



KISH PROTECTING AND INDEMNITY
CLUB

RULE BOOK
2021-22

WEBSITE:
EMAIL GENERAL:
TELEPHONE:
FAX:

WWW.KISHPANDI.COM
INFO@KISHPANDI.COM
+98-21-26201829-34
+98-21-26201758

EMERGENCY CONTACTS

MANAGING DIRECTOR

Mobile: +98 912 733 6703
Direct Line: +98 262 018 31-3
Email: MD@kishpandi.com

HEAD OF CLAIM & LOSS PREVENTION DEPT.

Mobile: +98 912 733 6703
Direct Line: +98 262 018 31-3
Email: claim-manager@kishpandi.com

HEAD OF UNDERWRITING & REINSURANCE DEPT.

Mr. Mohsen Azari
Mobile: +98 912 517 1727
Direct Line: +98 262 018 31-3 (Ext. 108)
Email: UW1@kishpandi.com

Contents

RULE 1 MEMORANDUM AND ARTICLES OF ASSOCIATION	1
RULE 2 DEFINITIONS	1
RULE 3 APPLICATION FOR ENTRY	6
RULE 4 TERMS OF ENTRY	7
RULE 5 CERTIFICATE OF ENTRY	8
RULE 6 CONTINUATION OF ENTRY AND CHANGES IN THE TERMS OF ENTRY	9
RULE 7 JOINT ENTRANTS	9
RULE 8 MORTGAGEES	10
RULE 9 ASSIGNMENT	11
RULE 10 RIGHT OF RECOVERY	11
RULE 11 HULL, WAR RISKS AND DOUBLE INSURANCE	12
RULE 12 PROPER VALUE	13
RULE 13 WAR RISKS	13
RULE 14 LIMITATION OF COVER	14
RULE 15 NUCLEAR FUELS, RADIOACTIVE MATTER AND OTHER SUBSTANCES	15
RULE 16 DEDUCTIBLES	16
RULE 17 NOTICE OF CLAIM	17
RULE 18 PRUDENT UN-INSURED	18
RULE 19 CLASSIFICATIONS AND MAINTENANCE	19
RULE 19A SURVEY OF VESSELS AFTER LAY-UP	23
RULE 20 LIABILITIES EXCLUDED FROM THE RULES	24
RULE 21 IMPRUDENT OR HAZARDOUS OPERATION, PRIVY OR WILFUL MISCONDUCT, CONTRABAND OR BLOCKADE RUNNING	25
RULE 22 TOWAGE AND SALVAGE OF AN ENTERED SHIP	26
RULE 23 TOWAGE AND SALVAGE BY AN ENTERED SHIP	26
RULE 24 LIABILITIES IN RESPECT OF SEAMEN, SUPERNUMERARIES, SPOUSE AND CHILDREN	27
RULE 25 LIABILITIES IN RESPECT OF THIRD PARTIES	30
RULE 25A DIVERSION EXPENSES	31
RULE 26 LIABILITIES FOR PASSENGER CLAIMS	32
RULE 27 LIABILITIES FOR STOWAWAYS, REFUGEES AND PERSONS RESCUED AT SEA	33

RULE 28 LIABILITIES ARISING FROM COLLISION	34
RULE 29 LIABILITIES FOR CARGO AND OTHER PROPERTY ON BOARD...	35
RULE 30 LIABILITIES FOR DAMAGE TO FIXED AND FLOATING OBJECTS....	39
RULE 30A NON-CONTACT DAMAGE	40
RULE 31 LIABILITIES FOR POLLUTION	41
RULE 32 WRECKREMOVAL	43
RULE 33 LIABILITIES FOR LIFE SALVAGE, SPECIAL COMPENSATION AND GENERAL AVERAGE	45
RULE 34 LIABILITIES FOR INFECTIOUS DISEASE	45
RULE 35 LIABILITIES FOR FINES AND PENALTIES.....	46
RULE 36 EXPERTS & LAWYERS	47
RULE 37 INQUIRY EXPENSES AND TEST CASES.....	48
RULE 38 SUE AND LABOUR EXPENSES	49
RULE 39 CONTAINER COVER	49
RULE 40 OMNIBUS RULE (RISKS INCIDENTAL TO SHIPOWNING).....	50
RULE 41 GUARANTEES	50
RULE 42 CALL CONTRIBUTIONS, RESERVES AND SOLVENCY MARGIN...51	
RULE 43 ASSESSMENT OF MEMBERS' CALL CONTRIBUTIONS.....	53
RULE 44 PAYMENTS OF MEMBERS' CALL CONTRIBUTIONS	53
RULE 45 RELEASE CALLS	55
RULE 46 CLOSING AN ENTRY YEAR	56
RULE 47 POWERS OF THE MANAGERS CONCERNING CALL CONTRIBU- TIONS, HANDLING AND SETTLEMENT OF CLAIMS.....	57
RULE 48 THE CLUB'S ENTITLEMENTS.....	57
RULE 49 LAID UP RETURNS.....	58
RULE 50 INVESTMENTS	58
RULE 51 DECISIONS AND POWERS OF THE DIRECTORS.....	59
RULE 51A REGULATIONS.....	59
RULE 52 TERMINATION OF ENTRY	60
RULE 52A CANCELLATION OF INSURANCE	63
RULE 53 NOTICES	65
RULE 54 DISPUTES	65
RULE 55 LAW	66
RULE 56 WAR COVER	67
STANDARD FORMS OF LETTER OF INDEMNITY	69

1. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN FOR THIRD PARTY ON BOARD	70
2. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN FOR COMMINGLING	72
3. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR DELIVERING CARGO AT A PORT OTHER THAN THAT STATED IN THE BILL OF LADING AND WITHOUT PRODUCTION OF THE ORIGINAL BILL OF LADING INCORPORATING A BANK'S AGREEMENT TO JOIN IN THE LETTER OF INDEMNITY	74
4. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR DELIVERING CARGO AT A PORT OTHER THAN THAT STATED IN THE BILL OF LADING AND WITHOUT PRODUCTION OF THE ORIGINAL BILL OF LADING	78
5. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR DELIVERING CARGO AT A PORT OTHER THAN THAT STATED IN THE BILL OF LADING INCORPORATING A BANK'S AGREEMENT TO JOIN IN THE LETTER OF INDEMNITY	80
6. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR DELIVERING CARGO AT A PORT OTHER THAN THAT STATED IN THE BILL OF LADING	84
7. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR DELIVERING CARGO WITHOUT PRODUCTION OF THE ORIGINAL BILL OF LADING	86
8. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR DELIVERING CARGO WITHOUT PRODUCTION OF THE ORIGINAL BILL OF LADING INCORPORATING A BANK'S AGREEMENT TO JOIN IN THE LETTER OF INDEMNITY	88
9. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN FOR SWITCHING BILL OF LADING	92
10. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR LINE FLUSHING REQUEST	94
11. STANDARD LETTER OF AUTHORITY TO ISSUE BILL OF LADING	96
KISH P&I CLUB RECOMMENDED CLAUSES.....	97
1. BOTH TO BLAME COLLISION CLAUSE	99
2. DECK CARGO CLAUSE FOR VOYAGES TO AND FROM PORTS IN THE	

USA ONLY	99
3. GENERAL DECK CARGO CLAUSE.....	100
4. HIMALAYA CLAUSE FOR BILL OF LADING AND OTHER CONTRACTS.....	100
5. NEW JASON CLAUSE	101
6. GENERAL CLAUSE PARAMOUNT	102
7. GENERAL CLAUSE PARAMOUNT FOR VOYAGES TO OR FROM CANADIAN PORTS	103
8. GENERAL CLAUSE PARAMOUNT FOR VOYAGES TO OR FROM UNITED STATES PORTS.....	103
9. BULK CARRIER SAFETY CLAUSE.....	104
10. CARRIAGE OF NUCLEAR MATERIALS CLAUSE	104
11. VOYWAR 2004.....	105
12. BIMCO PIRACY CLAUSE FOR TIME CHARTER PARTIES 2009	109
13. CONWARTIME 2004.....	112
14. P&I BUNKERING CLAUSE	115
15. BUNKER QUALITY CONTROL CLAUSE	115
16. STRIKE CLAUSE	116
17. GENERAL STRIKE CLAUSE	116
18. FINANCIAL SECURITY IN RESPECT OF POLLUTION.....	118
19. BIMCO ISPS/MTSA CLAUSE FOR VOYAGE CHARTER PARTIES 2005.....	119
20. BIMCO ISPS/MTSA CLAUSE FOR TIME CHARTER PARTIES 2005	121
21. STOWAWAYS CLAUSE FOR TIME CHARTER PARTIES 2009.....	123
22. BIMCO BUNKER FUEL SULPHUR CONTENT CLAUSE FOR TIME CHARTER PARTIES 2005	123
23. BIMCO STEVEDORE DAMAGE CLAUSE FOR FIO VOYAGE CHARTER PARTIES 2008.....	124
24. BIMCO STEVEDORE DAMAGE CLAUSE FOR TIME CHARTER PARTIES 2008	125
25. BIMCO ICE CLAUSE FOR VOYAGE CHARTER PARTIES	126
26. BIMCO ICE CLAUSE FOR TIME CHARTER PARTIES	128
27. BIMCO SOLID BULK CARGOES THAT CAN LIQUEFY CLAUSE FOR CHARTER PARTIES	129

Rules of class 1

Protecting and Indemnity

Rule 1 MEMORANDUM AND ARTICLES OF ASSOCIATION

These Rules are subject to the Memorandum and Bye-Laws of Kish P&I Club, a company registered in I.R.IRAN. Copies of the Memorandum and Bye-Laws are available on request from the Managers.

Rule 2 DEFINITIONS

In these Rules the following definitions are intended:

ADDITIONAL CALL

Any monies payable to the Association pursuant to **Rule 42**.

APPLICATION FORM

An application for Entry required from every prospective Member in the standard format stipulated by the Managers, providing information material to the risk to each and every Member and which shall be deemed to be attached to and form part of the Certificate of Entry.

CALL CONTRIBUTION

The agreed rating for the provision of cover payable by the Member to the Club according to the terms set out in a debit note.

CARGO

“Goods” includes goods, wares, merchandise, and articles of every kind whatsoever except live animals and cargo which by the contract of carriage is stated as being carried on deck and is so carried and anything used or intended to be used to pack or secure goods (other than containers or other equipment owned by or leased to the Member) carried, being carried or intended to be carried from one place to another.

CERTIFICATE OF ENTRY

The contract of cover between the Club and the Member as issued by the Club and any endorsements attached thereto.

CLAIM FOR RECOVERY

A claim by a Member for reimbursement of a payment by him to a third party in respect of a covered risk to the Member under **Rules 22 to 40** (see also **Rule 10**).

CLASSIFICATION SOCIETY

A society with which the Entered Ship is classed in accordance with **Rule 19**, governing maintenance (and construction), repairs, alterations and periodic inspections of the Entered Ship as recognized by flag state of the Entered Ship.

CLUB

Means the *Kish P&I Club*.

CLUB APPLICATION FORM

The appropriate form for application for Entry as per Rule.

CONTAINER

A box, freight container, trailer, flat, pallet or any similar re-usable packing for Cargo during carriage.

CONTRACT OF COVER

See Certificate of Entry.

COVER OR COVERED

Means the protection offered to the Member by the Club as set out in the Certificate of Entry.

DIRECTORS

The board of directors of the Club.

ENTRY, ENTERED OR ENTERED SHIP

Means a ship or any proportion of a ship which has been entered by the Member under a Certificate of Entry with the Club.

ENTRY YEAR

The period from noon Greenwich Mean Time on 20th February (or any date as agreed by Managers) to noon Greenwich Mean Time on the same date in the following calendar year, unless otherwise agreed.

FINES

Includes penalties and other impositions similar in nature to fines imposed in respect of an Entered Ship by any court, tribunal or authority of competent jurisdiction.

FIXED CALL

A fixed premium payable to the Kish P&I Club in respect of an insured ship which is not a mutual Assured of the Club in respect of **Rule 43 E**. In respect of fixed call entries the word "Member" is to be construed as the word "Assured" where ever it appears in the context.

FLEET ENTRY

The cover of more than one ship by one or more Members on the basis that those ships will be treated together as a fleet for underwriting purposes.

HAGUE RULES

The Rules agreed in the International Convention for the Unification of Certain Rules Relating to Bills of Lading signed in at Brussels on 25th August 1924.

HAGUE-VISBY RULES

The Hague Rules as amended by Brussels protocol 1968.

HAMBURG RULES

The Rules agreed at the United Nations Convention on the Carriage of Goods by Sea at Hamburg on 31st March 1978.

HULL ENTRY

A cover entry covering loss or damage to the hull and machinery of a Ship, including an excess liability entry.

JOINT ENTRANTS

In addition to multiple Members or in respect of fixed premium entries the co-assured, it shall also mean an associated company in relation to any Member, being a holding company, subsidiary company or fellow subsidiary of the same holding company.

MANAGERS

Means Managers at Kish P&I club.

MEMBERS

An owner, part owner, charterer, mortgagee, trustee, operator, Manager or builder of a ship who holds a Certificate of Entry issued by the Club.

MEMORANDUM AND BYE-LAWS

Means the Memorandum and Bye-Laws of the Club.

OPA 90

The United States of America Oil Pollution Act of 1990.

PASSANGER

A person holding a passage ticket on board an Entered Ship, who is not a seaman or supernumerary.

PERSONAL EFFECTS

Personal property, documents, navigational instruments and tools intended for use by a seaman on board an Entered Ship.

POLICY YEAR

A year from noon GMT on any 20th February to noon GMT on the next following 20 February.

RELEASE CALL

Any monies payable to the Association pursuant to **Rule 45**.

RESERVES

A reserve established by the Association pursuant to **Rule 42**.

RULES

The Rules of the Club.

SEAMAN

Anyone, including the master serving on board an Entered Ship under a contract of employment and listed in the Ship's articles, whether on board the Entered Ship or not.

SHIP

A Ship, boat, hovercraft, jetfoil or other vessel capable of navigation in or on water for any purpose, but excluding a fixed platform, fixed rig, or remotely operated vehicle.

SUPERNUMERARY

Anyone, other than a seaman or passenger, who is named in the ship's articles or otherwise permitted by the Member to sail on board the Entered Ship.

TERMS OF ENTRY

In relation to an Entered vessel, the risks covered by the Club including any specific terms which may apply thereto as per club Rule Book and any express terms in the vessel certificate of Entry.

TOWAGE OR TOWED

Any operation in connection with the holding, pushing, pulling, moving, escorting or guiding of or standing by a Ship or object.

In interpreting these Rules, words denoting the singular shall also denote the plural and vice versa; the masculine gender shall include the feminine and vice versa and any reference to persons shall also extend to partnerships and companies.

Any notes to the Rules (*in italics*) are not part of the Rules but are merely included for explanation purposes.

Rule 3 APPLICATION FOR ENTRY

- A. A prospective Member may apply for Entry of a Ship or Ships with the Club using a Club application form obtainable directly from the Managers. The details given by the prospective Member on the application form will, if the entry is accepted, be understood to form the basis of the contract of cover between the Club on the one hand and the Member named in the Certificate of Entry or any Joint Entrant on the other hand so that if the Member knowingly supplies false details of any kind in the Application Form, the Managers may terminate the Certificate of Entry from its inception without notice. Once his application is accepted, the Member undertakes to inform the Managers promptly about any

changes in the details originally recorded in the Application Form.

