

Dalrymple Bay Coal Terminal

Queue Management System Amendments to Terminal Regulations





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Queue Management Procedures, forming
part of Terminal Regulations

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1. Definitions and interpretation

1.1 Definitions

In this document:

ACCC means the Australian Competition and Consumer Commission.

ATA means, in respect of a vessel, the ~~deemed~~ actual (or, where relevant, deemed) time of arrival of the vessel for loading of a relevant cargo or cargoes of Coal at the Terminal, being the time of anchorage of the vessel at Hay Point (or at any other location required by the harbour master for Hay Point) in readiness to load. ~~This definition is subject to clause 5.3(b)~~

BBI means BBI (DBCT) Management Pty Ltd (ACN 097 698 916), and has the same meaning as *Lessee* in the Terminal Regulations.

consume or *consumption* in respect of Entitlement means the allocation of Entitlement to a vessel, at which time it is deducted from a relevant User's remaining Entitlement available for allocation (subject to further adjustment pursuant to clause 5.3(c)).

Discretionary Buffer means in respect of each User Agreement, in each Financial Year, commencing 1 July 2005, a buffer by which the tonnage actually loaded on a Financial Year to date basis in that Financial Year may exceed the aggregate Entitlement which has been acquired by the User in the relevant Financial Year to date, after deduction of any Entitlement accrued in that Financial Year to date which the User has disposed of by way of Swap. ~~That buffer is 90,000 tonnes per annum~~ Month of the period from 1 July 2005 to the end of the Term, a maximum buffer by which:

(a) the tonnage of Coal actually loaded from 1 July 2005 to that Month (inclusive) less any tonnage shipped in that period without Entitlement, pursuant to clause 6.2(a)(i);

may exceed

(b) the aggregate Entitlement which has been acquired by the User in that period less any Entitlement accrued in that period - which the User has forfeited or disposed of by way of Swap.

The buffer is 90,000 tonnes for each User Agreement, except that where a User holds more than one User Agreement or related bodies corporate between them hold more than one User Agreement, the aggregate buffer under those User Agreements will be 90,000 tonnes ~~per annum~~ (divided equally between each relevant User Agreement where the Entitlement under those User Agreements is not pooled).

Entitlement means entitlement (expressed as a tonnage) allocated to a User pursuant to clause 5, reduced or increased by any subsequent adjustment, consumption, Swap or forfeiture pursuant to the Queue Management Procedures.

Goonyella Coal Chain means all infrastructure between and including respective rail loading facilities at mines and the ship loading facilities of the Terminal, relating to the Shipping of Coal through the Terminal.



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Hay Point means the port of Hay Point (near Mackay), Queensland.

Independent Administrator means Ernst & Young (Brisbane Office), or such other independent professional service firm as the Operator (after consultation with ~~Prime~~BBI and all Users) from time to time appoints as such.

Independent Expert means BMT Maritime Consultants Pty Ltd (ABN 99 104 767 651) or such other independent professional service firm as the Operator (after consultation with ~~Prime and all Users~~) appoints as such. BBI and all Users) appoints as such.

Loading Tonnage, in respect of a vessel or a parcel of Coal on a vessel, is taken to be the maximum nominated tonnage (which includes the master's discretion) until such time as the Operator receives a stowage plan for that vessel or parcel, at which time it will become the tonnage in that stowage plan.

Key Objectives means the key objectives in clause 3.

Month means a calendar month.

Monthly Contract Tonnage in respect of a User for a relevant Month, the Annual Contract Tonnage of that User at that time pursuant to its User Agreement divided by the number of days in the relevant Financial Year, multiplied by the number of days in the relevant Month. (For clarification, the Annual Contract Tonnage under a User Agreement in a relevant Month will be taken to be an annualised amount at that time, even if it is not expressed as such in a User Agreement. For example, if a User Agreement entitles a User to Ship 3 million tonnes of Coal in the period January to June in a Financial Year, the Annual Contract Tonnage during that period will be taken to be expressed as (approximately) 6 million tonnes per annum for the purposes of this definition.)

Prime means ~~Prime Infrastructure (DBCT) Management Pty Ltd (ACN 097 698 916)~~, and has the same meaning as **Lessee** in the Terminal Regulations.


Notional Entitlement Procedures means the interim amendments to Terminal Regulations which commenced to apply as from 1 October 2004 and were previously intended to continue to apply until 30 June 2005.

Pooling means an arrangement between two Users (or by one User in respect of two or more User Agreements to which it is a party) whereby the aggregate Entitlement held by those Users (or pursuant to those User Agreements) is re-distributed between them, as they determine and notify the Operator from time to time.

