

1. PORT DUES AND CHARGES(AT ALL KOREAN PORTS)
- LEVIED BY THE PORT AUTHORITIES -
 (COMPULSORY RATE effective from 1st January, 2015)

(unit : Korean Won)

Dues & Charges	Coverage	Rate																																		
1. vessel																																				
(1) port dues	water facilities such as sea routes, turning places, contour facilities, voyage aid facilities	135 per grt per call(in or out)																																		
(2) berth hire	contour facilities such as mooring and similar facilities	358 per 10 grt first 12 hrs.(for more than 150 grt) * surcharge : 29.9 per 10 grt per hr.																																		
(3) anchorage	water facilities such as anchorage and small craft harbour	187 per 10 grt first 12 hrs.(for more than 150grt) * surcharge : 15.7 per 10 grt per hr.																																		
(4) laid-up charge	laid-up points designated by the general director of local port authority	28.5 per 10 grt every 12 hrs.(for more than 150grt)																																		
2. cargo																																				
(1) wharfage	water facilities, harbour transportation facilities, cargo storage and handling facilities	unit : - general cargo/machinery handling cargo/coal : Won/ton - container : Won/TEU - liquid cargo thru pipeline : Won/10 barrels																																		
		<table border="1"> <thead> <tr> <th colspan="2"></th> <th>Busan</th> <th>Incheon</th> <th>Others</th> </tr> </thead> <tbody> <tr> <td rowspan="2">general cargo</td> <td>in</td> <td>341</td> <td>306</td> <td>194</td> </tr> <tr> <td>out</td> <td>203</td> <td>192</td> <td>120</td> </tr> <tr> <td>machinery handling cargo</td> <td>in/ out</td> <td>203</td> <td>192</td> <td>120</td> </tr> <tr> <td>container</td> <td>in/ out</td> <td>4,429</td> <td>4,200</td> <td>2,742</td> </tr> <tr> <td>liquid cargo</td> <td>in/ out</td> <td>111</td> <td>111</td> <td>111</td> </tr> <tr> <td>coal</td> <td>in/ out</td> <td>27</td> <td>27</td> <td>27</td> </tr> </tbody> </table>			Busan	Incheon	Others	general cargo	in	341	306	194	out	203	192	120	machinery handling cargo	in/ out	203	192	120	container	in/ out	4,429	4,200	2,742	liquid cargo	in/ out	111	111	111	coal	in/ out	27	27	27
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extra container type																																				
- 10' : 1/2 times of 1 TEU																																				
- 35' : 1.7 times of 1 TEU																																				
- 40' : 2.0 times of 1 TEU																																				
- 45' : 2.3 times of 1 TEU																																				
(2) Demurrage	cargo custody and handling facilities	unit : 10tons per day																																		
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3. Passenger terminal rental charge	passenger facilities such as guest room and other convenient service area	1,500 per passenger (except infant under 6 year old) (except Passenger terminal managed by non-governmental enterprises)		
4. Exclusive usage				
warehouse & yard	cargo custody and handling facilities	unit : per 1 ^{m³} per month		
			Busan & Incheon	Others
		warehouse	1,288	1,029
		yard	pack	571
	unpack	306	277	

※ applied to ocean-going vessel and cargo

□ General Provisions

Vessel

(1) Port dues

- 1) These dues shall be applied to the vessels calling at all Korean open ports.
- 2) GRT means gross registered tonnage defined in "the International Convention on Tonnage Measurement of Ships, 1969".
- 3) Notwithstanding the above provision 2), GRT of car ferry on Korea/Japan trade is applied to 0.4786 multiplied by tonnage recorded on the International Tonnage Certificate in accordance with mutual spirit between Korea and Japan.
- 4) GRT of the vessels not possessing the International Tonnage Certificate shall be applied to the vessel's measurement(m³, LOA x width x depth) multiplied by 0.35(in case of car carriers 0.45).
- 5) Fraction of ton less than one ton shall be charged as one ton's term.
- 6) In case the lighter would be tugged by the tug boat, the dues shall be counted based on the total tonnage of the lighter and the tug boat.