The terms in this Rule apply equally to any Joint Entrant involved with the Entered Ship (see **Rule 7**).

- B. Applications for Entry may be made and accepted in respect of ships of which the beneficial ownership is separate on terms that the ships concerned shall be deemed (for these Cover purposes only) to form part of the specified fleet whereby the Managers shall deal with the cover of such ships in combination and not individually, in consideration for which all Members within each such Fleet Entry shall accept joint and several liability to pay all amounts due to the Club by way of Call Contributions or otherwise in respect of all Ships within that Fleet Entry. Such joint and several liability shall continue after cessation of cover in respect of amounts due to the Club.
- C. The Managers shall have the discretion to accept or reject any Application for Entry, even from an existing Member, without giving reasons.

Rule 4 TERMS OF ENTRY

- A. The Managers may accept an entry of a ship on whatever terms relating to Call Contributions, payment terms and Member risks as may be agreed with the prospective Member.
- B. A Member is only covered against risks which arise:
 - i. Out of events occurring during the period of cover of an Entered Ship in the Club;
 - ii. In respect of the Member's interest in the Entered Ship; and
 - iii. In connection with the operation of the Entered Ship by or on behalf of the Member.
- C. The cover afforded by the Club under these Rules is conditional on payment of calls or premiums in accordance with these Rules unless otherwise agreed by the Managers in writing.

- D. No act, omission, course of dealing, forbearance, delay or indulgence by the Club in enforcing any of these Rules or any of the terms or conditions of its contracts with Members nor any granting of time by the Club shall prejudice or affect the rights and remedies of the Club under these Rules or under such contracts, and no such matter shall be treated as any evidence of waiver of the Club's rights thereunder, nor shall any waiver of a breach by a Member of such Rules or contracts operate as a waiver of any subsequent breach thereof. The Club shall at all times and without notice be entitled to insist on the strict application of these Rules and on the strict enforcement of its contracts with Members.
- E. The period of insurance of an Entered Ship in the Club shall commence at the time and date specified in the Certificate of Entry and shall continue until noon on the renewal date next ensuing and thereafter, unless terminated in accordance with these Rules, from entry year to entry year.

Rule 5 CERTIFICATE OF ENTRY

As soon as possible after a ship has been entered, the Managers will issue to the Member a Certificate of Entry which will show:

- i. The names of the Members (and any Joint Entrants if requested);
- ii. The names of any mortgagees and the text of any agreement with them (see **Rule 8**);
- iii. The name, gross tonnage, classification and flag of the Ship;
- iv. The Member risks;
- v. The date when the Entry began and the date on which the existing cover arrangements cease; and
- vi. Any other Terms of Entry agreed.

Note – *In consideration of the calls contributed for this P&I entry, the Club undertakes to indemnify the Assured*

For all the Liabilities, costs or expenses that the Assured may incur in direct connection with the operation of the entered Vessel(s) named in this certificate.

The Member is only covered for such of those risks set out in KPI Rule book version, 2021/22 and this Certificate of Entry and any additional covers as are expressly agreed between the Assured and the club.

Rule 6 CONTINUATION OF ENTRY AND CHANGES IN THE TERMS OF ENTRY

A Member will remain a Member for an Entry Year and will thereafter continue as a Member for each succeeding Entry Year, subject to the original Call Contributions and Terms of Entry agreed when the Ship was first Entered or any subsequently agreed variations thereof unless the Entry is terminated in accordance with the provisions of **Rule 52** or terminated at the end of the current Entry Year pursuant to written notice being given to that effect by the Member to the Managers no later than the 20th January in such year.

Rule 7 JOINT ENTRANTS

- A. Ship may be entered by her owners, charterers or any others defined as a "Member" in **Rule 2**. The Certificate of Entry may also benefit any "Joint Entrant" as defined in **Rule 2**, whether named or otherwise within the Certificate of Entry, subject to the provisions of **Rule 3**. Should a Claim for Recovery be made or enforced through a Joint Entrant, if so requested by the Member, the Club shall indemnify such Joint Entrant against any loss which as a consequence thereof, such Joint Entrant shall have incurred in that capacity.
- B. The rights and obligations of Joint Entrants towards the Club are as follows:
 - i. There will be no claim for recovery for any amount which would not have been recoverable from the Club had such claim for recovery been made or enforced by the Member;

- ii. There will be no recovery by one Joint Entrant where the claim for recovery has already been reimbursed to the Member or another Joint Entrant;
- iii. Joint Entrants are jointly and severally liable to pay any amounts due to the Club;
- iv. Receipt by one Joint Entrant of a payment will be equally sufficient to discharge the Club from any obligations in respect of that payment;
- v. Notice to any Joint Entrant will be taken as notice to all those concerned in the Certificate of Entry and the knowledge of any one of those Joint Entrants will be taken to be knowledge shared by them all; and
- vi. The Managers shall not be bound to issue more than one Certificate of Entry in respect of each Entered Ship, and delivery of the Certificate of Entry to one Joint Entrant shall be taken to be sufficient delivery to all Joint Entrants.

Rule 8 MORTGAGEES

Where an Entered Ship is mortgaged, it is a Term of Entry that the Member consents to the interest of the mortgagees being noted in the Certificate of Entry. The Member also agrees to allow the Managers, subject to the provisions for automatic cancellation of Entry in **Rule 52 B**, to give undertakings to the mortgagees:

- i. Where the mortgagees have notified the Managers that the Member is in default under the mortgage, to pay the mortgagees whatever would otherwise have been paid by the Club to the Member;
- ii. To inform the mortgagees if the Member gives notice of his intention to terminate the Entry on the mortgaged Ship with the Club; and
- iii. To give reasonable notice to the mortgagees if the Managers intend to cancel the Member's Entry on the mortgaged Ship.

Rule 9 ASSIGNMENT

- A. No cover provided by the Club or interest under these Rules or under any Member's Certificate of Entry may be assigned (except in respect of mortgagees), unless the Managers have so consented in writing. The Managers have the absolute discretion to give or refuse such consent without stating any reason or to give such consent on any Terms of Entry deemed appropriate. Any purported assignment made without such consent or without due compliance with such Terms of Entry as the Managers may impose will, unless the Managers otherwise determine, invoke **Rule 52 B (i)** and the Entry of the Ship affected will terminate automatically.
- B. The Managers shall be entitled in settling any claim for recovery presented by an assignee, to deduct or retain such amount as the Managers estimate as sufficient to discharge any liabilities of the Member to the Club whether existing at, or incurred after or likely to be accrued in the future, irrespective of any expressly stipulated Terms of Entry for the consent of the Managers to any assignment.

Rule 10 RIGHT OF RECOVERY

- A. A Member in any particular Entry Year is entitled to recover from the Club subject to the Member's Terms of Entry any payments which he has made in respect of the legal liabilities listed in **Rules 22 to 40** which result from incidents occurring in direct connection with the operation of an Entered Ship during that Entry Year and (with the exception of those arising under **Rule 39**) directly out of the Ownership or Management of an Entered Ship. Liabilities (apart from those arising under **Rule 39**) which arise in any other manner are not covered.

Unless the Managers otherwise agree, a Member cannot claim for recovery from the Club for any payment under the Certificate of Entry for the Ship concerned, unless the Member has first made a complete payment to the claimant and obtained a Receipt and Release from further liability or

other proof of payment acceptable to the Managers. The exceptions to this Rule are in the case of legal or other fees for the services of lawyers or experts, as set out under Rule 36, provided that the Managers have made the appointment or approved the appointment and when the Club has issued a Club's Letter of Undertaking (CLU) for a claim and Member is unable to honor its obligation towards claimants.

Rule 11 HULL, WAR RISKS AND DOUBLE INSURANCE

- A. The Member warrants that unless the Managers otherwise agree in writing, every Entered Ship is and will remain throughout the period of Entry protected against hull and machinery risks, including war approved by the Managers for a value not less than her current sound market value in charter-free condition. Whilst the Member may elect to insure the Entered Ship against hull and machinery risks including war on whatever terms are considered appropriate by the Member, for the purposes of provision of Cover hereunder, the Member is deemed to have arranged coverage on conditions no less wide than those of either Lloyd's Marine Policy with Institute Time Clauses (Hulls) 1.10.83 or Lloyd's Marine Policy with Institute Time Clauses (Hulls) 1.11.95 and Institute War and Strikes Clauses Hull-Time 1.11.95 attached. Any claim which could be recovered from such policies will not be recoverable from the Club except as provided in **Rule 28** (Liability arising from Collision) or **Rule 33** (Liability for Life Salvage Special Compensation and General Average).
- B. Notwithstanding any breach by the Member of any warranty or warranties in **Rule 11 A**, such breach or breaches shall not discharge the Club from liability if the Managers in their sole and absolute discretion consider that the Member has exercised due diligence to comply with his obligations under **Rule 11 A**.
- C. Where the Member is a member elsewhere in any manner whatsoever, any of the liabilities, costs and expenses which would otherwise be recoverable from

the Club, other than Cover which is specifically stated to be excess of the Club Cover, there shall be no contribution by the Club to such liabilities, costs and expenses on the basis that the terms and conditions in such other cover exclude or limit liability on the grounds of double cover or similar wording. In no case shall the Club be liable for any franchise, deductible or deducting borne by a Member under such other cover.

Rule 12 PROPER VALUE

Without prejudice to **Rule 11**, should a Member wish to make a Claim for Recovery from the Club on the basis that because of under valuation of the Entered Ship, he has not been able to obtain a full indemnity under other cover, the Managers must be satisfied that the Member has, nevertheless, regularly reviewed the sound free uncommitted market value of the Entered Ship with the help of brokers or ship values in order to maintain cover for such value. The Managers may impose terms when exercising their discretion and the Member must comply with such terms to the satisfaction of the Managers and within any time limit imposed by the Managers, before any Claim for Recovery under the Certificate of Entry can be considered by the Managers.

Rule 13 WAR RISKS

Unless

- a) The Managers resolve that special Cover may be provided as per **Rule 56** against liabilities, costs and expenses which would otherwise be excluded by this Rule and
- b) To the extent that the benefit of such special Cover has been granted to any Member upon the terms agreed with that Member in writing, there shall be no Claim for Recovery from the Club against any liabilities, costs or expenses (whether or not a contributory cause of the same being incurred was any neglect on the part of the Member or on the part of the Member's servants or agents) when the loss or damage, injury, illness or

death or other accident in respect of which such liability arises or cost or expense is incurred was caused by:

- i. War, civil war, revolution, rebellion, insurrection or civil strife arising there from, or any hostile act by or against a belligerent power or by any act of terrorism;
- ii. Capture, seizure, arrest, restraint or detainment (barratry and piracy excepted) and the consequences thereof or any attempt thereat;
- iii. Mines, torpedoes, bombs, rockets, shells, explosives, or other similar weapons of war **provided that** the exclusion in this sub-paragraph shall not apply to:
 - a. liabilities, costs or expenses which arise solely by reason of the transport of any such weapons whether on board the Entered Ship or not;
 - b. The use of such weapons, either as a result of government order or with the agreement of the Managers in writing where the reason for such use is the avoidance or mitigation of liabilities, costs or expenses which would otherwise fall within the Terms of Entry provided by the Club.

Rule 14 LIMITATION OF COVER

- A. Under no circumstances will the Club be liable, either to a Member or otherwise, for any amount in excess of a Member's legal liability in respect of a given accident or occurrence. A Member's right to reimbursement is conditional upon his protecting so far as possible any rights to limitation of liability which he may have.
- B. The amount recoverable from the Club (before the application of any deductible) in respect of liabilities, costs and expenses arising out of one event or occurrence or series of events or occurrences resulting from and including any one event or occurrence, shall not exceed the limit stated in the Certificate of Entry. The stated limit will apply to the aggregate of all foregoing liabilities, costs and expenses of the Member and any Joint Entrant as per **Rule 7**, each of whose

respective liabilities, costs and expenses shall be abated pro rata.

- C. If a Member consciously abandons or, by virtue of his not being a shipowner, is not entitled to any limitation of liability which he could have enjoyed if he were a shipowner, any reimbursement by the Club is limited to the amount to which a shipowner could have limited his liability, as assessed by the Managers.
- D. It is a condition precedent to any Cover being available hereunder from the Club, that the Member shall have Cover with the Club to the maximum limit of liability considered expedient and that there shall be no placement through another protection and indemnity entry except with the Club hereunder, unless same has been agreed in writing by the Managers in advance of the attachment of the Entry.
- E. Demise charterers are entitled to the same scope of Cover as owners, as provided by **Rule 14 B** above.
- F. A Member shall have no right of recovery of interest on any claim it may have against the Club.
- G. A Member shall have no right to recover any loss suffered as a consequence of delay or failure on the part of the Club to reimburse the Member (unless the Directors, in their absolute discretion, decide otherwise).

Rule 15 NUCLEAR FUELS, RADIOACTIVE MATTER AND OTHER SUBSTANCES

Unless otherwise agreed in writing by the Managers, there shall be no Claim for Recovery in respect of any liabilities, costs or expenses directly or indirectly caused or contributed to by or arising from:

- i. Ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- ii. The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation,

reactor or other nuclear assembly or nuclear component thereof or of any radioactive matter;

- iii. Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- iv. Any chemical, biological, bio-chemical or electromagnetic weapon.

PROVIDED ALWAYS THAT this exclusion shall not apply to liabilities, costs or expenses arising out of or in consequence of the emission of ionizing radiation from, or the radioactive, toxic, explosive or other hazardous or contaminating properties of "excepted matter" (as defined in the Nuclear Installations Act 1965 of the United Kingdom or any amendments thereto or regulations made there under) carried as Cargo in an Entered Ship on such terms as the Managers may in their sole discretion stipulate in writing.

Note - *The United Kingdom Nuclear Installations Act 1978 reflects the provisions of the OECD Paris Convention on Carriage of Nuclear Material. "Excepted matter" is nuclear matter consisting only of one or more of the following:*

- i. Isotopes prepared for use of industrial, commercial, agricultural, medical or scientific purposes;
- ii. Natural or depleted uranium;
- iii. Small quantities of nuclear matter as prescribed (see United Kingdom Nuclear Installations (Excepted Matter) Regulations 1965).

Rule 16 DEDUCTIBLES

The Certificate of Entry for each Entered Ship will specify the amounts agreed between the Member and the Managers to be deducted from each separate Claim for Recovery by the Club, however all fees and expenses related to experts, lawyers, surveyors and the like in accordance with **Rule 36** and for sue and labor

expenses in accordance with **Rule 38** will be reimbursed to the Member without application of any deductible.

Rule 17 NOTICE OF CLAIM

- A. A casualty or incident likely to involve a Member in a loss and give rise to a Claim for Recovery under the Certificate of Entry should be reported in writing to Managers as soon as possible.

In connection with a potential or actual casualty or incident, the Member can also make contact with the nearest listed international correspondent for assistance, providing notification thereafter is made as soon as practical to the above mentioned persons.