Pre-loading Requirements means the pre-loading requirements of the Operator in the Terminal Information Booklet from time to time, the current such requirements being those set out in the Schedule

Queue means, at a relevant time, the vessels at that time anchored at Hay Point (or any other location to which they are consigned by the harbour master of Hay Point before entering Hay Point), and waiting to be loaded at the Terminal.

Queue Management Procedures means the provisions in this document.

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Queue Reduction System Capacity means a tonnage which in respect of a Month is a proportion of actual System Capacity for that Month, and which the Independent Expert determines pursuant to clause 4.2.

Swap means an arrangement between two Users under which one User's Entitlement in respect of one or more Months is agreed to be reduced by a specified tonnage and the other User's Entitlement for that Month or Months is agreed to be increased by a corresponding tonnage (subject to it being effective pursuant to clause 5.3(f)).

System Capacity means, in respect of a relevant Month, the maximum practicable throughput tonnage of the Goonyella Coal Chain for that Month, as predicted by the Independent Expert and notified to Users pursuant to clause 4.1 or (if revised) clause 4.3.

Term means the period commencing on 1 April 2005 and ending on the earliest of:

- (a) the delivery of additional throughput capacity at the Terminal by reason of completion of "Phase 1" (as that term has been explained by PrimeBBI to Users prior to the commencement of the Term) of the anticipated further expansion of the Terminal;
- (b) 31 December 2008; and
- (c) the date when System Capacity reaches or exceeds on a sustained Monthly basis the aggregate of Monthly tonnages of Coal which Users wish to Ship through the Terminal on a sustained basis (that determination of sustained System Capacity being made by the Independent Expert).

Terminal Regulations means the Terminal Regulations from time to time for the Terminal, and where the context allows means the Terminal Regulations as amended by the Queue Management Procedures.

User means a company (or companies) which is (or are) a party to a User Agreement with PrimeBBI, and has the same meaning as **Customer** in the Terminal Regulations;

User Agreement means an agreement (including an agreement novated from Ports Corporation of Queensland to PrimeBBI) between PrimeBBI and a User, whether or not there are other parties to it, allowing the Shipment of Coal through the Terminal.

Working Queue means a Queue which is consistent with both maximising the throughput of Coal through the Terminal and as far as practicable minimising demurrage, (the initial target for 30 June 2005 being a Queue in the order of 15 vessels intending to load an aggregate in the order of 1.26 million tonnes).

Terms defined in each User Agreement and in Terminal Regulations have the same meaning in this document (except where they are separately defined in this document).

1.2 Interpretation

- (a) In this document:
 - (i) the provisions in Schedule 3 to each User Agreement in relation to interpretation of that agreement also apply to this document; and



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- (ii) unless the context otherwise requires, references to clauses refer to clauses in this document.
- (b) For the purposes of clause 9.2 of each User Agreement, if the aggregate tonnage of Coal:
 - (i) for which a User acquires and consumes Entitlement; and
 - (ii) which that User is also able to ~~Ship~~ without Entitlement, pursuant to clause 6.2(a),
in a Financial Year exceeds the Annual Contract Tonnage of that User under its User Agreement, there will be taken to be:
 - (iii) sufficient available unallocated capacity at the Terminal; and
 - (iv) no additional expense or unreasonable interference to other Users from Shipping that aggregate tonnage,with the intent that the User not be precluded by that clause of its User Agreement from being entitled to Ship Coal up to that aggregate amount in that Financial Year.
- (c) For the avoidance of doubt, nothing in the Queue Management Procedures affects or derogates from the rights or obligations of ~~Prime~~BBI or the Operator under the Operations & Maintenance Contract (*OMC*) between them, and in the event of any inconsistency between the terms of the Queue Management Procedures and the OMC, the terms of the OMC will prevail.

2. Queue Management Procedures Apply for the Term

- (a) The Queue Management Procedures amend and form part of the Terminal Regulations (by supplementing and, where inconsistent, modifying existing Terminal Regulations) for the Term.
- (b) The Notional Entitlement procedures cease to apply on and from 1 April 2005.
- (c) The Queue Management Procedures replace the Notional Entitlement Procedures on and from 1 April 2005.
- (d) The procedures and requirements of the Queue Management Procedures will be taken to have been in effect on and from 1 April 2005, even though they have not become part of the Terminal Regulations until after that date.
- (e) The transitional provisions in clause 14 apply in respect of the transition from the Notional Entitlement Procedures to these Queue Management Procedures.
- (f) Amendments to the Queue Management Procedures made in August 2005 will be taken to have applied retrospectively from 1 April 2005 (except where the operator determines that it is only practical to implement them from the date they are made).