(2) Berth hire, Anchorage and Laid-up charge

- 1) Berth hire and anchorage shall be counted from the time of berthing or anchoring to the time of finishing.
- 2) In case the lighter would be tugged by the tug boat, the charge shall be

- counted based on the total tonnage of the lighter and the tug boat.
- 3) The ocean-going vessel under 150 GRT shall be considered to be 150 GRT.
 - 4) Fraction of ton less than one ton shall be charged as one ton's term, however, fraction of tons less than 10 tons being as 10 tons, and that of tons less than 50 tons being as 50 tons.
 - 5) Please see the above "Vessel's Port Dues (1) 2) ~ 4)" on the calculation of the GRT.
 - 6) Fraction of hours less than 12 hours shall be charged as 12 hours and days less than one month being as one month. But, if the duration of berth hire and anchorage would be over 12 hours, 1/12 of the basic rate shall be added for every hour and fraction of time less than one hour shall be charged as one hour.
 - 7) The Laid-up charge shall be applied to the vessel which reports to the Regional Maritime Office and gets its approval. But the vessel should be laid-up more than 15 days.
 - 8) In case the vessel would be laid-up at the laid-up facilities in the special port area not belonged to the government, the anchorage shall be charged.
 - 9) Minimum Berth hire and laid-up charge shall be 2,000 Won.
 - 10) If Berth hire once charged, the Berth hire shall not be charged again in other ports during its period.

Cargo

(1) Wharfage

- 1) If cargo wharfage is once charged, the cargo shall not be charged again even though the same is carried by the craft or barge in the same harbour.
- 2) The cargo wharfage shall not be charged again in case the cargo would be discharged temporarily in order to shift the cargo in the same vessel.
- 3) Minimum wharfage shall be 3,000 Won.
- 4) All cargo wharfage shall be applied to the revenue tons in case metric tons and measure tons of the cargo are different.
- 5) The application unit :
Liquid cargo thru pipeline - barrel, Container - TEU, Scrap - LDT.
- 6) Fraction of ton less than one ton shall be charged as one ton, that of m³ less than 1 m³ being charged as 1 m³ and that of feet less than 10 feet

being charged as 10 feet.

7) The wharfage of ocean-going cargo except container shall be charged to each B/L.

8) Calculation unit

• Weight :

1,000kgs = 2,204.6 pounds = 1 ton

1 short ton = 907kgs = 2,000 pounds = 0.907 ton

1 long ton = 1,016kgs = 2,240 pounds = 1.016 tons

• Measurement

1m³ = 0.883 ton = 35.305 CUFT = 423.654B/F

• Liquid :

1ℓ = 0.2642 gallon

1 gallon = 3.7854ℓ

1 barrel(42 gallon) = 158.9873ℓ

(2) Demurrage

1) Storage shall not be charged for the cargo in the exclusive warehouse or storing place belonged to the specific cargo owner.

2) Calculation basis :

• Storing at yard : from entrance date into yard to departure date.

• Storing at warehouse : from entrance date into warehouse to departure date.

• Transshipment between warehouse and yard, and vice versa : including commencement date of working.

Others

1) Machinery handling cargo means the cargo handled by machinery stevedoring equipment fixed or movable on land.

2) The liquid cargo thru pipeline means liquid substances or liquid cargo carried through pipeline between the vessel and storage tank, but it excludes cargo transhipped between the vessel and transportation vehicle.

3) Transit vessel means ocean-going vessel in anchorage designated by the Regional Maritime Office for the purpose of bunkering, supply of spare parts, provisions, embarkation and/or disembarkation of crew, ship's defect

repair, without loading or discharge of cargo, neither landing/onboard of passengers simply calling to Korean port which should leave within 48 hours after anchoring. If 48 hours is overdue for ship's repair, the ship shall submit the relevant evidence to the Regional Maritime Office.

- 4) International cruise ship means the ocean-going vessel equipped with various convenient facilities including lodging and entertainment for tourist.

