2020 Gwangyang Port Incentive Scheme

A. Terms of validity : Jan. 1., 2020 ~ Dec. 31., 2020 (A Year ONLY)
B. Verification : YGPA Port-MIS(Management Information System), ITT(Inter-Terminal Transportation) SOC container verification system & etc.

【 Payment Criteria for the Cash Rewarding Program 】

◈ **Incentive Scheme Amount would be paid in proportion to each incentive volumes within total incentive budget of the year.**

  a. If the amount of an incentive in each category exceeds incentive budget of the year, the payment for each beneficiary will be re-calculated by the ratio of the incentive volume within the total budget. But if re-calculating is not available, the incentive will be paid within the remaining budget.

  b. It is NOT allowed to divert unspent incentive budget to other incentive categories(except, Northern Sea Routes Incentive Scheme and New Services Incentive Scheme)

  c. The amount to each beneficiary would be rounded down to KRW 1K and the incentive amount less than KRW 100K would NOT be paid.

◈ **In order for the throughput calculation to verify data, the volume would be acquired at the port-MIS.**

◈ **For the throughput calculation of a year, a month that have volume performances will be converted to turn months into a year.**

  a. However, if conversion is not possible, such as data from external organizations (Korea Trade Statistics Agency), annual data is applied without conversion.

  b. If there is no performance for the base year, the new volume will be applied to all performances for the year.

◈ **In case there are conflicts regarding the scheme's interpretation and specific implementation(Route Similarity or Vol, YGPA's interpretation should be complied.**

- Emergency Incentive Scheme for Corona 19

Category	Details
Target Volume	(During Corona 19 outbreak) The amount of transshipment 'Container' that increased in the year compared to the previous year's performance
Formula	Volume x Unit price (KRW 30 K per TEU)
Remarks	a. Minimum Cargo(in&outbound, transshipment) Volume ≥ 1K TEU during the period. b. A shipping company merged at the time of calculating the incentive is regarded as one shipping company, and is calculated by summing the quantities between individual shipping companies.

- Carriers Incentive Scheme (for T/S Volume-increased)

Category	Details				
Target Volume	T/S Volume-increased of the year over the average volume in the last three years (Minimum increase : 5%)				
Formula	Volume-increased × Unit price in below table (per TEU) (Unit : KRW)				

Rates of increase	5% ≤ R ⟨ 10%	10% ≤ R ⟨ 15%	15% ≤ R ⟨ 20%	20% ≤ R ⟨ 25%	25% ≤ R
Unit Price	10 K	15 K	20 K	25 K	30 K

Category	Details
Remarks	a. Total Volume-increased of the year over the volume in the last year(2019) b. Minimum Cargo Volume ≥ 10K TEU c. M&A Carriers shall be considered as one party, and its volume of each liner would be added up. d. The maximum amount for a beneficiary in the category is up to 30% of the incentive budget.

- # Carriers Incentive Scheme (for Inter-Terminal Transportation / ITT)

Category	Details
Target Volume	Container Cargos related to Inter-Terminal Transportation a. ONLY ITT volumes at carriers' expense are entitled to ITT incentive. b. ITT volumes caused by a liners' negligence would be excluded.
Formula	ITT Volume x Unit price (KRW 26K per TEU)
Remarks	Minimum Cargo volume ≥ 50TEU

- # Carriers Incentive Scheme (for New Services)

Category	Details
Target Volume	New container service launched in 2020 (first-come-first-served basis and the service should be maintained for more than a year)
Formula	[Europe, US-East coast] : KRW 500M/each [US-West coast, Africa, Middle-East, India, Oceania] : KRW 300M/each [South-East Asia] : KRW 200M/each [China, Japan, North-East Asia, Russia] : KRW 100M/each a. Incentives for joint services would be rewarded to one representative liner only. b. Max. 8 times of skip service is acceptable. c. 50% will be granted when Europe or US-East coast service is maintained for more than 6 months.
Remarks	a. For a joint service, carriers joining the service must notify us the representative liner who shall entitled to the incentive payment.

- Carriers Incentive Scheme (for S.O.C Volume)

Category	Details
Target Volume	S.O.C(Shipper owned container, exclude a joint service) Volume that entering and departing shipping lines are different and verified by the proven data
Formula	S.O.C Volume × Unit price (KRW 35K per TEU) a. Incentives will be granted to both carriers, a liner providing shipping service, and a carrier role as a shipper
Remarks	a. The incentive shall be paid based on a first-come-first-served basis within the budget. b. S.O.C. Volume should be excluded from other incentive categories's volume.

- Carriers Incentive Scheme (for Phase In&out, Extra Service)

Category	Details
Target Volume	Phase In/out & Extra calling service in 2020(Minimum Cargo volume per ship : 500TEU)
Formula	Payment per ship | Category	Volume	Rates of payment
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Phase In/out*, Extra service	500 TEU ≤ Vol. 〈 1,000 TEU	KRW 15M per ship
	1,000TEU ≤ Vol. 〈 3,000 TEU	KRW 22.5M per ship
	3,000TEU ≤ Vol.	KRW 30M per ship	 * The incentive shall be paid for unloading all onboard cargo for installing scrubber, repairing ships, and that sort of things under existing regular service call. (The vessels must be emptied before departure.)
Remarks	Payment is given on a first-come, first-served basis, and the remaining budget is executed in case of insufficient payment. Priority payment to shipping companies with fast entry order within the scope of the sum of allotted payments does not exceed the total amount.