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3. Key Objectives

The key objectives of the Queue Management Procedures are to:

- (a) ensure a fair, equitable and transparent allocation of System Capacity (and where applicable Queue Reduction System Capacity) from time to time between Users;
- (b) achieve and maintain a Working Queue, so as to minimise deadweight demurrage costs to all Users;
- (c) maximise utilisation of System Capacity, hence maximising Coal exports from the Terminal; and
- (d) restore and maintain the reputation of the Terminal as a reliable and low demurrage facility.

4. System Capacity

4.1 Periodic determination of System Capacity

- (a) The Operator must request the Independent Expert to determine System Capacity for each of the following periods:
 - (i) 1 April 2005 to 30 June 2005 inclusive;
 - (ii) each Month of each succeeding calendar quarter which falls (wholly or partly) in the Term;
- (b) The Operator must periodically require the Independent Expert to determine System Capacity for each Month of each calendar quarter, and at the same time to provide an indicative forecast of System Capacity for each Month of the 12 monthly period following that calendar quarter, as follows:

Date of Determination: 5 Business Days before the respective dates below	Period of Determination of System Capacity	Period of indicative forecast
The date 10 Business Days after commencement of Queue Management Procedures	1 April 2005 – 30 June 2005	The 12 month period following the period in column 2
15 May 2005	1 July 2005 – 30 September 2005	The 12 month period following the period in column 2
15 August 2005	1 October 2005 – 31 December 2005	The 12 month period following the period in column 2
15 November 2005	1 January 2006 – 31 March 2006	The 12 month period following the period in column 2
15 February 2006	1 April 2006 – 30 June 2006	The 12 month period following the period in column 2



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and so forth throughout the Term, so that the date of each determination in column 1 is the fifteenth of the Month which is two Months before commencement of the corresponding quarterly period in column 2, and the period of each indicative forecast in column 3 is the 12 Month period following the corresponding calendar quarter in column 2.

- (c) The Independent Expert must make its assessment of System Capacity following consultation, before the determination needs to be made, with the Operator and such other stakeholders as it considers relevant, and having regard to predictions of all relevant factors which are likely to impinge on System Capacity.
- (d) The Operator must notify PrimeBBI and each User of each determination of System Capacity by the Independent Expert, within 5 Business Days after the Operator is advised in writing by the Independent Expert of that determination.

4.2 Determination of Queue Reduction System Capacity, if relevant

- (a) The *Queue Reduction System Capacity* is a percentage of the actual System Capacity for a relevant Month or Months, which, if adopted instead of actual System Capacity for the purpose of determining Entitlements in that Month or Months, is predicted by the Independent Expert to reduce the Queue to a Working Queue by the end of that period (assuming that vessels will not be ordered unless they will qualify to receive Entitlement on their ATA).
- (b) If the Operator, acting reasonably, determines at any time that the Queue is significantly larger than a Working Queue and is not likely to be reduced to a Working Queue without this clause 4.2 being invoked, the Operator must request the Independent Expert to determine a Queue Reduction System Capacity for one or more Months. That period must commence:
 - (i) for the period 1 April 2005 to 30 June 2005 inclusive – as of 1 April 2005; and
 - (ii) in respect of any period after the period in (i) above – no earlier than 6 weeks after the date of notification by the Operator of the Queue Reduction System Capacity.
- (c) When the Independent Expert determines the Queue Reduction System Capacity for a Month or Months, it must notify the Operator of that determination in writing, and the Operator must within 5 Business Days notify PrimeBBI and the Users of that Queue Reduction System Capacity.

4.3 Determination of revised System Capacity or Queue Reduction System Capacity, if relevant

- (a) If the Operator determines that the Queue is or is likely to become either substantially less or substantially more than a Working Queue for a sustained period, it may request the Independent Expert to re-determine any previously determined System Capacity (and also, if relevant, any previously determined Queue Reduction System Capacity) for a relevant Month or Months, with a view to re-determining Entitlements for that Month or those Months.



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- (b) A determination of revised System Capacity may be undertaken by itself, or in conjunction with a determination or re-determination for the same or other Months of Queue Reduction System Capacity. (For example, to stabilise the Queue it may be necessary to determine or re-determine a Queue Reduction System Capacity for one or more Months, followed by a revised determination of System Capacity thereafter.)
- (c) A re-determination which reduces System Capacity or Queue Reduction System Capacity from a tonnage previously determined cannot take effect less than 6 weeks after notice of it is given by the Operator to Users.

4.4 Consequences of re-determination

A revised System Capacity or Queue Reduction System Capacity duly notified to Users will replace the previously determined and notified System Capacity or Queue Reduction System Capacity previously notified in respect of each relevant Month.