□ Exemption and Reduction Rates of the Port Dues and Charges

Vessel

(1) Port dues

- 1) Any warship, official vessel, shelter vessel in distress, coaster, or ocean-going vessel calling shipyard for repair in ballast without cargo and the ocean-going vessel initially paid the port dues at Busan port, and thereafter shifted to the southern port of Busan and again moved to the Busan port 100% exemption
- 2) Launching vessel without berthing or anchoring after shipbuilt at shipyard (inclusive of new built ship to fueling station) 100% exemption
- 3) Ocean-going full containership calling at Gwangyang - by 31/12/2015 100% exemption
- 4) Ocean-going full containership calling at Pohang and Masan New Port(1-1 stage) (inclusive of semi container laden onboard more than 20 TEU) - by 31/12/2015 100% exemption
- 5) Ocean-going full containership calling at Busan North Port and New Port consecutively on the same voyage - by 31/12/2015 100% reduction
- 6) Kyungin port dues of ocean-going full containership consecutively calling at Incheon, Pyeongtaek or Incheon, Pyeongtaek port dues of consecutively calling at Kyungin port on the same voyage - by 31/12/2015 100% exemption
- 7) Busan port dues of ocean-going full containership consecutively calling at Kyungin port on the same voyage - by 31/12/2015

- 100% exemption
- 8) Ocean-going vessel calling at Kyungin Port - by 31/12/2015
- 100% reduction
- 9) Ocean-going full containership calling at Ulsan Port
- 70% reduction
- 10) Ocean-going vessel calling at Mokpo New Port(4 piers) and
Masan New Port(1-1 stage) - by 31/12/2015
- 50% reduction
- 11) Ocean-going vessel calling at Korean open port through North Pole Route
- 50% reduction
- 12) Ocean-going full containership calling at Gunsan (inclusive of semi
container laden onboard more than 20 TEU)
- 50% reduction
- 13) International car ferry calling at Incheon, Pyeongtaek, Sokcho, Gunsan,
Mokpo, Donghae and Gwangyang - by 31/12/2015
- 30% reduction
- 14) Ocean-going full containership calling at Pyeongtaek
- 30% reduction
- 15) Ocean-going full containership calling at Masan, Daesan and Donghae
(inclusive of semi container laden onboard more than 20 TEU)
- 30% reduction
- 16) International Excursion Cruise ship calling at Korean open port
- 30% reduction
- 17) Ocean-going full containership calling at Incheon lock - by 31/12/2015
- 20% reduction

(2) Berth hire and Anchorage

- 1) Any warship, official vessel, shelter vessel in distress or emergency

- calling for patient 100% exemption
- 2) Transit vessel 100% exemption
- 3) Vessel waiting for repair, or waiting for due to short of berth, tide, limited pilot service or heavy weather and vessel anchored by the order of the Regional Maritime Officer due to the port situation
..... 100% exemption
- 4) Ocean-going full containership calling at Gwangyang - by 31/12/2015
..... 100% exemption
- 5) Ocean-going full containership calling at Pohang and Masan New Port(1-1 stage) (inclusive of semi container laden onboard more than 20 TEU)
- by 31/12/2015
..... 100% exemption
- 6) Ocean-going full containership calling at Busan North Port and New port consecutively on the same voyage - by 31/12/2015
..... 100% exemption
- 7) Kyungin port dues of ocean-going full containership consecutively calling at Incheon, Pyeongtaek or Incheon, Pyeongtaek port dues of consecutively calling at Kyungin port on the same voyage - by 31/12/2015
..... 100% exemption
- 8) Busan port dues of ocean-going full containership consecutively calling at Kyungin port on the same voyage - by 31/12/2015
..... 100% exemption
- 9) Anchorage only of Kyungin Port for ocean-going vessel - by 31/12/2015
..... 100% exemption
- 10) Ocean-going full containership calling at Ulsan Port(inclusive of semi container laden onboard more than 20 TEU) - by 31/12/2015
..... 70% exemption
- 11) Anchorage only of ocean-going vessel calling at Mokpo New Port - by 31/12/2015
..... 50% reduction
- 12) Ocean-going vessel calling at Masan New Port - by 31/12/2015
..... 50% reduction
- 13) Ocean-going vessel calling at Korean open port through North Pole Route
..... 50% reduction
- 14) Ocean-going full containership calling at Gusan Port(inclusive of semi container laden onboard more than 20 TEU) by 31/12/2015