Every casualty or incident which involves or is likely to involve a Member in a loss and which may give rise to a Claim for Recovery under the Certificate of Entry must be notified in writing to the above persons with such supporting documentation or information as may be available and requested by the club as soon as possible but in no case later than **six** months after such casualty, incident or receipt by the Member of notice that a claim is to or may be made against him.

- B. No liability should be admitted or payment made in respect of any claim or expense for which reimbursement from the Club will be sought, unless the Managers have given their approval in writing. If no prior approval has been obtained from the Managers or if the amount of the Claim for Recovery is in excess of any settlement authority, there will be no reimbursement by the Club without the Directors' approval.
- C. A Member must:
1. Promptly notify the Managers of every event or matter which is liable to give rise to a Claim for Recovery upon the Club and of every event or matter including any legal or arbitration proceedings commenced against the Member which is liable to

cause the Member to incur liabilities or expenses for which he may be covered by the Club.

2. Promptly notify the Managers of every survey or opportunity to survey in connection with such event or matter.
3. At all times promptly notify the Managers of any information, documents or reports in his or his agents' possession, power or knowledge relevant to such event or matter.
4. Whenever so requested by the Managers, promptly produce to the Managers and/or allow the Managers or their agents to inspect, copy or photograph, all relevant documents of whatsoever nature in his or his agents' possession or power.
5. Permit the Managers or their agents to interview any servant, agent or other person who may have been employed by the Member at any time whom the Managers may consider likely to have any direct or indirect knowledge of the matter or who may have been under a duty at any time to report to the Member in connection therewith.

If a Member commits any breach under this Rule the Directors may in their absolute discretion reject any Claim for Recovery by the Member arising out of the relevant event, casualty or incident, or reclaim the sum otherwise recoverable from the Club in respect thereof by such amount as the Directors may determine.

Rule 18 PRUDENT UN-INSURED

- A. A Member must at all times, whether before, at the time of, during, or after any casualty or incident likely to involve loss and to give rise to a Claim for Recovery, act as prudently to protect his interests as he should have done or as he would have done, had he not been Covered by the Club.
- B. It shall be the duty of the Member and his agents at all times, whether before, at the time of, during or after the

occurrence of any event or matter liable to give rise to a Claim for Recovery by a Member from the Club to take all such steps, whether in relation to his business or to the Entered Ship or otherwise, as may be reasonable for the purpose of averting or minimizing any expense or liability in respect of which he may be covered by the Club.

- C. If a Member commits any breach under this Rule the Directors may in their absolute discretion reject any claim by the Member arising out of the relevant event, casualty or incident, or reclaim the sum otherwise recoverable from the Club in respect thereof by such amount they may determine.

Rule 19 CLASSIFICATIONS AND MAINTENANCE

- A. Unless otherwise agreed in writing between the Member and the Managers, a Member is Covered, subject to **Rules 19 C** and **D** and the following Terms of Entry shall apply to every Entered Ship:
 - i. The Ship must be and remain throughout the period of Entry classed with a Classification Society approved by the Managers;
 - ii. Notwithstanding the Classification Society with which the Entered Ship is classed, any incident or condition or intervention or direction of state or port regulatory or supervisory authority which might cause the vessel Classification Society to make recommendations as to repairs or the Managers to request the Entered Ship and/or the management systems and/or the operational practices employed in relation to the Entered Ship, whether on board or ashore, to be surveyed must be promptly reported to the Classification Society with which the Entered Ship is classed and to the Managers;
 - iii. The Member must comply at all times with all the rules, recommendations and requirements of the Classification Society relating to the Entered Ship and where that Classification Society specifies a time or times within which action must be taken in relation

to the Entered Ship the Member must take such action within such time or times;

- iv. The Member authorizes the Managers to inspect any records or documents and obtain any information relating to the maintenance of class of the Entered Ship in the possession of any Classification Society with which the Entered Ship is or at any time has been classed and will where necessary authorize such Classification Society or Societies to disclose and make available such documents and information to the Managers upon request by the Managers and for whatsoever purposes the Managers may consider necessary;
- v. The Member must immediately inform the Managers if, at any time during the period of Entry, the Classification Society with which the Entered Ship is classed is changed and advise the Managers of all outstanding recommendations, requirements or restrictions specified by any Classification Society relating to that Ship as at the date of such change; and
- vi. The Member must comply with all International safety and security standards which may be laid down including all statutory requirements of the State of the Entered Ship's flag relating to the construction, adaptation, condition, fitment and equipment of the Entered Ship and must at all times maintain the validity of such statutory certificates as are issued by or on behalf of the State of the Entered Ship's flag in relation to such requirements.
- vii. The Member must promptly call to the attention of the Classification Society with which it is entered (or the Classification Society's surveyors) any incident or condition which has given or might give rise to damage in respect of which the Classification Society might make recommendation as to repairs or other action to be taken by the Member.

Unless and to the extent that the Managers otherwise decide, the Member shall not be entitled to any Claim for Recovery from the Club in respect of any incident arising during the period of Entry in which the Member is not fulfilling or has not fulfilled his obligations under this Rule.

- B. Notwithstanding **Rule 19 A (i) to (vii)**, if the Entered Ship has never been classed or it is customary or usual for Ships engaged in the Member's type of operation not to hold class, the requirement for the Entered Ship to be classed with a Classification Society approved by the Managers is removed subject to all local governmental, coastguard, state or port certification requirements being maintained throughout the period of Entry. Nevertheless, the provisions of **Rule 19 C** will continue to apply.
- C. The Managers may as part of the Terms of Entry of an Entered Ship require the Member or prospective Member at any time and/or from time to time, to submit the Entered Ship and/or the management systems and/or operational practices employed in relation to the Entered Ship whether on board or ashore to survey by a surveyor appointed by the Managers. The Member or prospective Member shall afford all facilities as may be required for such inspection and shall comply with all recommendations as the Managers may make following such inspection. The Managers in their discretion may require the Member or prospective Member to bear the expense of such a survey.

In the light of such survey or in the event of failure by the Member to submit the Entered Ship and/or the management systems and/or operational practices employed in relation to the Entered Ship whether on board or ashore to such survey within the time limit specified by the Managers, the Managers shall have the power, in their discretion, to:

- i. Refuse the Entry of the Ship or to terminate the Certificate of Entry on the Ship forthwith; or

- ii. Refuse the Entry of the Ship or to maintain the Certificate of Entry on the Ship until repairs or other action recommended by the surveyor have been carried out to the satisfaction of the Managers within any time limit prescribed by the Managers; or
- iii. Agree to accept the Entry of the Ship or to maintain the Certificate of Entry on the Ship on such special terms as the Managers may in their discretion decide for such time or period as the Managers may specify provided always that if the Member does not accept such special Terms of Entry, he shall have the option of cancelling the Certificate of Entry of the Ship forthwith.

Notwithstanding the provisions of this Rule, nothing shall relieve the Member of his obligation to keep at all times his Entered Ship in a proper condition and the management systems and operational practices employed in relation to the Entered Ship, whether on board or ashore, up to a proper standard. Any recommendations or observations of a surveyor acting under any part of this Rule shall be treated as within the actual knowledge of the Member. Any failure by the Member to implement the said recommendations shall entitle the Managers in their discretion to refuse, in whole or in part, a Claim for Recovery from the Member in respect of any incident whatsoever occurring after such recommendations have been made.

- D. It is a condition precedent to any Cover being available hereunder from the Club, that if applicable, both the Member and the Entered Ship must be and remain throughout the period of Entry in compliance with the requirements of the International Safety Management (ISM) Code and any subsequent amendments thereto as may be implemented. The Member will likewise ensure that a Document of Compliance for itself and a Safety Management Certificate for the Entered Ship in accordance with the aforementioned ISM Code are maintained throughout the period of Entry.

Rule 19A SURVEY OF VESSELS AFTER LAY-UP

- A. If an Entered Ship has been laid-up for a period of six months or more, whether the Entered Ship has been entered in the Club for all or part of the period of lay-up and whether or not laid-up returns have been claimed or paid in accordance with **Rule 49** the Member shall give the Managers notice that the Entered Ship is to be recommissioned not less than seven days before the Entered Ship leaves the place of lay-up.
- B. Upon receipt of such notice the Managers in their discretion may appoint a surveyor or such person as they may think fit to inspect the Entered Ship on behalf of the Club, and the Member shall afford such facilities as may be required for such inspection.
- C. The Member shall comply with such recommendation as the Managers may make following such inspection.
- D. Unless and to the extent that the Directors in their discretion otherwise decide, a Member who commits any breach of his obligations under paragraphs A to C above shall not be entitled to a right of recovery from the Club in respect on any claim whatsoever arising after such breach is committed until such time as the Member has complied with these obligations.
- E. In no case shall a Member be entitled to recover any liabilities or expenses arising out of any defect or matter concerning the Entered Ship which was revealed in the course of such inspection.

Rule 20 LIABILITIES EXCLUDED FROM THE RULES

Unless special Cover has been agreed with the Managers in accordance with **Rule 4**, the Club does not insure:

- A. Liabilities, costs and expenses incurred by a Member arising from salvage services rendered to or by an Entered Ship under contract or otherwise;
- B. liabilities, costs and expenses incurred by a Member arising from drilling, core sampling, oil or gas

production, dredging, diving, pipe or cable laying, waste incineration or disposal operations;

- C. Liabilities, costs and expenses incurred by a Member during the course of performing specialist operations including but not limited to bunkering, dredging, blasting, pile-driving, well stimulation, cable or pipe laying, construction, installation or maintenance work, core sampling, depositing of spoil, professional oil spill response or professional oil spill response training to the extent that such liabilities, costs and expenses arise as a consequence of:
- i. Claims brought by any party for whose benefit the work has been performed, or by any third party (whether connected with any party for whose benefit the work has been performed or not), in respect of the specialist nature of the operations; or
 - ii. The failure to perform such specialist operations by the Member or the fitness for purpose and quality of the Member's work, products or services, including any defect in the Member's work, products or services; or
 - iii. Any loss of or damage to the contract work.

Provided that these exclusions shall not apply to liabilities, costs and expenses incurred by a Member in respect of:

- a. Loss of life, injury or illness of Seamen and other personnel on board the Entered Ship,
- b. The wreck removal of the Entered Ship, and
- c. Oil pollution emanating from the Entered Ship or the threat thereof.

But only to the extent that such liabilities, costs and expenses are Covered in accordance with the Certificate of Entry;

- D. Loss of or damage to the hull, machinery and equipment of the Entered Ship, unless such a loss is a result of the

seizure of the Entered Ship as part of a penal sanction (in which case **Rule 35 A (vi)** will apply);

- E. loss of freight or hire;
- F. Demurrage or detention of an Entered Ship;
- G. losses to the Member as a result of any other person's insolvency or the Member's inability to recover any debts owed to him;
- H. Financial or consequential losses of the Member, including losses resulting from the cancellation of a charter party;
- I. Any loss, damage, expense or liability directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.

Rule 21 IMPRUDENT OR HAZARDOUS OPERATION, PRIVY OR WILFUL MISCONDUCT, CONTRABAND OR BLOCKADE RUNNING

- A. The provisions of the Marine Insurance Act 1906 are specifically incorporated in these Rules, and these Rules and all contracts of insurance made by the Club shall be subject to and shall incorporate the provisions of the Marine Insurance Act 1906.
- B. There will be no recovery from the Club if the nature of the carriage, trade or voyage in which the Entered Ship is engaged, is imprudent, unsafe, unduly hazardous or improper or the Claim for Recovery arises out of the willful misconduct of the Member (being an act intentionally done, or a deliberate omission with knowledge that the performance or omission will probably result in loss, damage or injury, or an act done or omitted in such a way as to allow an inference of a reckless disregard of the probable consequences).
- C. The Club will not insure any liabilities incurred by a Member as a result of his having knowingly engaged in

criminal activity, such as drug or other smuggling, carrying on an illegal trade or blockade running. Such liabilities can only be covered under **Rule 35** provided that the Member can prove to the satisfaction of the Managers that he neither knew of nor recklessly ignored the criminal conduct in question and that he took all reasonable steps in endeavoring to prevent it occurring.

Rule 22 TOWAGE AND SALVAGE OF AN ENTERED SHIP

- A. A Member is covered in respect of liabilities arising under a contract for customary towage of the Entered Ship to or from a berth, or anywhere else where the custom of the port or trade involves Towage of Ships in the ordinary course of trade.
- B. However, liabilities arising under any contract for Towage of an Entered Ship other than the customary towage covered under paragraph A of this Rule will not be Covered unless the terms of the contract have been approved by the Managers, subject to any additional Terms of Entry which may be applied and subject to any additional Call Contribution having been paid.

Note: *The contracts set out under C below are approved provided that they are not amended so as to increase the liability of the Entered Ship.*

- C. Where there is a contract with the owner of the towing Vessel:
 - i. The International Ocean Towage Agreements "TOWHIRE" or "TOWCON" conditions;
 - ii. Lloyd's Standard Form of Salvage Agreement (LOF).

Rule 23 TOWAGE AND SALVAGE BY AN ENTERED SHIP

- A. A Member is covered in respect of liabilities arising from and/or in respect of towage (of another ship, object or cargo) by an Entered Ship:

PROVIDED THAT

Liability for loss of or damage to or wreck removal of the towed ship, object or cargo is excluded unless:

- i. Such towage was necessary for the purpose of saving life or property at sea, or
- ii. The Entered Ship is towing under an approved contract, or
- iii. Cover has otherwise been agreed by the Managers in writing.

Note: *The contracts set out under B below are approved provided that they are not amended so as to increase the liability of the Entered Ship.*

- B. Where there is a contract with the owner of the tow:
 - i. The International Ocean Towage Agreement's "TOWHIRE" or "TOWCON" conditions;
 - ii. Lloyd's Standard Form of Salvage Agreement (LOF).

Rule 24 LIABILITIES IN RESPECT OF SEAMEN, SUPERNUMERARIES, SPOUSE AND CHILDREN

A. LIABILITIES IN RESPECT OF SEAMEN

A Member is covered in respect of:

- i. Liabilities to pay damages or compensation for death, personal injury or illness of any Seamen of an Entered Ship who is on board or is proceeding to or from the Entered Ship, and hospital, medical, funeral and other expenses necessarily incurred in relation to such death, personal injury or illness.
- ii. Liabilities to pay damages or compensation for loss or damage to the personal effects of any Seaman of an Entered Ship who is on board or is proceeding to or from the Entered Ship.
- iii. Statutory liabilities to pay compensation to any seaman of an Entered Ship who is on board or is proceeding to or from the Entered Ship, caused in consequence of the actual or constructive total loss of the Entered Ship.

- iv. Repatriation and substitution expenses necessarily incurred as a consequence of the death, personal injury, illness or desertion of any seaman of an Entered Ship who is on board or is proceeding to or from the Entered Ship. If such expenses are incurred for any other reason the Managers may in their absolute discretion allow the whole or any part thereof as they deem equitable save that are covered under this Rule.