5. Entitlements

5.1 Initial allocation of Entitlements

Each User will be awarded an Entitlement which relates to each Month (or other relevant period) in respect of which System Capacity or Queue Reduction System Capacity is determined in accordance with clause 4. That Entitlement for a Month will be calculated as follows:

$$E = SC \times \frac{MCT}{AMCT}$$

Where:

E means the Entitlement awarded to the User in respect of the relevant Month (or the initial 3 Month period)

SC means the System Capacity (or, where relevant, Queue Reduction System Capacity) for the relevant Month (or the initial 3 Month period)

MCT means the Monthly Contract Tonnage of that User for that Month (or the aggregate Monthly Contract Tonnages for all Months in the initial 3 Month period); and

AMCT means the aggregate of the Monthly Contract Tonnages for all Users for that Month (or the initial 3 Month period)

5.2 Revised allocation of Entitlements

- (a) If a User has been awarded an Entitlement in respect of a Month (or other relevant period) based on a determination of System Capacity or Queue Reduction System Capacity for that Month (or other relevant period) and that determination is amended in accordance with clause 4.2 or 4.3, then the Entitlement allocated to that User in respect of that Month (or other relevant period) will be taken to be adjusted accordingly.



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- (b) If part or all of the Entitlement held by a User for a Month (or other relevant period) has been Swapped by a User and that Entitlement is subsequently revised pursuant to this clause 5.2(a), then, unless the relevant Users agree otherwise (and give the Operator notice appropriately):
- (i) if the Entitlement previously held is reduced, the proportion of it which was Swapped will be taken to be reduced accordingly; and
 - (ii) if the Entitlement previously held is increased, the tonnage which has been Swapped will be unaffected, and the User will be entitled to the balance of the increased Entitlement allocated to it.

5.3 Consumption and loss of Entitlement

- (a) (Consumption at ATA if sufficient for entire cargo)
- (i) Entitlement held by a User in respect of a Month (or other relevant period) may be allocated to a vessel on which that User's Coal is to be loaded, if:
 - (A) the ATA of the vessel occurs in that Month (or, ~~if so requested by the User, in the case of one vessel per Month only, on which it is to load Coal, alone or with others~~ - if the ATA of that vessel occurs in the first 5 days of the succeeding Month); and
 - (B) the amount of Entitlement held by the User for that Month (or other period) and not already consumed, plus any Discretionary Buffer of the User at that time, equals or exceeds the ~~maximum nominated tonnage (including the master's discretion)~~ relevant Loading Tonnage of Coal of the User ~~requested to be loaded on that vessel~~.
 - (ii) For clarification, if the Entitlement of a User for a Month (~~or other relevant period~~) plus any ~~remaining~~ Discretionary Buffer at that time is less than the ~~tonnage which the User requires to be loaded on a vessel, the User~~ relevant Loading Tonnage, the vessel must not load that vessel be loaded unless or and until the User acquires sufficient further relevant Entitlement which (together with all or part of the Discretionary Buffer available at that time, should that be needed) equals or exceeds the tonnage required to be loaded Loading Tonnage, and is allocated to that vessel.
- (b) (Vessel may be allocated Entitlement for a Month after the Month in which ~~actual~~ ATA occurs) If at the ATA of a vessel there is insufficient Entitlement ~~on the part of all every~~ relevant Users User to allocate to it in respect of each intended cargo on that vessel in accordance with above 5.3(a), and that vessel remains in the Queue after the end of that Month, Entitlement which accrues to relevant Users in a subsequent Month, if sufficient, may then be allocated to that vessel, but the ATA of that vessel will then be taken to be the first day of the month in which all Users intending to load Coal on that vessel have sufficient Entitlement to do so, then :