- Terminal Operators Incentive Scheme (for Target Volumes)

Category	Details
Target Volume	Total Container Cargo Volume handled in 2020 a. Total throughput including Im/Export and T/S, laden & empty containers all included.
Formula	<table><tr><th>Total Container Cargo volume</th><th>Rates of payment</th></tr><tr><td>2.43M TEU ≤ Vol.</td><td>KRW 200M to each</td></tr><tr><td>2.38M TEU ≤ Vol. 〈 2.43M TEU</td><td>KRW 100M to each</td></tr></table>
Remarks	The incentive amount shall be rewarded equally to each terminal operator, if the total throughput reaches the target volume, 2.43M TEU.

- Terminal Operators Incentive Scheme (for Phase In&out, Extra Service)

Category	Details
Target Volume	Phase In/out & Extra calling service in 2020(Minimum Cargo volume per ship : 500TEU)
Formula	Payment per ship <table><tr><th>Category</th><th>Volume</th><th>Rates of payment</th></tr><tr><td rowspan="3">Phase In/out*, Extra service</td><td>500 TEU ≤ Vol. 〈 1,000 TEU</td><td>KRW 15M per ship</td></tr><tr><td>1,000TEU ≤ Vol. 〈 3,000 TEU</td><td>KRW 22.5M per ship</td></tr><tr><td>3,000TEU ≤ Vol.</td><td>KRW 30M per ship</td></tr></table> * The incentive shall be paid for unloading all onboard cargo for installing scrubber, repairing ships, and that sort of things under existing regular service call. (The vessels must be emptied before departure.)
Remarks	Payment is given on a first-come, first-served basis, and the remaining budget is executed in case of insufficient payment. Priority payment to shipping companies with fast entry order within the scope of the sum of allotted payments does not exceed the total amount.

- Forwarders Incentive Scheme (for Volume-increased)

Category	Details
Target Volume	Volume*-increased of the year over the average volume in the last three years a. Min. increased volume : 100TEU * laden In&Out bound Container
Formula	a. Forwarder : Import and export loaded cargos - Volume-increased x Unit price (KRW 20K per TEU)
Remarks	subsidy only is available to companies submitting necessary documents (information agreement, etc.) for calculating volume.

- Northern Sea Routes Incentive Scheme

Category	Details
Target Volume	The volume transported through Northern Sea Route in 2020
Formula	<table><tr><th>Cargo type</th><th>Volume</th><th>Amt</th></tr><tr><td rowspan="5">Bulk</td><td>200,000 ton ≤ Vol</td><td>KRW 50M</td></tr><tr><td>100,000 ton ≤ Vol 〈 200,000 ton</td><td>KRW 40M</td></tr><tr><td>50,000 ton ≤ Vol 〈 100,000 ton</td><td>KRW 30M</td></tr><tr><td>30,000 ton ≤ Vol 〈 50,000 ton</td><td>KRW 20M</td></tr><tr><td>Vol 〈 30,000 ton</td><td>KRW 10M</td></tr><tr><td rowspan="5">Liquid</td><td>300,000 ton ≤ Vol</td><td>KRW 50M</td></tr><tr><td>220,000 ton ≤ Vol 〈 300,000 ton</td><td>KRW 40M</td></tr><tr><td>150,000 ton ≤ Vol 〈 220,000 ton</td><td>KRW 30M</td></tr><tr><td>70,000 ton ≤ Vol 〈 150,000 ton</td><td>KRW 20M</td></tr><tr><td>Vol 〈 70,000 ton</td><td>KRW 10M</td></tr><tr><td>Container</td><td>. per TEU(20ft) . Container transport by bulk ship would be validated with advantageous unit of measure, TEU or Ton</td><td>KRW 10K</td></tr></table>
Remarks	a. Bulk: Every cargo except for liquid cargo(crude oil, gas, etc.) and container cargo b. Implementation of the scheme is subject to change in accordance with related policies of Ministry of Oceans and Fisheries of Rep. of Korea c. All other terms and conditions shall be applied in accordance with other categories.

2020 Gwangyang Port Remission Scheme

- Incentive Scheme for Container Vessel

Category	Details
Target Volume	Container-dedicated outgoing ships that could handle over 20TEU entering and leaving Gwangyang Port
Formula	Port due, Dockage, anchorage charge, Wharfage 70% remission
Remarks	

- Northern Sea Routes Incentive Scheme

Category	Details
Target Volume	Outgoing ships entering and leaving Gwangyang port through Northern sea routes
Formula	Port due, Dockage, anchorage charge 50% remission
Remarks	

- National Mandatory International Ship

Category	Details
Target Volume	Vessel that is listed on the International Ship Registration Act
Formula	Port due 50% remission
Remarks	

- Integrated corporation

Category	Details
Target Volume	When two or more "Ocean-going regular cargo carriers" are integrated, a container-only Ocean-going ship operated by a newly established corporation (limited to 3 years after integration as an absorbed merger or a business transferred ship or a new ship's operating vessel)
Formula	Port due, Dockage, anchorage charge 50% remission
Remarks	

- Vessel Speed Reduction Program

Category	Details
Target Volume	Vessel(Container Vessel, Dry Ship, LNG Carrier) that operates with reduced speed over 60% of total voyages in Yeosu Gwangyang port area.
Formula	Port due returns from 15% to 30% a number of speed reduction voyages / total voyages × 100 = 60% <table><tr><th>Vessel Type(PORT-MIS CODE)</th><th>Recommended Speed</th><th>Reduction rate</th></tr><tr><td>Container Vessel(41)</td><td>12 (+10%)</td><td>Port due 30%</td></tr><tr><td>Dry Ship (21, 39)</td><td>10 (+10%)</td><td rowspan="2">Port due 15%</td></tr><tr><td>LNG Carrier(56)</td><td>10 (+10%)</td></tr></table>
Remarks	