-50% exemption
- 15) Vessel whose port dues are reduced 30% - by 31/12/2015
.....30% reduction
- 14) Ocean-going full containership calling at Incheon lock - by 31/12/2015
.....20% reduction

Cargo

(1) Wharfage

- 1) Cargo on board any warship, spare parts, passenger's baggage, cargo of coastal passenger, cargo carried by coaster less than 300 GRT, fishes carried by coastal fisher, vessel for scrap over 2,000 LDT classified as imported cargo, and empty container box for import or export 100% exemption
- 2) Wharfage for transshipment cargo shall be charged when entering into Korean port, and in case the same cargo shall be transhipped on land or at sea to the ocean-going vessel defined by the Maritime Act, wharfage for departure shall be 100% exemption
- 3) However, in case liquid or liquified substances stored in the tank lorry on land are transhipped, they have to pay whole wharfage.
- 4) Temporary discharge and/or reloading cargo for trimming in the hold or loading other cargo 100% exemption
- 5) Containerized cargo onboard ocean-going full containership at Gwangyang - by 31/12/2015
..... 100% exemption
- 6) Containerized cargo onboard ocean-going full containership calling at Pohang and Masan New Port(1-1 stage) - by 31/12/2015
..... 100% exemption
- 7) Ocean-going T/S containerized cargo(inbound wharfage) - by 31/12/2015
..... 100% exemption
- 8) Ocean-going vessel calling at Kyungin Port - by 31/12/2015
..... 100% exemption
- 9) International Car Ferry ship calling at Korean open port - by 31/12/2015
..... 100% reduction
- 10) Cargo in/outbound carried by the coastal full containership

- by 31/12/2015
.....70% reduction
- 11) Containerized cargo onboard ocean-going full containership calling at Ulsan Port(inclusive of semi container laden onboard more than 20 TEU)
- by 31/12/2015
.....70% exemption
- 12) Cargo onboard ocean-going vessel calling at Mokpo New Port
- by 31/12/2015
.....50% reduction
- 13) Ocean-going vessel calling at Masan New Port(1-1 stage)
- by 31/12/2015
.....50% exemption
- 14) Ocean-going vessel calling at Korean open port through North Pole Route
.....50% reduction
- 15) Containerized cargo onboard ocean-going full containership calling at Gusan Port(inclusive of semi container laden onboard more than 20 TEU)
- by 31/12/2015
.....50% reduction
- 16) Containerized cargo onboard International car ferry calling at Pyeongtaek, Sokcho, Gunsan, Mokpo, Donghae and Gwangyang - by 31/12/2015
.....30% reduction
- 17) Containerized cargo carried by vessel whose port dues are reduced 30% (except containerized cargo by International Car Ferry at Incheon port)
- by 31/12/2015
.....30% reduction

(2) Cargo storage

- Military cargo, and the cargo belonged to the government, arrested, detained, confiscated, attached or abandoned under the relevant law and regulations
.....100% exemption

2. VOLUME INCENTIVE

□ Volume Incentive System at Busan Port

Busan Port's transshipment incentive scheme 2015

- Period: January 1st, 2015 ~ December 31th, 2015
- Pay out: Cash back in the following year
- Calculated based on the Port-MIS statistics of Busan Port

○ Scheme Details :

Classification	Details
Performance Incentive	<ul style="list-style-type: none"> ▪ Qualification: Shipping carriers handling more than 50,000TEU T/S cargo per year ▪ Total incentive amount : KRW 3.5 billion ▪ Formula <div style="border: 1px solid black; padding: 10px; margin: 10px 0; text-align: center;"> $\text{Carrier Incentive} = \frac{\text{KRW } 3.5 \text{ billion}}{\text{Total T/S volume of all carriers handling more than 50,000 TEU at Busan Port}} \times \text{Carrier's T/S volume}$ </div>
Incremental Incentive	<ul style="list-style-type: none"> ▪ Qualification: Shipping carriers handling more than 10,000 TEU T/S cargo per year and showing T/S cargo increase than the year before, while handling a higher volume than the average of the two previous years ▪ Standard : 5,000(KRW) per T/S increase(TEU) <p>※ Incentive cap per a carrier : KRW 2 billion</p>