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- (i) the User or Users which have sufficient Entitlement for their cargo on that vessel in the month in which the ATA occurred (or in the previous month if the words in brackets in clause 5.3(a)(i)(A) apply) will be taken to have consumed that Entitlement in respect of that vessel in respect of that month (irrespective of the time of loading can occur pursuant to clause 5.3(a)(ii)); and
 - (ii) Entitlement which accrues to the remaining Users in a subsequent Month, if sufficient, may then be allocated to that vessel as contemplated in clause 5.3(a)(ii).
- (c) **(Measurement of Entitlement consumed)** The amount of Entitlement of a User consumed in respect of a vessel will be:
 - (i) initially determined based on the maximum nominated tonnage (which includes the master's discretionary tonnage) of the User's Coal to be loaded;
 - (ii) subsequently adjusted to accord with the stowage plan received by the Operator in respect of that Coal; and
 - (iii) subsequently adjusted to accord with the actual tonnage of the User's Coal loaded, at the time of loading.
- ~~(e) **(Measurement of Entitlement consumed)** The amount of Entitlement of a User consumed in respect of a vessel will initially be determined based on the maximum nominated tonnage (including a master's discretionary tonnage) of the User's Coal to be loaded, but the consumption of Entitlement will subsequently be adjusted to accord with the actual tonnage of the User's Coal loaded, at the time of loading. If the subsequent~~ If an adjustment subsequent to loading causes the User to have loaded more than its Entitlement (plus any unused Discretionary Buffer at that time) ~~for a Month, the amount of that excess will be deducted from its Entitlement for the following Month.~~
- (d) **(Substitution of Entitlement)** A User may request that where a vessel intending to load its Coal has sufficient Entitlement to do so, the amount of that Entitlement may instead be allocated to another vessel (with the amount of Entitlement allocated on the intended tonnage of the latter vessel).
- (e) **(Loss of Entitlement not consumed)** Any Entitlement which is not consumed in the Month to which it relates (including any relevant 5 day period pursuant to clause 5.3(a)(i)(A)), will lapse, and may not subsequently be used by any User, except that:
 - (i) Entitlement is not lost where the User has a vessel (but not more than one vessel) whose ATA occurs in that Month (or the first five days of the next Month where clause 5.3(a)(i)(A) would apply) but there is insufficient unused Entitlement for the entire cargo of the User on that vessel (in which case that unused Entitlement may be allocated to that cargo, with the balance required for that cargo being allocated from Entitlement accruing in the following Month); and
 - (ii) if any part of the Discretionary Buffer has been utilised in the immediately previous Month, the shortfall of unconsumed Entitlement in the relevant month will be taken not to have been forfeited (up to a maximum tonnage equal to the



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actual amount of that Discretionary Buffer utilised for the previous Month) for the purposes of future calculations of the Discretionary Buffer.

- (f) **(Clarifications)** For clarification:
- (i) the fact that a User has Entitlement in respect of a Month does not guarantee that all or any part of that Entitlement will be shipped in that (or any) Month; and
 - (ii) neither Entitlement in itself nor any Swap undertaken pursuant to clause 5.4 affects the basis of charging TIC, TPC, TR, HCV or HCF

5.4 Swaps and Pooling of Entitlement

- (a) **(Swaps)** Users may Swap all or any part of an allocation between themselves on any terms and conditions they mutually agree. No Swap will be effective for the purposes of the Queue Management Procedures unless it is notified in writing by both relevant Users to the Operator at least 14 days prior to commencement of loading of the relevant vessel.
- (b) **(Pooling)** One or more Users may agree to Pooling of their Entitlement for a Month. No Pooling will be effective for the purposes of the Queue Management Procedures unless it is notified in writing by all relevant Users to the Operator at least 14 days prior to the relevant Month.
- (c) **(Operator must observe Swaps and Pooling)** The Operator must:
 - (i) record each Swap and Pooling arrangement duly notified to it in accordance with the Queue Management Procedures; and
 - (ii) thereafter deal with the relevant Users on the revisions to their Entitlements arising out of the notified Swap or Pooling;
- (d) **(Operator to provide facility for Swaps)**
 - (i) As an alternative to Users negotiating Swaps directly between themselves, if a User so requests, the Operator must offer to all Users such part of the Entitlement of that User as is nominated by it, for sale on behalf of that User, without disclosing the identity of the seller.
 - (ii) The Operator may do this in any way it chooses (for example by email or by way of placing the offer on a website) and may accept any bid on behalf of and in accordance with instructions from the seller (whose identity may then be disclosed to the buyer or buyers).
 - (iii) Once an offer of Entitlement has been accepted pursuant to this clause 5.4(d), the buyer(s) must promptly pay the selling price (if any) to the seller, and the Swap(s) will be taken to have occurred.



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6. Order of Loading of Vessels

6.1 General ~~rules~~rules

- (a) Subject to any other provision in the Queue Management Procedures, vessels are to be loaded at the Terminal in the order of their ATA, but subject to:
 - (i) there being Entitlement at the time of loading for each cargo intended to be loaded on the vessel; and
 - (ii) all necessary Coal for the vessel being available at the Terminal in time for loading; and
 - (iii) each of the Pre-loading Requirements for the vessel (other than those the responsibility of the Operator) having been fulfilled to the satisfaction of the Operator for not less than the relevant minimum period prior to commencement of loading, as provided in the Schedule.
- (b) A vessel which has the earliest ATA at the time but which cannot fulfil one or more of paragraphs (i), (ii) and (iii) in clause 6.1(a) must cede priority to successive vessels which otherwise fully comply with the conditions in those paragraphs, until such time as all of paragraphs (i), (ii) and (iii) are fulfilled in respect of that vessel, at which time it will become the next vessel entitled to load at the Terminal.