PROVIDED THAT **Rule 24 A (iv)** shall not extend to expenses arising as a result of:

1. The expiry of a Seaman's period of service on the Entered Ship either in accordance with the terms of a crew agreement or other contract of service or employment or by mutual consent of the parties to it;
 2. Any other discretionary act of the Member;
 3. The sale of an Entered Ship.
- v. Where liabilities, costs and expenses of the type covered under this Rule are incurred under the terms of a crew agreement or other contract of service or employment and would not have been incurred but for those terms, then the liabilities, costs or expenses shall be covered by the Managers but only to the extent that those terms shall have been previously approved by the Managers in writing.
 - vi. During a period whilst the seaman is on leave and the Entered Ship is the last ship on which the Seaman served prior to his death, personal injury or illness.
 - vii. Related to Maritime Labor Convention extension clause 2020.
 - 1) Subject only to the other provisions of this extension, the club shall discharge and pay on the member's behalf under the 2006 Maritime Labor Convention, as amended (MLC 2006) or domestic legislation by a state party implementing MLC 2006:

- a) liabilities in respect of outstanding wages and repatriation of a seafarer together with costs and expenses incidental thereto in accordance with Regulation 2.5, Standard A2.5.2 and Guideline B2.5; and
- b) liabilities in respect of compensating a seafarer for death or long-term disability in accordance with Regulation 4.2, Standard A4.2.1 and Guideline B4.2.
- c) There shall be no payment under paragraph 1 (a) or paragraph 1 (b) if and to the extent that the liability, cost or expense is recoverable under any social security scheme or fund, separate insurance or any other similar arrangement.
- d) The club shall not discharge or pay any liabilities, costs or expenses under paragraph 1(a) or paragraph 1(b), irrespective of whether a contributory cause of the same being incurred was any neglect on the part of the member or the member's servants or agents, where such liabilities, costs or expenses were directly or indirectly caused by or contributed to by or arise from.

B. LIABILITIES IN RESPECT OF SUPERNUMERARIES

Where the liabilities, costs and expenses described in **Rule 24 A** are incurred in respect of any Supernumerary carried on an Entered Ship and who is on board or is proceeding to or from the Entered Ship, said Supernumerary (i.es) shall be treated as if they were a Seamen for the purposes of **Rule 24 A** and so are covered by **Rule 24 A**.

C. LIABILITIES IN RESPECT OF SPOUSE AND CHILDREN

A Member is covered in respect of:

- a. Liabilities to pay damages or compensation for death, personal injury or illness of the spouse or child of a Seaman travelling on board an Entered Ship, and hospital, medical, funeral and other expenses

necessarily incurred in relation to such death, personal injury or illness.

- b. Repatriation expenses of a spouse or child travelling on board an Entered Ship in the event of the Seaman's repatriation or if the spouse's presence is necessarily required to attend a child who has become dangerously ill during the course of the voyage.
- c. The expense of sending out and repatriating a spouse, child or, in the case of a single seaman, parents of a seaman if he has died or falls dangerously ill when the presence of such spouse, child or parents is essential.

Rule 25 LIABILITIES IN RESPECT OF THIRD PARTIES

A Member is covered in respect of:

A. ILLNESS, INJURY OR DEATH

Liability to pay damages or compensation for personal injury, illness or death of any person and hospital, medical or funeral or other expenses incurred in relation to such injury, illness or death.

B. LOSS OF OR DAMAGE TO EFFECTS

Liability to pay damages or compensation for loss of or damage to the effects of any person on board an Entered Ship.

PROVIDED THAT:

- i. There shall be no right of recovery in respect of claims relating to cash, bonds or other negotiable instruments, jewelry, precious or rare metals or stones, valuables or objects of a rare or precious nature.
- ii. Cover of this Rule is limited to liabilities arising out of a negligent act or omission on board or in relation to an Entered Ship or in relation to the handling of her

cargo from the time of receipt of that cargo at the port of shipment until delivery of that cargo at the port of discharge.

Rule 25A DIVERSION EXPENSES

There shall be a right of recovery in respect of expenses solely incurred as a result of diversion or delay of an Entered Ship (over and above the expenses that would have been incurred but for the diversion or delay) for the purpose of:

- A. Securing necessary treatment ashore of sick or injured persons or arranging the repatriation of dead bodies aboard the Entered Ship.
- B. Awaiting a substitute for a sick or injured seaman who has been landed ashore for treatment if necessary.

PROVIDED ALWAYS THAT adequate steps been taken by the Member to obtain dispensation certificate under Article viii of the International Convention on standards of Training, Certification and Watchkeeping for Seafarers 1978, as amended.

- C. Landing stowaways, refugees or persons saved at sea.
- D. Saving or attempting to save life at sea.
- E. In order to search for, and/or recover, persons missing from the Entered Ship.

PROVIDED ALWAYS THAT The expenses recoverable are limited to those additional costs of fuel, insurance, crew wages, stores, provisions and port charges pro rata over and above the ordinary operating costs of the Member, which are incurred as a direct result of the diversion, less any savings in expenditure which would have been made by the Member but for the diversion or delay.

Rule 26 LIABILITIES FOR PASSENGER CLAIMS

A Member is covered in respect of any legal liability which he may incur as a direct result of the operation of the Entered Ship to any passenger pursuant to the terms of a contract of carriage for:

- i. The death of or injury to the passenger;
- ii. The cost of maintenance, medical treatment, funeral expenses and repatriation of sick, injured or dead passengers;
- iii. The cost of port charges, bunkers, Ship's stores, provisions and crew wages (but not loss of profit, hire or freight) incurred by the Member in deviating the Entered Ship to land or to obtain medical attention for a sick or injured passenger;
- iv. The cost of forwarding passengers to destinations or for returning them to the port of embarkation or for maintenance ashore, following a casualty which shall be defined as an incident involving either collision, stranding, explosion, fire or other cause rendering the Ship incapable of safe navigation to its intended destination or a threat to the life, health or safety of passengers;
- v. Loss of or damage to the baggage of passengers;

PROVIDED ALWAYS THAT the Club shall not be liable for:

- a. Liabilities incurred pursuant to a contract of carriage which has not been approved by the Managers, subject to the right of the Managers in their sole and absolute discretion and upon whatever Terms of Entry they deem appropriate, to determine otherwise;
- b. Liabilities to a passenger who has received a ticket for a package holiday the cost of which includes carriage to the Entered Ship before the cruise and/or from the Entered Ship after the cruise, for incidents occurring during the course of such carriage;

- c. Contractual liabilities, costs and expenses incurred by a Member arising in respect of a passenger on an excursion from the Entered Ship in circumstances where either:
 - i. A separate contract has been entered into by the passenger for the excursion whether or not with the Member; or
 - ii. The Member has waived any or all of his rights of recourse against any sub-contractor or other third party in respect of the excursion.
- d. Claims relating to cash, negotiable instruments, precious or rare metals or stones, valuables, jewellery, works of art or objects of a rare or precious nature unless specifically agreed in writing in advance with the Managers on such Terms of Entry as may be agreed.

Rule 27 LIABILITIES FOR STOWAWAYS, REFUGEES AND PERSONS RESCUED AT SEA

A Member can recover from the club the liabilities and expenses (other than those covered by **Rule 25 A**) of maintaining, landing, repatriating or deporting stowaways, refugees or people saved at sea, such as port charges, bunkers, ship's stores, provisions and crew wages, excluding loss of profit, hire or freight. Said liabilities and expenses are recoverable from the Club only:

- a. To the extent that the Member is legally liable for those liabilities and expenses; and
- b. To the extent that they cannot reasonably be recovered otherwise;
- c. In respect of stowaways, if adequate measure been taken to avoid stowaways gaining access to the ship.

Rule 28 LIABILITIES ARISING FROM COLLISION

To the extent that any liability mentioned in this Rule is not covered under the collision liability clause contained in the Hull Policies of the Entered Ship, and so long as the Member has complied with **Rule 11**, a Member is insured against his legal liability towards another Ship and its Cargo in the event of a collision, as follows:

- a. To the extent of one-fourth or such other proportion as may have been agreed by the Managers of such liabilities, costs and expenses arising out of the collision with another ship, if and to the extent that such liability is not covered under the Hull Policies on the ship.
- b. To the extent of four-fourth of the Member's Liability, costs and expenses relating to:
 - i. The raising, removal, disposal, destruction, lighting or marking of obstructions, wrecks, cargoes, or any other thing;
 - ii. Any real or personal property or thing whatsoever (except other vessels or property on other vessels);
 - iii. The cargo or other property on the Entered Ship, or general average contributions, special charges or salvage paid by the owners of the cargo or property;
 - iv. Loss of life, personal injury or illness on entered or the other ship.
- c. If for the purpose of obtaining an indemnity for collision liability under the Hull Policy, the Entered Ship is found to have been under-insured, a Member may be able to recover the difference between the actual liability and the reduced amount recovered from the Club.

PROVIDED ALWAYS THAT:

- i. For the purposes of **Rule 28 c**, in the Manager's opinion, the Member has complied with **Rule 12**. If **Rule 12** has not been complied with, the amount recoverable will be the difference between the full liability and a proper value, as assessed by the Managers. Any cover for the purposes of **Rule 28 c** is solely at the discretion of the Club directors.
- ii. Any deductible under the Hull Policy will not be recoverable from the Club.
- iii. No recovery shall be made pursuant to **Rule 28** if there would otherwise be a right of recovery under the Hull Policy of the Entered Ship but for the conduct of the Member.
- iv. If two Entered Ships belonging to the same Member collide with each other, the Member shall be entitled to claim from the Club, and the Club shall have the same rights, as if the Entered Ships had belonged to different Members.
- v. If both of the vessels in the collision are to blame then, where the liability of either or both of the vessels in collision becomes limited by law, then claims under this Rule shall be settled upon the principle of single liability. In all other cases claims under this Rule shall be settled upon the principle of cross liabilities as if the owner of each vessel had been compelled to pay the owner of the other vessel such proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Member in consequence of the collision.

Rule 29 LIABILITIES FOR CARGO AND OTHER PROPERTY ON BOARD

- A. A Member is covered against his liability as a ship owner or otherwise as carrier for loss of or damage to Cargo carried, intended to be carried, or having been

carried in the Entered Ship arising out of any breach by the Member or by any person for whose acts, neglect or default he may be legally liable, of his obligation properly to load, handle, stow, carry, keep, care for, discharge or deliver the cargo or out of unseaworthiness or unfitness of the Entered Ship, for the extra cost, above the normal cost of discharging sound Cargo, incurred in discharging or disposing of damaged Cargo (but only if and to the extent that the Member is unable to recover those costs from any other party); and in the case of general average, in respect of Cargo's contribution to general average adjusted in accordance with the York- Antwerp Rules 1994 or York- Antwerp Rules 2016 and/or law and practice obtaining at the place where the adventure ends, if this is irrecoverable because of a breach of the contract of carriage by the Member.

PROVIDED ALWAYS THAT the value of any cargo retained by the Member or any sums recovered by or due to the Member shall either be credited to the Association or deducted from any recovery due from the Association.

PROVIDED ALWAYS THAT there will be no recovery from the Club under this Rule in the following circumstances:

- i. If the contract of carriage does not incorporate The Hague, Hague-Visby, or similar terms not less favorable to Member than those conventions except if the provisions of the Hamburg Rules or similar terms are applicable to contract of carriage by operation of the law.
- ii. If the cargo is carried on deck unless either the cargo is carried under a contract of carriage which permits the cargo to be carried on deck and states that the cargo is being carried on deck and exonerates the Member from all liability in respect of such cargo, or such carriage has been agreed in writing by the Managers; or the provisions of Hague or Hague-

Visby Rules expressly been applied to deck cargo notwithstanding Article I (C) of those conventions and the cargo is suitable for deck carriage.

- iii.If the cargo is delivered without production of the original bill of lading;
- iv.If the bill of lading contains a description of the cargo or its stowage or the voyage which either the Member or the Entered Ship's command know to be inaccurate;
- v.If the bill of lading contains a date of shipment which the Member or the Entered Ship's command know to be incorrect;
- vi.where the Member incurs a liability which he would not otherwise have had or is deprived of the right to limitation of liability by reason of a deviation from the contractually agreed voyage, or from events occurring during or after a deviation; nevertheless, the Member's board may allow such a claim in part or in whole, if in its discretion, it considers that the Member had reasonable grounds for believing that no deviation was to be or had been made;
- vii.In the event that any cargo lost or damaged on board the Entered Ship shall be the property of the Member, such Member shall be entitled to recover from the Association the same amount as would have been recoverable from him if the cargo had belonged to a third party and that third party had concluded a contract of carriage of the cargo with the Member on the terms of the Association's recommended standard terms of carriage referred to in proviso (i) above;
- viii.Where the cargo is delivered at a port other than that named in the bill of lading, without the approval of the Managers;
- ix.Where the Member becomes liable for failure to arrive or late arrival at a port of loading, or for failure to load cargo in an Entered Ship, except where such a

- liability has arisen under a bill of lading already issued;
- x. Delivery of cargo carried under a way bill or similar non-negotiable document to a party other than the party nominated by the shipper as the person to whom delivery should be made;
 - xi. Delivery of cargo carried under a negotiable bill of lading without production of that bill of lading by the person to whom delivery is made;
 - xii. If the bill of lading, way bill or other document containing or evidencing the contract of carriage contains any fraudulent misrepresentation;
 - xiii. Any deliberate breach of the contract of carriage on the part of the Member or the Entered Ship's command;
 - xiv. The Managers may at any time require to be satisfied as to the spaces, plant and apparatus used and the instruction given for the carriage of cargo in insulated or refrigerated chambers or containers and the terms of contract of carriage under which such cargo is to be carried and the Member shall upon request supply the relevant information to the Managers. If the Managers are not so satisfied and therefore withhold their approval and so notify the Member, such Member shall not be entitled to recover from the Association in respect of any loss of or damage to such cargo the carriage of which began after the serving of the notice;
 - xv. In respect of gold, silver, platinum, jewellery, precious stones, bank notes, coins, bonds or rare or precious objects, unless the Managers have agreed in advance for their carriage on such Terms of Entry as may be determined;
 - xvi. Liability, cost or expense arising from the use of any electronic trading system, other than an electronic trading system approved in writing by the Managers, to the extent that such liability, cost or expenses would not (save insofar as the Members Board in its

sole discretion shall otherwise determine) have arisen under a paper trading system.

- B. A Member is covered for any liability in respect of the loss of or damage to any property apart from Cargo on the Entered Ship which does not belong to the Member or to a Joint Entrants, if such property is reported to and approved by the Managers.

PROVIDED ALWAYS THAT, unless the Member has obtained appropriate special cover with the Managers, there shall be no Claim for Recovery from the Club for any liability arising under a contract for indemnity entered into by him and would not have arisen but for such contract or indemnity.

- C. Where the value of any Cargo is declared upon the bill of lading at a figure in excess of US\$2,500 (or the equivalent in the currency in which the declared value is expressed) per unit, piece or package, the right of recovery from the Club under this Rule shall not exceed US\$2,500 per unit, piece or package or the package limitation of Hague-Visby Rule whichever is higher unless otherwise agreed by the Managers in writing.

Rule 30 LIABILITIES FOR DAMAGE TO FIXED AND FLOATING OBJECTS

Liabilities, costs and expenses incurred as a result of damage to, or infringement of rights in connection with property to the extent of:

- a) Loss of or damage to any harbor, dock, pier, quay, jetty, land or anything whatsoever fixed or movable (not being another ship or cargo or other property therein or cargo or other property carried in the Entered Ship) by reason of contact between the Entered Ship and such harbor, dock, pier, quay, jetty, land or fixed or movable object;
- b) That part of the Member's liability which exceeds the amount recoverable under the Hull Policies on the Entered Ship in respect of the liabilities set out in paragraph (a) above;

- c) Loss of or damage to or infringement of rights in connection with the property of any person.

