restricted.</i>
Emergency & contingency berthing	<i>Parties agrees to provide for wording in the new agreements which would enable other shippers to gain access to TT-Line's berths in the event of an emergency or crisis. Wording to reflect a positive obligation for TT-Line to collaborate to enable the TasPorts to manage the impact of the emergency or crisis.</i> <i>To the extent permitted by law, TasPorts agree to seek emergency berthing options for TT-Line or if not achievable TasPorts agrees to provide for an emergency berth within the Burnie Export Gateway Project scope that is subject to Infrastructure Australia funding.</i>
Vessel Tracking System	<i>TT-Line to participate in TasPorts VTS system for vessel management.</i>
Launch for Lines	<i>TT-Line to procure these services separate from TasPorts.</i>
Security	<i>The parties acknowledge that under the agreements, the TT-Line will be required to provide security of appropriate form.</i>
Site contamination risk (new footprint)	<i>TT-Line and their associates must not cause, contribute to or exacerbate any Contamination on or relating to the Premises and/or any Licensed Area.</i>

	<i>Parties agree that the Base Environmental Report establishes the site condition of the Premises.</i>
Performance Reporting	<i>TT-Line agrees that a monthly provision of trade and activity data will be provided. TT-Line agrees that a quarterly provision of other performance benchmark data and management meetings. TT-Line agrees to immediately notify TasPorts of material issues if they arise. TT-Line agrees to the electronic collection of data by the TasPorts.</i>
Maintenance	<i>TT-Line is to maintain its tenant improvements (including all tenant works).</i>
TT-Line obligation at end of lease	<i>Parties agree to appropriate end of lease obligations which may include make good obligations for TT-Line.</i>

Terms endorsed for contract drafting.

Contract executions subject to delegations' parameters for each authorising officer

This Term Sheet is confidential and will not be disclosed by a party to a third party without the prior written consent of the other party.

Date:

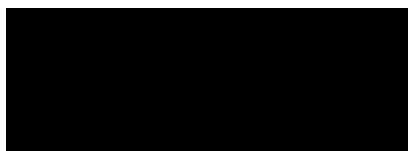
29/6/21



Bernard Dwyer
Chief Executive Officer
TT-Line Company Pty. Ltd.

Date:

26/6/21



Anthony Donald
Chief Executive Officer
Tasmanian Ports Corporation Pty Ltd.