6.2 Exceptions to general ~~rules~~rules

- (a) If, at a relevant time, no vessel in the Queue fulfils all the requirements of clause 6.1(a), vessels in the Queue will be loaded in the order that the Operator determines it is practicable to load. For clarification:
 - (i) a vessel loading pursuant to this clause 6.2(a) need not have any Entitlement in respect of that loading and if it has no Entitlement it will not be taken to have thereby consumed, future Entitlement or Discretionary Buffer; and
 - (ii) if it does have Entitlement; (with or without utilising its Discretionary Buffer) that Entitlement will be taken to be consumed, and the tonnage shipped will be relevant for calculating its Discretionary Buffer.
- (b) If tidal, weather, industrial, yard conflicts, rail disruptions or other factors are such that loading of vessels out of the order of priority under clause 6.1 or clause 6.2(a) is likely to be more effective in achieving the Key Objectives (including maximising berth utilisation), then the Operator has a discretion to change what would otherwise be the order of priority for loading vessels, provided that:
 - (i) such exercises of discretion are the exception rather than the norm; and
 - (ii) the Operator uses reasonable endeavours to consult in advance with affected Users about the exercise of that discretion (recognising that rapid decisions must be made).



7. Independent Administrator

- (a) The Independent Administrator will:
 - (i) determine any appeal by a User in relation to an exercise of a discretion by the Operator under the Queue Management Procedures which materially impacts on that User but only to the extent that this can be done before the actions resulting from the exercise of the discretion are implemented; and
 - (ii) audit and verify the administration by the Operator of the Queue Management Procedures, and report to the Operator, PrimeBBI, the Users and the ACCC in respect of adherence to the Queue Management Procedures for the period ending 30 June 2005, and each 6 monthly period thereafter during the Term.
- (b) For clarification, the Independent Administrator does not have power to determine the legal consequences of the exercise of a discretion by the Operator, nor to grant any legal redress to any person.

8. Reporting

The Operator must send PrimeBBI and Users a "System Management Report" at least weekly which contains:

- (a) **(Entitlement updates)** an update of each User's use of, and current amounts of, Entitlement;
- (b) **(performance)** current Terminal performance (including details of performance problems);
- (c) **(discretionary loading)** details of any loading out of order pursuant to the Operator's discretion under clause 6.2, including information as to which Users' Coal was loaded, the tonnages involved, and the impact on other Users;
- (d) **(relevant information)** berthing prospects, railing prospects and any other information the Operator reasonably considers relevant, with a view to optimising utilisation of the Terminal.

9. Stockpiles

- (a) **(No dedicated stockpiles)** For the period of these Queue Management Procedures, Users will forego rights to dedicated stockpiles, to the extent required by the Operator from time to time.
- (b) **(No residual stockpiles)** Subject to clause 9(c), Users must ensure that Coal is railed in amounts such that, after Shipment, there will be no residual stockpile of a grade of Coal other than a grade which is frequently shipped through the Terminal by that User. (For example, if a less common grade of Coal is to be shipped, the amount of Coal railed should be less than the anticipated Shipment, with the Shipment being topped up with a more



common grade of Coal, to ensure that any residual stockpile comprises the more common grade.)

- (c) **(Quality Plans)** Clause 9(b) does not apply to a User which provides a Quality Plan acceptable to the Operator, to promptly dispose of a residual stockpile of the kind referred to in that clause.
- (d) **(General principle)** Without limiting the foregoing, Users must in any event take reasonable steps to minimise the quantity of residual stockpiles after loading of each Vessel.

10. Blending

Users required by their sales contracts to provide blended Coal may do so, but:

- (a) **(Operator to approve Quality Plan)** Coal will not be blended except in accordance with a Quality Plan approved by the Operator prior to the rail ordering and planning which precedes railing of that Coal;
- (b) **(strict blends not preferred)** preference will be given to a Quality Plan in which "strict blending" is not required;
- (c) **(no increase in proportions)** no User will have a right to blend in proportions which are greater than those commonly provided at the Terminal prior to 15 February 2004;
- (d) **(blending at mine)** any blending of Coal from a single mine must take place at or before railing; and
- (e) **(blending before stockpiling)** to the extent practicable, Coal must be blended at or prior to stockpiling at the Terminal, in preference to blending on outloading.

11. Multiple Loading

Users must use reasonable endeavours to cause purchasers of Coal to minimise multiple loading of parcels of Coal on Vessels, where multiple loading would materially reduce System Capacity.