PROVIDED ALWAYS THAT in **Rule 30**:

- a) There shall be no recovery in respect of expenditure arising out of a Member's liability under a contract, indemnity or guarantee between a Member and a third party;
- b) There shall be no recovery in respect of any liabilities which a Member may incur to persons interested in another ship, or cargo or other property therein, by reason of a collision between the Entered Ship and that other ship (see **Rule 28**) or to persons interested in cargo carried in the Entered Ship (see **Rule 29**) or in respect of liabilities for pollution (see **Rule 31**);
- c) If the loss, damage or expense relates to any property belonging to the Member (other than that carried on board the Entered Ship), such Member shall be entitled to recover from the Association and the Association shall have the same rights, as if such property belonged to a third party.

Rule 30A NON-CONTACT DAMAGE

Liabilities, costs and expenses incurred as a result of damage caused to any other ship otherwise than by collision between that other ship and the Entered Ship:

- a) Relating to such other ship or to cargo or other property therein;
- b) Relating to:
 - i. The raising, removal, destruction or marking of obstructions, wrecks, cargoes, or any other thing in accordance with the provisions of **Rule 32**;
 - ii. Real or personal property or any other thing except other ships or property on other ships;

- iii. Pollution or contamination of any real or personal property in accordance with the provisions of **Rule 31**;
- iv. The cargo or other property on the Entered Ship, or general average contributions, special charges or salvage paid by the owners of that cargo or property in accordance with the provisions of **Rules 29** and **33**;
- v. Loss of life, personal injury or illness in accordance with the provisions of **Rule 24**.

PROVIDED ALWAYS THAT in **Rule 30 A**, if the loss or damage relates to any ship, or cargo or other property therein, belonging to the Member such Member shall be entitled to recover from the Association, and the Association shall have the same rights, as if such ship or cargo or other property belonged to a third party.

Rule 31 LIABILITIES FOR POLLUTION

- A. Subject to **Rule 31 C**, a Member is covered for any liability in respect of an actual or threatened pollution of the environment caused by an escape of oil or another polluting substance to the extent of:
 - i. Compensation or damages paid;
 - ii. The cost of clean-up or preventative measures (not being preventive measures taken in the ordinary course of business), including liability for damage caused by the clean-up measures;

PROVIDED ALWAYS THAT unless otherwise agreed in writing between the Members and the Managers there shall be no recovery from the Association in respect of any liabilities, costs or expenses which would have fallen into general average if the contract of carriage under which any cargo is carried had been subject to the unmodified York- Antwerp Rules 1994 or York-Antwerp Rules 2016, except as the Members Board in the exercise of its discretion shall otherwise determine;

- iii. The cost of compliance with any government or local authority orders aimed at preventing or cleaning up a specific pollution incident only if such costs are not recoverable under hull policies of the Entered ship;
- iv. Payments to salvors under the exception to the principle of "no cure - no pay" in Lloyd's Standard Form of Salvage Agreement or as is imposed on the Member pursuant to Article 14 of the International Convention on Salvage 1989, in relation to oil pollution;
- v. Liabilities arising if the Entered Ship is held responsible for pollution from another Ship, object, or structure;
- vi. Liabilities for oil pollution arising from wreck removal, damage to fixed or floating objects, towage, or other contracts within the meaning of and subject to the provisions of **Rule 22**;
- vii. liability which a Member may incur, together with costs and expenses incidental there to, as party to any agreement relating to oil pollution, for loss, damage or expenses, including expenditure reasonably incurred in accordance with the Member's obligations under such agreement;

PROVIDED ALWAYS THAT such agreement has been approved by the Managers and the Member had paid or agreed to pay such additional premium as may be required by the Association.

- viii. Liability which a Member may incur for fines in respect of pollution insofar as such liability may be covered under **Rule 35**.

- B. The Cover provided under **Rule 31 A**, does not constitute evidence of financial responsibility under the OPA 90 or any similar Federal or state law. It is a condition of this Cover that it shall not be submitted to the United States Coast Guard or any other Federal or state agency as evidence of financial responsibility or that the Club consents to act as a guarantor or consents

to be sued directly in any jurisdiction whatsoever. The Club does not consent to be a guarantor or to be sued directly.

- C. Liabilities, costs and expenses in respect of oil pollution arising out of any incident to which OPA 90 is applicable shall only be Covered for a "tank vessel" (as defined in OPA 90) if the Member insuring such a tank vessel has complied with the following terms and conditions:
- i. The Member undertakes to make quarterly declarations in areas, at the latest within two months of each a quarter ending 20th May, 20th August, 20th November and 20th February, of all voyages carrying Cargo to or from ports or places to which OPA 90 applies, giving the date of such voyages, the nature of the Cargoes carried (persistent oil or other Cargo) and the name of such United States port or place at which the Cargo was first loaded or discharged; and
 - ii. If a voyage declared under (i) above involved the carriage of persistent oil (as defined in the declaration form issued to the Member) as Cargo (hereinafter referred to as a "relevant voyage") the Member shall pay, on or before the date shown in the debit note issued by the Managers, an additional Call Contribution agreed with the Managers.

It is a condition precedent for the Cover in respect of liabilities, costs and expenses for oil pollution arising out of any incident to which OPA 90 is applicable that the Member has complied with the above Terms of Entry. Failure by the Member to declare a relevant voyage for whatever reason will be treated as the willful misconduct of the Member and Cover will be prejudiced accordingly.

Rule 32 WRECK REMOVAL

- A. Liabilities, costs and expenses incurred in respect of the raising, removal, destruction, lighting or marking of:
- i. An Entered Ship and of any cargo or other property which is or was carried on board an Entered Ship;

- ii. The wreck of any other ship and of any cargo or other property which is or was on board any other ship.

PROVIDED ALWAYS THAT there shall be no Claim for Recovery unless the Entered Ship became a wreck as the result of a casualty occurring during the Entered Ship's period of Cover.

- B. Any Claim for Recovery from the Club in respect of this Rule must give credit for any salvage value realized in respect of the wreck or its contents or any amount recovered from any other party (including its stores).
- C. There will be no Claim for Recovery from the Club under this Rule if the Member gave up his ownership of the Entered Ship (otherwise than by abandonment including to the world at large) without the consent of the Managers, after it became wrecked and before undertaking any work or accepting any liability which could have become the subject of a Claim for Recovery from the Club.
- D. Where the liabilities arise, or the expenses are incurred, under the terms of any contract or indemnity and would not have arisen but for those terms, those liabilities or expenses are only Covered if and to the extent that:
 - i. Those terms have been agreed by the Managers in writing, or
 - ii. The board of the Club in its discretion decides that the Member should be reimbursed.
- E. Unless the board of the Club in its discretion shall otherwise determine, there shall be no right of recovery from the Club under this Rule where the liabilities, costs and expenses or any part thereof would not have been incurred had the Entered Ship or the other ship been insured at such value as in the discretion of the Directors represents the full market value of the Entered Ship, disregarding any charter or other engagement to which the Entered Ship may be committed.

Rule 33 LIABILITIES FOR LIFE SALVAGE, SPECIAL COMPENSATION AND GENERAL AVERAGE

- A. A Member may recover from the Club the amount of any salvage award in respect of any life-saving operation mounted to benefit the Entered Ship, to the extent that this is not recoverable from hull or Cargo underwriters or Cargo owners.
- B. A Member may recover from the Club the Ship's contribution to salvage or general average or special charges adjusted in accordance with the unmodified York-Antwerp Rules 1994 or York-Antwerp Rules 2016 and/or law and practice obtaining at the place where the adventure ends to the extent that these are not recoverable from the Hull Policies because the insured value is less than the contributing value assessed for the Entered Ship; provided always that **Rule 12** has been complied with to determine the proper value of the Entered Ship for the purpose of hull cover.
- C. A Member may recover any liability to pay to a salvor of the Entered Ship "SCOPIC Remuneration" within the meaning of the SCOPIC Clause as supplementary to Lloyd's Standard Form of Salvage Agreement.

Rule 34 LIABILITIES FOR INFECTIOUS DISEASE

In the case of an outbreak of infectious disease onboard or in connection with the Entered Ship or in case the Entered Ship is quarantined, a Member can make a Claim for Recovery from the Club for:

- i. The cost of disinfection of the Entered Ship or people on board;
- ii. Maintenance of Passengers, Seamen and Supernumeraries ashore; and
- iii. Extra expenditure on port charges, bunkers, Ship's stores, provisions and crew wages incurred as a direct consequence of the outbreak, to the extent that they exceed the normal running costs of the Entered Ship.

Rule 35 LIABILITIES FOR FINES AND PENALTIES

- A. Provided always that **Rule 21** applies to such liabilities, so that the Club will provide no indemnity for the consequences of criminal conduct knowingly undertaken by a Member and provided that there will never be cover for penalties for overloading, the Club will cover liability for any Fine or penalty as listed below, legally imposed arising out of the operation of the Entered Ship, or imposed on a Seaman or other employee of the Member for whom he is responsible and whom he agrees to reimburse. The following Fines or penalties are Covered:
- i. Fines for short-delivery or over-delivery of Cargo, or failure to comply with regulations relating to Cargo manifests or to other documentation concerning the Entered Ship, her Cargo or other property on board;
 - ii. Fines for oil or other pollution (subject to the provisions of **Rule 14**);
 - iii. Fines for smuggling;
 - iv. Fines for infringements of any law or regulation, except for those of the Classification Society, relating to the construction, adaptation, alteration or fittings of the Entered Ship;
 - v. Fines for breaches of immigration law or regulations;
 - vi. Notwithstanding **Rule 13 (ii)**, confiscation of the Entered Ship as part of a penal sanction imposed by a customs authority; this Cover will apply only subject to the Managers' approval and the amount recoverable from the Club will not exceed the sound market value of the Entered Ship in charter-free condition, or the insured value, whichever is the lesser amount;

PROVIDED ALWAYS THAT the Member shall have satisfied the Members Board that he took such steps as may appear to the Members Board to be reasonable to

prevent the infringement of the customs law or regulation giving rise to such confiscation;

vii. Fines for any other offence, subject to the Managers' approval.

- B. There shall be no right of recovery under this Rule for fines arising out of infringements or violations of or non-compliance with the provisions regarding construction, adaptation and equipment of ships contained in the International Convention for the Prevention of Pollution from ships, 1973, as modified by the Protocol of 1978 and as modified or amended by any subsequent protocol, or the legislation of any state giving effect to that Convention; but the Directors in their discretion may admit claims for such fines to such extent as they think fit.
- C. There shall be no right of recovery under this Rule for fines arising out of infringements or violations of or non-compliance with the provisions of the ISM or ISPS Codes; but the Directors in their discretion may admit claims for such fines to such extent as they think fit.

Rule 36 EXPERTS & LAWYERS

- A. A Member is covered in respect of fees and disbursements of experts, surveyors and lawyers instructed by the Managers or by him with the Managers' approval to investigate, advise upon and defend claims Covered under these Rules.
- B. If a Member wishes to instruct an expert, surveyor or lawyer, he **must** obtain the approval of the Managers, or else the fees of the firm appointed will not be paid by the Club.
- C. Where an expert, surveyor or lawyer has been instructed, the Member agrees that such expert, surveyor or lawyer will be paid by the Club directly. The Managers will inform the Member concerning the fee to be paid and the payment will be recorded in the Member's claims record. If a Member advises the Managers that he considers that a particular fee or

expense is unreasonable, the Managers will investigate and use their best endeavors to ensure that only a reasonable amount is charged.

- D. Without prejudice to any other provisions of these Rules and without waiving any of the Club's rights hereunder the Managers may at any time appoint on behalf of a Member upon such terms as they may think fit lawyers, surveyors or other persons for the purpose of dealing with any matter liable to give rise to a Claim for Recovery by the Member upon the Club, including, but not limited to, investigating, or advising upon any such matter and taking or defending legal or other proceedings in connection therewith. The Managers may also at any time discontinue such employment as they may think fit.
- E. All lawyers, surveyors and other persons appointed by the Managers on behalf of a Member or appointed with the prior consent of the Managers shall at all times be deemed to be appointed on their terms that they have been instructed by the Member at all time to:
 - i. Give advice and to report to the Managers in connection with the matter without prior reference to the Member; and
 - ii. Produce to the Managers without reference to the Member any documents or information in their possession or power relating to such matter as if such person had been appointed to act and had at all times been acting on behalf of the Club and notwithstanding that any such advice, report, documents or information would otherwise be the subject of legal or any other form of privilege.

Rule 37 INQUIRY EXPENSES AND TEST CASES

Subject to the Managers' approval, a Member can recover from the Club:

- i. The cost of representation or any other expenses to which he may become liable in connection with any

formal inquiry into a casualty involving an Entered Ship;

- ii. Any costs or expenses reasonably incurred in connection with a "test case" concerning a question of principle within the scope of the Club's Certificate of Entry; and
- iii. The cost of defense against interference in his business by a government body, considered by the Managers to be unwarranted.

Rule 38 SUE AND LABOUR EXPENSES

PROVIDED ALWAYS THAT the Managers have given prior approval to the steps taken, a Member can recover from the Club costs or expenses incurred solely in avoiding or minimizing any liability covered under the Certificate of Entry.

PROVIDED ALWAYS THAT there shall be no right of recovery under this Rule for any costs or expenses related to ransom demands, extortion, blackmail, bribery or any illegal payments.

Rule 39 CONTAINER COVER

- A. PROVIDED ALWAYS THAT this Cover has been specifically agreed with the Managers, subject to any additional Terms of Entry which may be applied and subject to any additional Call Contribution having been paid, a Member can recover certain liabilities towards third parties which he may incur as an owner, operator, lessee or carrier of Containers whether or not such Containers are intended to be, are being or have been carried on an Entered Ship. The limit of liability covered must be specifically agreed with the Managers and the liabilities Covered are to be of the same type as those specified in **Rules 22 to 38** relating to an Entered Ship.
- B. PROVIDED ALWAYS THAT it has been specifically agreed with the Managers, subject to any additional Terms of Entry which may be applied and subject to any additional Call Contribution having been paid, a Member

can cover the risk of loss or damage to Containers owned or leased by him, including any liability to contribute in general average or salvage arising out of his interest in Containers

Rule 40 OMNIBUS RULE (RISKS INCIDENTAL TO SHIPOWNING)

A Member may recover from the Club those liabilities to third parties including any costs and expenses, arising out of the operation or management of an Entered Ship, which are not specified or expressly excluded in these Rules or the Member's Certificate of Entry, to the extent that the Directors of the Club in their absolute discretion may decide.

