SECOND HAND SHIP SALE PROCESS & PROCEDURE

Sale Process:

#	Item	Description	
1	Object	Second Hand Ships	
2	Seller	PNSC for the companies under its management	
3	Special Features	 a. Different types, design, size, lightweight tonnage and machinery within the respective category. b. Variation in condition of the ships due to usage and age. c. Limitations on validity of seaworthiness/classification certification of vessel. d. Sale process may extend over a longer period of time in a bid to achieve best proceeds in prevailing market and within time constraints. e. Procedure - standard international industry practices – Like Demolishcon (BIMCO) and other NSF 1993/2012, Nippon Sale 1993/1999 logically amended. 	
4	Method	Sale through Baltic Exchange enlisted shipbrokers.	

Sale Procedure:

#	Activity	Process	Document
1	Requirement	ED (C) and ED (SM) will jointly assess feasibility of continued operation of the vessel(s) from Commercial and Maintenance point of view.	Working paper – Approval by Chairman
2	Approval by Board	PNSC management to seek approval of sale from the Board of Directors of the Subsidiary Company basis commercial and survey status of ship and economic viability of the ship in prevailing freight market and/or regulations relating to particular type of ships. This activity normally comes into play at the end of useful life of the vessel.	Working Paper/ Minutes of the BOD meeting(s)
3	Invitation for Offers	PNSC management to advertise in the print and electronic media, the broad parameters of the ship and invite offers from prospective buyers through Baltic Exchange listed brokers.	News Papers Ad + PNSC & PPRA websites

#	Activity	Process	Document
4	Scrutiny	PNSC Sale and Purchase Committee (comprising Chairman, all EDs and relevant officers) to scrutinize offers and evaluate same basis market intelligence.	Minutes of the Purchase Committee meeting(s)
5	Negotiations of Terms & Conditions	The Sale and Purchase Committee to settle the Price and Terms & Conditions with appropriate conditionality, which shall always include Board's approval for the final conclusion of the deal.	Minutes of the meeting(s)
6	Information to Board	PNSC's management to keep Board informed from time to time the progress made in the sale process.	Working / Information Paper
7	Re-Capping	The Sale and Purchase Committee to re-cap the terms and conditions at the point where final deal can be made and submit the matter to the Board of Subsidiary and PNSC BoD along with Draft Memorandum of Agreement (MoA).	Draft MoA/ Working Paper
8	Approval By Subsidiary	The Board of relevant subsidiary company to approve the sale deal after consideration of the case.	Working paper and Minutes of BoD meeting
9	Final Approval by PNSC BOD	The PNSC BoD, after considering BOD Approval of relevant subsidiary, accords final approval.	Working paper and Minutes of BoD meeting
10	Deal	PNSC's management to confirm the deal after the final approval of the Board. PNSC Board kept informed through out.	Various / Information paper
11	Delivery	PNSC to undertake necessary steps for formalization/ execution of MoA, receipt of payments, delivery to buyers and deregistration of the sold vessel.	Various