12. Loading in general

- (a) **(Single reclaimer)** The Operator may utilise single reclaimer loading during the Term to maximise throughput, even if guaranteed loading rates under Coal sales contracts might not be achieved when that occurs.
- (b) **(Master's discretion)** Each User must ensure that a relevant Quality Plan is given to the Operator for a Vessel at least 72 hours prior to commencement of loading, clearly directing how Coal loadable at the master's discretion is to be dealt with.



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13. Rail Scheduling

During the Term, all provisions of Terminal Regulations relating to railing will apply to all Users and to all Coal delivered and to be delivered to the Terminal, despite past practice. For clarification, the Operator may require that all scheduling of railing of Coal to the Terminal is controlled by it, and that none is scheduled by the operator of Hay Point Coal Terminal.

14. Transitional

- (a) The transitional provisions in this clause 14 apply despite any contrary provision in the Queue Management Procedures.
- (b) Any vessel:
 - (i) in the Queue at 1 April 2005;
 - (ii) with an ATA occurring before 1 April 2005; and
 - (iii) with an accrual of "Notional Entitlement" under the Notional Entitlement Procedures for one or more (but not necessarily all) cargoes to be loaded, attributable to the January-March 2005 quarter (ie. that would not have been deducted from Notional Entitlement attributable to the April-June 2005 quarter had the Notional Entitlements Procedures continued),will be loaded as if it had Entitlement for each User and an ATA determined in accordance with the Queue Management Procedures.
- (c) Despite clause 14(b), if a User loading Coal on a vessel referred to in that clause would have been taken to have consumed Notional Entitlement from the April-June 2005 quarter had the Notional Entitlement Procedures continued, then an equivalent amount of Entitlement will be deducted from any new Entitlement which would otherwise be allocated to that User pursuant to clause 14(e) and clause 14(f).
- (d) Any vessel in the Queue at 1 April 2005 and with an ATA before 1 April 2005 but which did not have Notional Entitlement under the Notional Entitlement Procedures for any of its intended cargoes:
 - (i) will become subject to the Queue Management Procedures;
 - (ii) will be deemed to have an ATA of 1 April; and
 - (iii) will only be loaded in the April-June 2005 quarter if Entitlement is allocated in respect of every cargo on it under the Queue Management Procedures.If more than one vessel falls in this category, their respective times of arrival on 1 April will be determined in accordance with their respective actual ATAs.
- (e) Any vessel with an actual (or deemed) ATA on or after 1 April 2005 will be subject solely to the Queue Management Procedures, and will only have Entitlement to the extent that the Queue Management Procedures provide for it to have Entitlement.



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- (f) The Independent Expert will determine a Queue Reduction System Capacity for the period 1 April 2005 to 30 June 2005 inclusive, and new Entitlement for that period (ie. Entitlement other than that deemed to be acquired under clause 14(b)) will be determined accordingly, taking into account the Entitlement to be acquired pursuant to clause 14(b).

15. The Operator's Role

The Operator:

- (a) **(rail to meet Key Objectives and loading order)** will endeavour to schedule railing to meet the Key Objectives and to facilitate loading in the priority contemplated in clause 6;
- (b) **(equity and good faith)** will endeavour to administer the Terminal Regulations (as modified by the Queue Management Procedures) equitably and in good faith, and with a view to achieving the Key Objectives;
- (c) **(disputes)** will determine all disputes between Users arising out of the implementation of the Queue Management Procedures (subject to appeal to the Independent Administrator pursuant to clause 7(a)(ii)); and
- (d) **(no liability if acting in good faith)** will not be liable to any User or to PrimeBBI for the consequences of a decision made in good faith in endeavouring to achieve the Key Objectives or any other general objectives of the Queue Management Procedures.



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Schedule

(Pre-loading Requirements)

Activity and Minimum Period prior to commencement of loading	Details of Activity <u>Advice etc</u>
Parcel Nomination – User. Indicative at 28 days with negotiated changes allowed down to 14 days. Final at 14 days prior to vessel ETA. Not to be altered.	<p>Preliminary advice of application for coal handling services.</p> <p>User advises intended Shipping:</p> <ul style="list-style-type: none">• Nominated <u>Maximum nominated</u> tonnage + <u>(which includes the Master's discretion)</u>• Destination details• Product• Parcel• Handling instructions• Product availability
Parcel Nomination – Operator	<ul style="list-style-type: none">• Confirmation of intended Shipping advice• Assessment of User Entitlement• Imposition of special conditions (where applicable)
Vessel Nomination – User. Completed 14 days prior to vessel ETA including vessel vetting below.	<p>Vessel Nomination – ‘naming the vessel’</p> <p>User advises:</p> <ul style="list-style-type: none">• Vessel nomination• IMO number• ETA• Single / Multi Products• Tonnage requested to load plus Master's discretion• Discharge port• Shipping agency• Vessel part loading