Rule 41 GUARANTEES

- A. In order to prevent the arrest of an Entered Ship, the Managers have the discretion to give guarantees in the form of letters of undertaking, indemnities, bonds, or bank guarantees to claimants, according to which the Club undertakes to pay whatever sum the Member may be held liable, by a court of competent jurisdiction or by agreement, to pay to a claimant, either in respect of a liability Member under the Certificate of Entry for the Entered Ship, or in respect of a liability outside the scope of the Certificate of Entry.
- B. If a guarantee is given in respect of any matter outside the scope of the Member's Certificate of Entry, the Club will be entitled to be indemnified by the Member to the extent that any payment is made under the guarantee in respect of any matter outside the Member's Certificate of Entry.
- C. The Managers may demand from a Member whatever counter security they think appropriate before providing any guarantee.
- D. The Managers will not provide any letters of undertaking, indemnities, bonds, or bank guarantees to

claimants where payment of a Call Contribution is outstanding in accordance with **Rule 42**.

- E. The Managers are the agents of the Club in providing guarantees and will be under no liability, corporate or personal, under the terms of such guarantees, or in relation to the giving or withholding of any guarantee.

Rule 42 CALL CONTRIBUTIONS, RESERVES AND SOLVENCY MARGIN

- A. The purposes for which Call Contributions may be called by the Managers from a Member and collected by the Managers are:
- i. To reimburse to Members Claims for Recovery settled or expected to be settled under **Rules 22 to 40** or any other Terms of Entry allowing payment to the Member;
 - ii. To pay fees and expenses for lawyers, correspondents and experts and brokerage or commission to brokers, agents or other producers of business;
 - iii. To pay to the Managers whatever amounts may be agreed by the Managers for the purpose of administration of the Club;
 - iv. To provide funds to establish solvency margins or guarantee funds if required by law;
 - v. To permit the continued operation of the Club;
 - vi. To establish and maintain contingency reserves if approved by the Managers;
 - vii. To make up any deficit in the funds of the Club; and for any other purpose agreed by the Managers;
 - viii. To pay such sums as may be required by any government legislation or regulation to be set aside for the entitlement or maintenance of an adequate solvency margin or guarantee fund in respect of any Entry Year.
- B. Without prejudice to the generality of paragraph **B (vi)** of this Rule,

- i. The Directors may, in their absolute discretion, establish and maintain reserves or other accounts to provide a source of funds which can be applied for any general purpose of the Club including the following:
 - a. To stabilize the level of additional calls and to eliminate or reduce the need to levy additional calls in respect of any Entry Year, past, present or future;
 - b. To eliminate or reduce the deficiency which has occurred or may be thought likely to occur in respect of any closed Entry Year, to protect the Club against any actual or potential losses on exchange, or in connection with its investments, realized or unrealized.
- ii. The Directors may apply the sums standing to the credit of any reserve for any of the purposes for which the reserve was maintained even though the sum be paid in respect of any different Entry Year or years from that in which the funds originated. The Directors may also apply the sums standing to the credit of any reserve from any other or different purposes whenever the Directors consider this to be in the interest of the Club or its Members. The Directors may also at any time transfer the sums from one reserve to another.
- iii. The funds required to establish such reserves or accounts may be raised in any of the following ways;
 - a. The Directors, when deciding on the rate of any mutual or additional calls for any Entry Year, may resolve that any specified amount or proportion of such calls shall be transferred to and applied for the purpose of any such reserve or account.
 - b. The Directors may on the closing of any Entry Year or at any time or times thereafter resolve that any specified amount or proportion of the funds standing to the credit of that Entry Year

shall be transferred to and applied for the purposes of any such reserves or account.

Rule 43 ASSESSMENT OF MEMBERS' CALL CONTRIBUTIONS

- A. The amount of a Member's Call Contribution, that is his rating, will be assessed and agreed with the Member by the Managers, who will take into consideration the Member's claims record and future exposure to liability claims and his fair share of the items listed under **Rule 42 (ii) to (viii)** above having regard to the amount of his Call Contribution when compared with the Call Contribution of the Club as a whole and his claims record when compared with that of the other Members.
- B. A Member's Call Contribution rating will be expressed in U.S. dollars or other agreed currency amount to form an estimated total cost.
- C. The Member will pay the estimated total cost in the Entry Year in such installment as may be determined by the Managers.
- D. Should a supplementary call or calls be determined by the Managers at any time as necessary up until the year is closed under **Rule 46** in order to meet the provisions of **Rule 42**, such supplementary call or calls will be expressed as a percentage of the estimated total cost and payable upon the date or dates specified.

A Member's liability to contribute to the funds of the Club may be limited in full as a fixed Call Contribution Entry, or in part at the discretion of the Managers and if so agreed, will be recorded on the Member's Certificate of Entry.

Rule 44 PAYMENTS OF MEMBERS' CALL CONTRIBUTIONS

- A. Any Call Contribution payable to the Club by or on behalf of a Member must be paid within 21 days of the issue of a debit note by the Managers or by the specified installment date within the debit note failing which such amounts shall incur interest at 5%

calculated from the latest payment date specified in the debit note until the actual payment date. The interest rate will be fixed on the first working day of each month during the period when the amount in question remains unpaid.

- B. Where such a Call Contribution remains unpaid for more than 45 days after the issue of the debit note or of the specified installment date within the debit note then, unless otherwise agreed with the Managers, the Entry will automatically lapse from the date up to which the last payment of Call Contribution has been received (see **Rule 52**). No extension for the payment of Call Contributions due will be granted and thereafter, the Managers may or may not choose to reinstate Cover entirely at the Managers' discretion should the outstanding Call Contribution be settled in its entirety.
- C. No Claim for Recovery of any kind by a Member against the Club will be allowed as a set-off against liability to pay in full any Call Contributions debited by the Managers.
- D. The Managers may at any time at their discretion require a Member to provide security for the payment of Call Contributions or other amounts due to the Club in the form of a bank guarantee or letter of credit for an amount specified by the Managers given by a bank approved by the Managers. If a Member fails to arrange such a bank guarantee or letter of credit within 14 days of being called upon by the Managers to do so, the Entry of the Ship concerned will automatically lapse without further notice.
- E. If a Member default in payment of Call Contributions or any other amounts due to the Club and the Managers agree that these amounts are unrecoverable, then default shall be deemed a Call Contribution on the other Members under **Rule 42**.
- F. Members must pay a Call Contribution in such installment and on such dates and in such currency or currencies as the Managers specify.

Rule 45 RELEASE CALLS

- A. A Member or a former Member is always liable to pay calls for Call Contributions to the Club and cannot be released from such liability without the written agreement of the Managers.
- B. Following termination of a Member's Entry, the Managers may but are not obliged to assess a release call based on an estimate of the Member's liability to pay future supplementary calls. In assessing the estimate, the Managers may take into account any contingencies and other special considerations which in the opinion of the Managers are relevant (including matters such as inflation and currency fluctuations). On receipt of such assessment the former Member must within 21 days thereafter (which period can be extended by the Managers on such terms as they at their sole discretion deem appropriate) either:
 - i. Pay the release call in which case the former Member will be discharged from further liability to the Club for future supplementary calls; or
 - ii. Select to pay future supplementary calls (whether less than, more than, or the same amount as the assessed release call) as and when they become due and payable and to secure such payment by means of a bank guarantee or letter of credit. Such supplementary calls are payable in the manner and on the terms specified in **Rule 44** and the former Member is discharged from liability for supplementary calls only when all such supplementary calls and any interest due thereon have been paid in full. The Managers have the discretion to reject the guarantee or letter of credit if its wording or the bank providing the security is not acceptable to them. Should be no guarantee offered or should the Managers reject the guarantee or letter of credit, then the release call assessed by the Managers must be paid either within 21 days (or any extended period agreed by the Managers) of receipt of the assessment by the former Member or forthwith

if more than 21 days (or any extended period agreed by the Managers) has expired prior to the rejection of the guarantee. If such payment is not made, then the former Member also remains liable under **Rule 45 A** to pay any Call Contributions in excess of the release call which may be assessed by way of future supplementary calls.

Rule 46 CLOSING AN ENTRY YEAR

- A. The Managers may at any time after the end of an Entry Year declare that the Entry Year is closed. This means that the Members entered during that Entry Year are released from liability to pay further supplementary calls in relation to that Entry Year.
- B. Before closing an Entry Year, the Managers may:
 - i. Make supplementary calls;
 - ii. Return any surplus to the Members in proportion to the amount of their Call Contributions, except where a Member has paid a release or has been expelled from the Club for non-payment of Call Contributions, in which case a return will not be given to the Member concerned.
- C. Before or after closing an Entry Year, the Managers may
 - i. Transfer amounts which they judge to be surplus to the requirements listed in **Rule 42** to reserve or to the credit of any other Entry Year;
 - ii. Transfer amounts from any other Entry Year to make up a deficit.
 - iii. Transfer amounts from the reserves to make up a deficit.
- D. At any time after any Entry Year the Directors may resolve to amalgamate the accounts of any two or more cleared Entry Years and to pool the amounts standing to the credit of them. In those circumstances the two or more cleared Entry Years concerned shall for all

purposes be treated as though they constituted a single cleared Entry Year.

Rule 47 POWERS OF THE MANAGERS CONCERNING CALL CONTRIBUTIONS, HANDLING AND SETTLEMENT OF CLAIMS

- A. The Managers have power to decide in respect of the Club:
 - i. For the purpose of calculating whether supplementary calls are due in respect of an Entry Year, or for any other purpose what Claims for Recovery or expenses will be considered to have arisen during that Entry Year;
 - ii. Who are the Members liable to pay such supplementary calls or to pay any other amounts required by the Club; and
 - iii. The amount payable in respect of such a Call Contribution by each Member.
- B. The Managers shall have the right, if they so decide, to control or direct the conduct of any claim or legal or other proceedings relating to any matter which may result in loss, damage, expense or liability in respect of which the Member is or may be insured under these Rules and the certificate of entry and to require the Member to settle, compromise or otherwise dispose of such claim or proceeding in such a manner and in such terms as the Managers see fit.
- C. If the Member does not act as required in **Rule 47 B**, any recovery from the Association shall be limited to the amount he would have recovered if he had acted as required by the Managers.

Rule 48 THE CLUB'S ENTITLEMENTS

If a Member owes any amount to the Club, it will entitle the Managers to deduct that amount from any payment due to the Member. Further, the Managers shall be entitled to and the Member hereby grants, a lien on the Ship(s) of the Member (including those of a Joint

Entrant), whether Member with the Club or not, in respect of any amount owed by the Member to the Club.

Rule 49 LAID UP RETURNS

- A. Unless otherwise agreed, if an Entered Ship is laid-up without Cargo in a safe port as approved by the Managers for more than 30 consecutive days with not more than a quarter of her usual complement of officers and crew on board, the Member is entitled to a reduction of 50% in the Call Contribution after deduction of administrative expenses, payable for the period of lay-up provided such claim is notified in writing to the Managers within three months of the cessation of such lay-up.
- B. Notwithstanding **Rule 49 A**, if an Entered Ship has been laid-up or is likely to be laid-up without Cargo for more than 90 consecutive days with not more than a quarter of her usual complement of officers and crew on board, the Member at the Manager's sole discretion may terminate the Entry hereunder and make such other arrangements for coverage as is deemed appropriate by the Member. A pro rata return of the annual Call Contribution for the unexpired proportion of the Entry Year will be granted to the Member, after deduction of administrative expenses, subject to there being no payment of Call Contribution outstanding in accordance with **Rule 44** and provided that a claim for a pro rata return is notified in writing to the Managers within three months of the end of the Entry Year.

Rule 50 INVESTMENTS

- A. The funds of the Club may be invested by the Managers by means of the purchase of such stocks, shares, bonds, debentures or other securities or the purchase of such currencies, commodities or other real or personal property, or by means of being deposited in such accounts as they think fit, or by such other method as they may approve.

- B. Unless the Managers otherwise decide, the funds of all Entry Years and of any reserve account standing to the credit of the Club shall be pooled and invested as one fund.
- C. When funds are so pooled the net investment income arising thereon including any realized capital gains or losses shall, unless the Managers otherwise decide, be credited or debited as the case may be to the Entry Year in which such income, gains or losses arise.

Rule 51 DECISIONS AND POWERS OF THE DIRECTORS

- A. Where the approval or other decision of the Directors is required in accordance with these Rules, it can be given at a meeting of the Directors of the Club.
- B. Even in those circumstances in which the Member would not otherwise be able to obtain payment of a Claim for Recovery under the Rules, the Directors have the absolute discretion to pay a Claim for Recovery in full or in part and on such terms as they deem fit.
- C. Nothing done or not done by the Directors or the Managers on any particular occasion in relation to any matter whatsoever shall be treated as an admission or promise that the Club will not rely strictly on its rights under the Rules in relation to that particular matter or any other or as a waiver of such rights.

Rule 51A REGULATIONS

- A. The Directors shall have power in their discretion to make regulations ("Regulation" or "Regulations") in respect of any matter within these Rules.
- B. When the Directors make a Regulation under any power given by these Rules, the Club shall give notice of it to all Members concerned but omission to give notice to or the non-receipt of it by any Member shall not invalidate any Regulation either generally or in relation to that Member.
- C. A Regulation shall come into force at the time specified in the notice (which time may not be earlier than ten

days after the date of the notice), and if its effect is to alter their terms and conditions of insurance in respect of any Entered Ship such alteration shall take effect as from that time.

- D. On the passing of any such Regulation, it shall be deemed to be incorporated in these Rules, and every Member shall conform to it insofar as it may apply to the voyages performed by its Entered Ships or to the trades in which they may be engaged. If any Member shall commit a breach of any Regulation, the Directors may reject or reduce any claim by the Member to the extent to which it would not have arisen if the Member had complied with the Regulation and further impose such terms upon the Member as they may think fit, as a condition of the continuance of the Entry of the Member's Ship or Ships in the Club.
- E. No Regulation shall operate to prejudice the accrued rights of any Member; save as aforesaid, every Regulation shall be binding on all Members, whether or not they were Members at the time of notification of such Regulation, in the same manner as if it were incorporated in these Rules.
- F. Whenever a power of making Regulations is given to the Directors by these Rules, the Directors shall also have the power to vary, revoke or suspend any such Regulation and to restrict, extend or otherwise apply the provisions of any Regulation (in whole or in part) to Entered Ships of any particular class, type or flag.

Rule 52 TERMINATION OF ENTRY

- A. In the following circumstances, the Entry and therefore all Cover of Ships with the Club by a Member will be terminated, returning daily pro rata Call Contributions for the current Entry Year from the date of termination after deduction of administrative expenses:
 - i. If the Member owns or operates the Entered Ships as an individual (that is not through a company), his coverage will be cancelled if he becomes bankrupt or

makes any arrangement or composition with his creditors as an alternative to bankruptcy, or if he becomes incapable by reason of his mental disorder of managing or administering his property and affairs, or upon his death;

- ii. If the Member is a company, its Entry will be cancelled if a winding-up order is made, or if a receiver, administrator, trustee, custodian, liquidator, or other similar official is appointed or if any of its property is seized by a creditor except where an Entered Ship is arrested as part of a claim covered by the Certificate of Entry. Where the Managers are satisfied that a winding-up order or receivership, or any other liquidation, is part of an amalgamation or reconstruction and that the position of the rest of the Members of the Club is not prejudiced, they may agree that the Member's Entry will continue despite the winding-up;
- iii. If in accordance with **Rule 44 D** a Member has been requested to provide security for Call Contributions and no security acceptable to the Managers has been provided within 14 days, the Entry of all his Ships will be deemed to have lapsed and therefore automatically cancelled from the date up to which the last payment of Call Contribution has been received;
- iv. If a Member fails to settle a debit note from the Managers within 45 days, the Entry of all his Ships will be deemed to have lapsed and therefore automatically cancelled from the date up to which the last payment of Call Contribution has been received, unless otherwise agreed;
- v. If the Managers in their discretion and without giving any reason, have given 14 days' notice of termination of the Entry, at the end of the notice period given;

PROVIDED ALWAYS THAT the Managers may at their absolute discretion and upon whatever Terms of Entry they think appropriate, determine otherwise.