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	<ul style="list-style-type: none">• Deballasting requirements• Certificate requirements<ul style="list-style-type: none">○ Latest port state control inspection report○ Certificate of Class○ International Ship's Security Certificate○ Document of Compliance○ Safety Management Certificate
Vessel Nomination - Operator	<p>Vessel vetting process includes:</p> <ul style="list-style-type: none">• Review previous performance in Vessel Register• Request vetting of vessel for suitability to load at DBCT through RightShip• Confirm, or otherwise, vessel suitability citing any special conditions• Place Vessel onto Ship Billboard

<p>Vessel arrival notification – User</p> <p>Master's first notification of ETA 14 days.</p> <p>Master to submit loading plan, hatch sequence and Deballasting requirements at first notification.</p>	<p>Vessel arrival notification</p> <ul style="list-style-type: none">• ETA notification schedule• Departed last Discharge Port• Further arrival notices – 14,10,7,3,2,1 days• Arrival at anchor• Arrival condition• Notice of Readiness• Product loading sequence plan• Hatch loading sequence plan• Deballasting requirements• Arrival and departure drafts (stage 2 UKC)
Vessel arrival notification - Operator	<p>Confirmation of Vessel arrival notice.</p> <ul style="list-style-type: none">• Vessel movement schedule• Vessel / shore communication• Load plan review / optimisation• Communications between – Operator / User / Master / Owner /



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Berthing Plan – User. 14 days	Requirements of User for inclusion in Berth plan: <ul style="list-style-type: none">• Coal availability• Handling instructions
Berthing Plan – Operator 13 days	Create Berthing Plan based on: <ul style="list-style-type: none">• Order of arrival, where possible• Mine Production Schedule (below)• Yard machine and footprint availability

Mine Production Schedule – User 13 days	Product availability and quality requirements: <ul style="list-style-type: none">• Availability date of tonnes by mine source• Railing requirements• Train loadout availability• Remnant management strategy• Handling instructions for stacking and reclaiming
Mine Production Schedule – Operator 12 days	<ul style="list-style-type: none">• Establish Entitlement based on provided information• Issue intended Berth Plan

Coal Handling Plan - User	<ul style="list-style-type: none">• Update coal availability• Advise resource restrictions – quantity, quality, resource, time• Update handling instructions• Confirm parcel / blend
Coal Handling Plan – Operator 12 day plan published plus indicative 4 week plan.	<ul style="list-style-type: none">• Distribute schedule and proposal to Users• Receive User information for next 14 days• Advise QR of train path requirements• Compile 12 day plan (+ 4 weeks)



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Coal Assembly Plan – User 7 days prior to intended berthing	<ul style="list-style-type: none">• Confirm coal availability• Confirm handling instructions• Confirm resource restrictions
Coal Assembly Plan – Operator Publish 7 days prior to intended berthing	<ul style="list-style-type: none">• Update berthing schedule• Stockyard availability• Railing plan• Update QR with train path requirements• Reservation of cargo in Port Stockpiles• Agree handling instructions

Authority To Load – User 72 hours prior to berthing	<ul style="list-style-type: none">• Confirm ATL• User(s) authorises berthing and loading of Vessel• Maximum and minimum tonnages• Moisture target and constraints• NOR conditions• Confirm Pro Forma Bill(s) of Lading
Authority To Load - Operator	<ul style="list-style-type: none">• Issue Pro Forma Bill(s) of Lading• Confirm berthing schedule

Coal Assembly (48 hr) Schedule - User	<ul style="list-style-type: none">• Advise port of potential impediments to successful execution of the schedule
Coal Assembly (48 hr) Schedule – Operator	<ul style="list-style-type: none">• Confirm vessel movements schedule• Finalise rail plan for ensuing 48 hours• Monitor stockpile inventory• Monitor resource availability and performance• Monitor rail schedule• Monitor vessel loading performance• Enter jobs for Inloading and Outloading inside next 48 hours• Enter strategies for each train and each vessel inside next 48 hours



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Administration – Shipper's agent	<ul style="list-style-type: none">• Provides commercial shipping documentation instructions
Administration – Operator	<ul style="list-style-type: none">• Operator executes all commercial documentation and dispatches documents as instructed

Report and review - Operator	<p>Review:</p> <ul style="list-style-type: none">• Variations from plan• Railing• Stacking• Reclaiming• Throughloading• Vessel loading• Inventory (stockpile and handling)• Berthing sailing <p>Performance reporting</p> <p>Non – conformance initiated (customers, QR, Vessel Master, cargo, Superintendency company, Draft surveyor and Operator)</p>
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