- B. In the following circumstances the Entry of a particular Entered Ship will be terminated, returning daily pro rata Call Contribution for the current Entry Year from the date of termination after deduction of administrative expenses:
- i. If the Member ceases to have an interest in the Entered Ship (as defined in **Rule 2**) or, if he remains a Member but transfers the control of possession of the Entered Ship by demise charter or otherwise, or ceases to have the interest in her specified in the Certificate of Entry;
 - ii. If the Entered Ship becomes a total loss or is accepted by her Hull or war risks underwriters as a constructive total loss, or upon a decision by the Managers that the Entered Ship is to be considered or deemed to be an actual or constructive total loss or otherwise abandoned;
 - iii. If the Entered Ship is reported missing, at noon Greenwich Mean Time on the thirtieth day after the date of the last report of the Entered Ship;
 - iv. If the Entered Ship is laid-up without Cargo for more than 90 days with not more than a quarter of her usual complement of officers and crew on board, in accordance with **Rule 49 B** at the Manger's discretion;
 - v. If the Managers have given 14 days' notice of variation to the Terms of Entry and there is no agreement as to the variation, at the end of the notice period given;
 - vi. If the Managers have exercised their discretion to terminate the Entry under **Rule 19 B**, at the time and date specified by the Managers;
 - vii. If the Managers in their discretion and without giving any reason, have given 14 days' notice of termination of Entry, at the end of the notice period given;

PROVIDED ALWAYS THAT the Managers may at their absolute discretion and upon whatever Terms of Entry they may think appropriate, determine otherwise.

- C. If a Member's Entry is terminated for any reason whatsoever in respect of any or all of his Entered Ships, then even after the termination of Entry the Member, his successors in title, trustees in bankruptcy or liquidators remain liable to pay to the Club any amounts owed to the Club unless a release call has been paid in accordance with **Rule 45**. Notwithstanding **Rule 43 C** and **D**, on termination of a Member's cover, the Managers must issue debit notes for the payment in full of all installments of Call Contributions and supplementary calls, if applicable, previously deferred. These debit notes and any subsequent debit notes which may be issued for future supplementary calls are payable within 21 days of issue and interest is due on late payments in accordance with **Rule 44 A**.
- D. If a Member's Entry is terminated in respect of any or all of his Entered Ships, usually liabilities occurring before the date of termination will be Covered notwithstanding the ending of the Entry; however, if a Member's Entry is terminated because of non-payment of Call Contributions or any other debt to the Club, or because of any failure to comply with these Rules, then the Club will not be liable to pay anything to the former Member, his successors in title, trustees in bankruptcy or liquidators, even in respect of liabilities which arose before the date when the Entry terminated.
- E. Notwithstanding the provisions of the above Rule, the Managers have the discretion to agree to make payments for former Members who have been expelled from the Club, upon whatever terms they may deem appropriate.

Rule 52A CANCELLATION OF INSURANCE

- A. When a Member has failed to pay, either in whole or in part, any amount due from him to the Club, the Managers may serve notice in writing requiring him to

pay such amount by any date specified in such notice, not being less than seven days from the date on which such notice is served. If the Member fails to make such payment in full on or before the date so specified, the insurance of the Member (whether the insurance is current on such date or has ceased by virtue of any other provisions of these Rules) in respect of any and all Entered Ships shall be cancelled forthwith without further notice or other formality.

- B. When the insurance of a Member is cancelled in accordance with this Rule:
- i. Such Member shall be and remain liable for all calls and other sums payable in respect of the policy in which the date of cancellation occurs on a pro rata basis for the period up to the date of cancellation or such earlier date as the Managers in their discretion agree in writing.
 - ii. The Club shall with effect from the date of cancellation cease to be liable for any claims of whatsoever kind under these Rules in respect of any and all Entered Ships as from the date of cancellation any liability of the Club for such claims shall terminate retrospectively and the Club shall be under no liability to such Member for any such claims or on any account whatsoever:
 - a) Irrespective of whether such claims have occurred or arisen or may arise by reason of any event which has occurred at any time prior to the date of cancellation, including during previous Entry Years;
 - b) Irrespective of whether such claims arise by reason of any event occurring after the date of cancellation;
 - c) Irrespective of whether the Club may have admitted liability for or appointed lawyers, surveyors or any other person to deal with such claims;

- d) Irrespective of whether the Club at the date of or prior to the date of cancellation knew that such claims might or would arise;
 - e) Irrespective of whether the Member has ceased to be insured by reason of **Rule 52**.
- iii. The Directors may in their discretion and upon such terms as they think fit, including but not restricted to terms as to payment of calls or other sums, admit either in whole or in part any claim in respect of any Entered Ship for which the Club is under no liability by virtue of this Rule.

Rule 53 NOTICES

Unless otherwise agreed with the Managers any notice sent by the Managers on behalf of the Club to a Member (or to a mortgagee) or vice versa must be sent by courier or by registered mail or by facsimile or by e-mail. The notice will be deemed to be received in the case of transmission by courier or registered mail or e-mail on receipt of the registered mail or on delivery by the courier and in the case of transmission by facsimile, upon receipt of the facsimile message provided that the receiver's facsimile number is recorded on the sender's copy of the transmission. The address to which any letter should be sent to the Club by courier or registered mail or facsimile is included on the Club's website at www.kishpandi.com

Where a notice is sent by the Club or by the Managers to a Member recorded on a Certificate of Entry, notice sent to the first party named in the Certificate of Entry or to the broker, agent or other producer (if the Entry is made through a broker, agent or other producer) will be treated as sufficient notice to the Member concerned and to any Joint Entrant concerned in the Certificate of Entry.

Rule 54 DISPUTES

- A. Any difference or dispute between the Member and the Club which cannot be amicably resolved must first be

referred to the Managers for a decision. Such a decision must be given within six months of notice of the dispute being given to the Managers. If no decision is given by the Managers within six months, or if, when the Managers have given their decision the Member remains unsatisfied, then the difference or dispute must be referred to arbitration by two arbitrators, one to be nominated by each party and an umpire to be appointed by the arbitrators if they fail to agree. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its own arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of the sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

- B. Arbitration will be subject to the Arbitration Acts 1996. No Member may bring or maintain any action, suit or other legal proceedings against the Club in connection with any such difference or dispute unless the Member has first obtained an arbitration award in accordance with this Rule.

Rule 55 LAW

These Rules and any Terms of Entry agreed form a contract of Cover between the Club and a Member and subject to the right of the Club under **Rule 54** to enforce its right of lien in any jurisdiction in accordance with local law in such jurisdiction.

Rule 56 WAR COVER

- A. The assured may, on such terms as the insurer may agree in writing, be covered for liabilities, costs and expenses caused by:
- i. War, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or for any hostile act by or against a belligerent power or any act of terrorism.
 - ii. Capture, seizure, arrest, restraint or detainment (barratry and piracy excepted) and the consequences thereof or any attempt thereat.
 - iii. Mines, torpedoes, bombs or other weapons of war.

Provided such liabilities, costs and expenses are not covered under the terms of any other insurance in respect of the Insured vessel(s) or the Assured. This clause shall only cover such liabilities, costs and expenses insofar as they exceed amounts recoverable under any such other insurance including but not limited to the Insured Vessel(s) Hull and Machinery insurance and insurance in respect of Crew or war risks.

- B. Cover under this clause shall be subject to the following:
- i. **Cancellation:** The Insurers may, on giving 7 days' notice in writing:
Cancel the cover provided under this Clause, or
Vary or restrict the terms on which cover under this Clause is provided.
 - ii. **Automatic Termination:** Cover under this Clause shall cease automatically without notice on the outbreak of war, whether declared or not, between any of the following: The United Kingdom, The United State of America, the People's Republic of China, France or the Russian Federation or the requisitioning for any purpose of any Insured Vessel(s) covered under this policy or the hostile detonation by any party anywhere, of a weapon of war employing automatic or nuclear fission and/or fusion or other similar reaction or radioactive force or matter.

- iii. **Five Powers War:** There shall be no cover under this policy for any loss, damage, liability or expenses arising from or in connection with the outbreak of war whether declared or not, between any of the United Kingdom, the United State of America, the People's Republic of China, France or the Russian Federation or the requisition for any purpose of any Insured Vessel(s) covered under this policy.
- iv. **Pre-attachment Events:** There shall be no cover under this clause if an event which would give rise to cover ceasing automatically without notice under Clause 56 B(ii) occurs after the agreement of the insurers in writing has been provided to the Assured, but before the date and the time for the attachment of the cover so agreed.

STANDARD FORMS OF LETTER OF INDEMNITY

1. Standard form of letter of indemnity to be given for third party on board
2. Standard form of letter of indemnity to be given for commingling
3. Standard form of letter of indemnity to be given in return for delivering cargo at a port other than that stated in the bill of lading and without production of the original bill of lading incorporating a bank's agreement to join in the letter of indemnity
4. Standard form of letter of indemnity to be given in return for delivering cargo at a port other than that stated in the bill of lading and without production of the original bill of lading
5. Standard form of letter of indemnity to be given in return for delivering cargo at a port other than that stated in the bill of lading incorporating a bank's agreement to join in the letter of indemnity
6. Standard form of letter of indemnity to be given in return for delivering cargo at a port other than that stated in the bill of lading
7. Standard form of letter of indemnity to be given in return for delivering cargo without production of the original bills of lading
8. Standard form of letter of Indemnity to be given in return for delivering cargo without production of the original bill of lading incorporating a bank's agreement to join in the letter of indemnity
9. Standard form of letter of indemnity to be given for switching bill of lading
10. Standard form of letter of indemnity to be given in return for line flushing request
11. Standard letter of authority to issue bill of lading

1. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN FOR THIRD PARTY ON BOARD

Date:

To: The Master and Owner of: {the "vessel"}

From:

In consideration of your allowing our employees, agents or independent contractors {"our personnel"}, particulars as follows:

S/N	Name	DOB	Passport of Issue	No./Country
-----	------	-----	----------------------	-------------

stay on board the vessel and carry out the structural repairs as mutually agreed as per our ref no :..... on board your good vessel , we the undersigned, for ourselves and as duly authorized agents for and on behalf of and so as to bind each of our personnel jointly and severally, hereby undertake:

1. that we have employers liability insurance in place for our employees to work offshore on board vessels for carrying out repairs which insures the liability we have assumed by way of indemnity pursuant to this letter
2. not to make any claim of any nature whatsoever and howsoever arising (including any claim alleging negligence) against you or your employees, agents and independent contractors {"your personnel"};
3. to indemnify and hold each of you and your personnel harmless on demand from and against all costs, claims, demands, loss and liability incurred by you or any of your personnel to us, our personnel or any other person in respect of:
 - 3.1. Loss of life or personal injury to, and/or damage to the property of, any of our personnel arising directly or indirectly out of negligent navigation or management of the vessel or the act or omission of any person on board or in relation to the vessel;
 - 3.2. Loss of life or personal injury to, and/or damage to the property of, you and any of your personnel

- and any third parties arising directly or indirectly out of any act or omission of any our personnel on board on in relation to the vessel;
- 3.3. Civil or criminal liability, costs, or penalties imposed upon you or your personnel by customs, immigration, environmental or other governmental authorities or agencies arising directly or indirectly from any act or omission of, or the immigration status of, any of our personnel;
 - 3.4. Hospital and medical expenses, funeral expenses, and repatriation costs for which you may be liable as a result of loss of life, personal injury to or illness of any of our personnel or {as a consequence of any act or omission of our personnel on board or in relation to the vessel} any of your personnel or third parties;
 - 3.5. Any expenses you incur in relation to hotel accommodation and repatriation costs arising from the discharge of any of our personnel from the vessel;
4. That the undertaking and indemnity in paragraphs 1 and 2 above are given to you on behalf of and as trustee and agent for the benefit of all persons who are or may from time to time be your personnel, all of whom shall be entitled to enforce such undertaking and indemnity.

Yours faithfully

For the Company indicated Witnessed:
above:

By {name}: _____
Title: _____

By {name}: _____
Title: _____

2. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN FOR COMMINGLING

To: [Insert Vessel and Owners address]
Date: [insert date]
Dear Sirs,

The above named ship under a charter dated has loaded different Parcels of [List the parcels]..... At the ports of for delivery at And separate Bills of Lading [detail the no of b/l's] datedhave been issued accordingly

In consideration of your complying with our request to commingle the aforesaid cargoes on board the vessel and to issue a separate Bills of Lading for each consignment, we hereby agree as follows:

1. To indemnify you, your servants and agents and to hold all of you harmless in respect of any liability, loss or damage of whatsoever nature, including but not limited to any liability in connection with change of quantity, quality or pumpability, which you may sustain by reason of commingling cargoes on board the vessel and/or in issuing Bills of Lading in connection therewith.
2. In the event of any proceedings being commenced against you in connection with the commingling of cargoes as aforesaid and/or the issuing of Bills of Lading in connection therewith, to provide you or them from time to time on demand with sufficient funds to defend the same.
3. If the vessel or any other vessel or property belonging to you should be arrested or detained or if the arrest or detention thereof should be threatened, to provide such bail or other security as may be required to prevent such arrest or detention or to secure the release of such vessel or property and to indemnify you in respect of any loss, damage or expenses caused by such arrest or detention whether or not the same may be justified.

4. As soon as all superseded original Bills of Lading issued in respect of the cargo loaded by the vessel shall have arrived, been superseded or have come into our possession, to produce and deliver the same to you.
5. The liability of each and every person under this indemnity shall be joint and several and shall not be conditional upon your proceeding first against any person, whether or not such person is party to or liable under this indemnity.
6. This indemnity shall be construed in accordance with English law and each and every person liable under this indemnity shall at your request submit to the jurisdiction of the High Court of Justice of England.

Yours faithfully
For and on behalf of
insert name of requestor}
Signature

3. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR DELIVERING CARGO AT A PORT OTHER THAN THAT STATED IN THE BILL OF LADING AND WITHOUT PRODUCTION OF THE ORIGINAL BILL OF LADING INCORPORATING A BANK'S AGREEMENT TO JOIN IN THE LETTER OF INDEMNITY

To: [insert name of Owners]
[insert date]
The Owners of the [insert name of ship]
[insert address]
Dear Sirs
Ship: [insert name of ship]
Voyage: [insert load and discharge ports as stated in
the bill of lading]
Cargo: [insert description of cargo]
Bill of Lading: [insert identification numbers, date and place
of issue]

The above cargo was shipped on the above vessel by [insert name of shipper] and consigned to [insert name of consignee or party to whose order the bills of lading are made out, as appropriate] for delivery at the port of [insert name of discharge port stated in the bills of lading] but we, [insert name of party requesting substituted delivery], hereby request you to order the vessel to proceed to and deliver the said cargo at [insert name of substitute port or place of delivery] to [insert name of party to whom delivery is to be made] without production of the original bill of lading.

In consideration of your complying with our above request, we hereby agree as follows: -

1. To indemnify you, your servants and agents and to hold all of you harmless in respect of any liability, loss, damage or expense of whatsoever nature which you may sustain by reason of the ship proceeding and giving delivery of the cargo in accordance with our request.
2. In the event of any proceedings being commenced against you or any of your servants or agents in connection with the ship proceeding and giving delivery of the cargo as aforesaid, to provide you or them on demand with sufficient funds to defend the same.

3. If, in connection with the delivery of the cargo as aforesaid, the ship, or any other ship or property in the same or associated ownership, management or control, should be arrested or detained or should the arrest or detention thereof be threatened, or should there be any interference in the use or trading of the vessel (whether by virtue of a caveat being entered on the ship's registry or otherwise howsoever), to provide on demand such bail or other security as may be required to prevent such arrest or detention or to secure the release of such ship or property or to remove such interference and to indemnify you in respect of any liability, loss, damage or expense caused by such arrest or detention or threatened arrest or detention or such interference, whether or not such arrest or detention or threatened arrest or detention or such interference may be justified.
4. If the place at which we have asked you to make delivery is a bulk liquid or gas terminal or facility, or another ship, lighter or barge, then delivery to such terminal, facility, ship, lighter or barge shall be deemed to be delivered to the party to whom we have requested you to make such delivery.
5. As soon as all original bills of lading for the above cargo shall have come into our possession, to deliver the same to you, or otherwise to cause all original bills of lading to be delivered to you.
6. The liability of each and every person under this indemnity shall be joint and several and shall not be conditional upon your proceeding first against any person, whether or not such person is party to or liable under this indemnity.
7. This indemnity shall be governed by and construed in accordance with English law and each and every person liable under this indemnity shall at your request submit to the jurisdiction of the High Court of Justice of England.

Yours faithfully
For and on behalf of

[Insert name of Requestor]
The Requestor
Signature

We, [insert name of the Bank], hereby agree to join in this Indemnity providing always that the

Bank's liability: -

1. Shall be restricted to payment of specified sums of money demanded in relation to the Indemnity (and shall not extend to the provision of bail or other security)

2. shall be to make payment to you forthwith on your written demand in the form of a signed letter certifying that the amount demanded is a sum due to be paid to you under the terms of the Indemnity and has not been paid to you by the Requestor or is a sum which represents monetary compensation due to you in respect of the failure by the Requestor to fulfill its obligations to you under the Indemnity. For the avoidance of doubt the Bank hereby confirms that:

(a) such compensation shall include, but not be limited to, payment of any amount up to the amount stated in proviso 3 below in order to enable you to arrange the provision of security to release the ship (or any other ship in the same or associated ownership, management or control) from arrest or to prevent any such arrest or to prevent any interference in the use or trading of the ship, or other ship as aforesaid, and

(b) In the event that the amount of compensation so paid is less than the amount stated in proviso 3 below, the liability of the Bank hereunder shall continue but shall be reduced by the amount of compensation paid.

3. Shall be limited to a sum or sums not exceeding in aggregate [insert currency and amount in figures and words]

4. Subject to proviso 5 below, shall terminate on [date six years from the date of the Indemnity] (the 'Termination Date'), except in respect of any demands for payment received by the Bank hereunder at the address indicated below on or before that date.

5. Shall be extended at your request from time to time for a period of two calendar years at a time provided that: -

(a) The Bank shall receive a written notice signed by you and stating that the Indemnity is required by you to remain in force for a further period of two years, and

(b) Such notice is received by the Bank at the address indicated below on or before the then current Termination Date.

Any such extension shall be for a period of two years from the then current Termination Date and, should the Bank for any reason be

unwilling to extend the Termination Date, the Bank shall discharge its liability by the payment to you of the maximum sum payable hereunder (or such lesser sum as you may require).

However, in the event of the Bank receiving a written notice signed by you, on or before the then current Termination Date, stating that legal proceedings have been commenced against you as a result of your having delivered the said cargo as specified in the Indemnity, the Bank agrees that its liability hereunder will not terminate until receipt by the Bank of your signed written notice stating that all legal proceedings have been concluded and that any sum or sums payable to you by the Requestor and/or the Bank in connection therewith have been paid and received in full and final settlement of all liabilities arising under the Indemnity.

6. Shall be governed by and construed in accordance with the law governing the Indemnity and the Bank agrees to submit to the jurisdiction of the court stated within the Indemnity.

It should be understood that, where appropriate, the Bank will only produce and deliver to you all original bills of lading should the same come into the Bank's possession, but the Bank agrees that, in that event, it shall do so.

The Bank agrees to promptly notify you in the event of any change in the full details of the office to which any demand or notice is to be addressed and which is stated below and it is agreed that you shall also promptly notify the Bank in the event of any change in your address as stated above.

Please quote the Bank's Indemnity Ref in all correspondence with the Bank and any demands for payment and notices hereunder.

Yours faithfully

For and on behalf of

[Insert name of bank]

[Insert full details of the office to which any demand or notice is to be addressed]

Signature

4. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR DELIVERING CARGO AT A PORT OTHER THAN THAT STATED IN THE BILL OF LADING AND WITHOUT PRODUCTION OF THE ORIGINAL BILL OF LADING

To: [insert name of Owners]
[insert date]
The Owners of the [insert name of ship]
[Insert address]

Dear Sirs,
Ship: [insert name of ship]
Voyage: [insert load and discharge ports as stated in the bill of lading]
Cargo: [insert description of cargo]
Bill of Lading: [insert identification numbers, date and place of issue]

The above cargo was shipped on the above vessel by [insert name of shipper] and consigned to [insert name of consignee or party to whose order the bills of lading are made out, as appropriate] for delivery at the port of [insert name of discharge port stated in the bills of lading] but we, [insert name of party requesting substituted delivery], hereby request you to order the vessel to proceed to and deliver the said cargo at [insert name of substitute port or place of delivery] to [insert name of party to whom delivery is to be made] without production of the original bill of lading.

In consideration of your complying with our above request, we hereby agree as follows: -

1. To indemnify you, your servants and agents and to hold all of you harmless in respect of any liability, loss, damage or expense of whatsoever nature which you may sustain by reason of the ship proceeding and giving delivery of the cargo in accordance with our request.

2. In the event of any proceedings being commenced against you or any of your servants or agents in connection with the ship proceeding and giving delivery of the cargo as aforesaid, to provide you or them on demand with sufficient funds to defend the same.

3. If, in connection with the delivery of the cargo as aforesaid, the ship, or any other ship or property in the same or associated ownership, management or control, should be arrested or detained or should the arrest or detention thereof be threatened, or should there be any interference in the use or trading of the vessel (whether by virtue of a caveat being entered on the ship's registry or otherwise howsoever), to provide on demand such bail or other security as may be required to prevent such arrest or detention or to secure the release of such ship or property or to remove such interference and to indemnify you in respect of any liability, loss, damage or expense caused by such arrest or detention or threatened arrest or detention or such interference, whether or not such arrest or detention or threatened arrest or detention or such interference may be justified.

4. If the place at which we have asked you to make delivery is a bulk liquid or gas terminal or facility, or another ship, lighter or barge, then delivery to such terminal, facility, ship, lighter or barge shall be deemed to be delivery to the party to whom we have requested you to make such delivery.

5. As soon as all original bills of lading for the above cargo shall have come into our possession, to deliver the same to you, or otherwise to cause all original bills of lading to be delivered to you.

6. The liability of each and every person under this indemnity shall be joint and several and shall not be conditional upon your proceeding first against any person, whether or not such person is party to or liable under this indemnity.

7. This indemnity shall be governed by and construed in accordance with English law and each and every person liable under this indemnity shall at your request submit to the jurisdiction of the High Court of Justice of England.

Yours faithfully
For and on behalf of
[Insert name of Requestor]
The Requestor
Signature

5. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR DELIVERING CARGO AT A PORT OTHER THAN THAT STATED IN THE BILL OF LADING INCORPORATING A BANK'S AGREEMENT TO JOIN IN THE LETTER OF INDEMNITY

To: [insert name of Owners]

[Insert date]

The Owners of the [insert name of ship]
[Insert address]

Dear Sirs,

Ship: [insert name of ship]

Voyage: [insert load and discharge ports
as stated in the bill of lading]

Cargo: [insert description of cargo]

Bill of Lading: [insert identification numbers, date and
place of issue]

The above cargo was for delivery at the port of [insert name of discharge port stated in the bill of lading] but we, [insert name of party requesting substituted delivery], hereby request you to shipped on the above ship by [insert name of shipper] and consigned to [insert name of consignee or party to whose order the bill of lading is made out, as appropriate] order the ship to proceed to and deliver the said cargo at [insert name of substitute port or place of delivery] against production of at least one original bill of lading.

In consideration of your complying with our above request, we hereby agree as follows: -

1.To indemnify you, your servants and agents and to hold all of you harmless in respect of any liability, loss, damage or expense of whatsoever nature which you may sustain by reason of the ship proceeding and giving delivery of the cargo against production of at least one original bill of lading in accordance with our request.

2. In the event of any proceedings being commenced against you or any of your servants or agents in connection with the ship proceeding and giving delivery of the cargo as aforesaid, to provide you or them on demand with sufficient funds to defend the same.

3. If, in connection with the delivery of the cargo as aforesaid, the ship, or any other ship or property in the same or associated ownership, management or control, should be arrested or detained or should the arrest or detention thereof be threatened, or should there be any interference in the use or trading of the vessel (whether by virtue of a caveat being entered on the ship's registry or otherwise howsoever), to provide on demand such bail or other security as may be required to prevent such arrest or detention or to secure the release of such ship or property or to remove such interference and to indemnify you in respect of any liability, loss, damage or expense caused by such arrest or detention or threatened arrest or detention or such interference, whether or not such arrest or detention or threatened arrest or detention or such interference may be justified.

4. The liability of each and every person under this indemnity shall be joint and several and shall not be conditional upon your proceeding first against any person, whether or not such person is party to or liable under this indemnity.

5. This indemnity shall be governed by and construed in accordance with English law and each and every person liable under this indemnity shall at your request submit to the jurisdiction of the High Court of Justice of England.

Yours faithfully
For and on behalf of
[Insert name of Requestor]
The Requestor
Signature

We, [insert name of the Bank], hereby agree to join in this Indemnity providing always that the Bank's liability: -

1. Shall be restricted to payment of specified sums of money demanded in relation to the Indemnity (and shall not extend to the provision of bail or other security)

2. shall be to make payment to you forthwith on your written demand in the form of a signed letter certifying that the amount demanded is a sum due to be paid to you under the terms of the Indemnity and has not been paid to you by the Requestor or is a sum which represents monetary compensation due to you in respect of the failure by the Requestor to fulfil its obligations to you under the Indemnity. For the avoidance of doubt the Bank hereby confirms that: -

(a) such compensation shall include, but not be limited to, payment of any amount up to the amount stated in proviso 3 below in order to

enable you to arrange the provision of security to release the ship (or any other ship in the same or associated ownership, management or control) from arrest or to prevent any such arrest or to prevent any interference in the use or trading of the ship, or other ship as aforesaid, and

(b) In the event that the amount of compensation so paid is less than the amount stated in proviso 3 below, the liability of the Bank hereunder shall continue but shall be reduced by the amount of compensation paid.

3. Shall be limited to a sum or sums not exceeding in aggregate [insert currency and amount in figures and words]

4. Subject to proviso 5 below, shall terminate on [date six years from the date of the Indemnity] (the 'Termination Date'), except in respect of any demands for payment received by the Bank hereunder at the address indicated below on or before that date.

5. Shall be extended at your request from time to time for a period of two calendar years at a time provided that: -

(a) The Bank shall receive a written notice signed by you and stating that the Indemnity is required by you to remain in force for a further period of two years, and

(b) Such notice is received by the Bank at the address indicated below on or before the then current Termination Date.

Any such extension shall be for a period of two years from the then current Termination Date and, should the Bank for any reason be unwilling to extend the Termination Date, the Bank shall discharge its liability by the payment to you of the maximum sum payable hereunder (or such lesser sum as you may require).

However, in the event of the Bank receiving a written notice signed by you, on or before the then current Termination Date, stating that legal proceedings have been commenced against you as a result of your having delivered the said cargo as specified in the Indemnity, the Bank agrees that its liability hereunder will not terminate until receipt by the Bank of your signed written notice stating that all legal proceedings have been concluded and that any sum or sums payable to you by the Requestor and/or the Bank in connection therewith have been paid and received in full and final settlement of all liabilities arising under the Indemnity.

6. Shall be governed by and construed in accordance with the law governing the Indemnity and the Bank agrees to submit to the jurisdiction of the court stated within the Indemnity.

It should be understood that, where appropriate, the Bank will only produce and deliver to you all original bills of lading should the same

come into the Bank's possession, but the Bank agrees that, in that event, it shall do so.

The Bank agrees to promptly notify you in the event of any change in the full details of the office to which any demand or notice is to be addressed and which is stated below and it is agreed that you shall also promptly notify the Bank in the event of any change in your address as stated above.

Please quote the Bank's Indemnity Ref in all correspondence with the Bank and any demands for payment and notices hereunder.

Yours faithfully

For and on behalf of

[Insert name of bank]

[Insert full details of the office to which any demand or notice is to be addressed]

Signature

6. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR DELIVERING CARGO AT A PORT OTHER THAN THAT STATED IN THE BILL OF LADING

To: [insert name of Owners]
[insert date]
The Owners of the [insert name of ship]
[Insert address]

Dear Sirs

Ship: [insert name of ship]
Voyage: [insert load and discharge ports as stated in
the bill of lading]
Cargo: [insert description of cargo]
Bill of Lading: [insert identification numbers, date and
place of issue]

The above cargo was shipped on the above ship by [insert name of shipper] and consigned to [insert name of consignee or party to whose order the bill of lading is made out, as appropriate] for delivery at the port of [insert name of discharge port stated in the bill of lading] but we, [insert name of party requesting substituted delivery], hereby request you to order the ship to proceed to and deliver the said cargo at [insert name of substitute port or place of delivery] against production of at least one original bill of lading.

In consideration of your complying with our above request, we hereby agree as follows: -

1. To indemnify you, your servants and agents and to hold all of you harmless in respect of any liability, loss, damage or expense of whatsoever nature which you may sustain by reason of the ship proceeding and giving delivery of the cargo against production of at least one original bill of lading in accordance with our request.
2. In the event of any proceedings being commenced against you or any of your servants or agents in connection with the ship proceeding and giving delivery of the cargo as aforesaid, to provide you or them on demand with sufficient funds to defend the same.
3. If, in connection with the delivery of the cargo as aforesaid, the ship, or any other ship or property in the same or associated ownership, management or control, should be arrested or detained or should the arrest or detention thereof be threatened, or should there be any

interference in the use or trading of the vessel (whether by virtue of a caveat being entered on the ship's registry or otherwise howsoever), to provide on demand such bail or other security as may be required to prevent such arrest or detention or to secure the release of such ship or property or to remove such interference and to indemnify you in respect of any liability, loss, damage or expense caused by such arrest or detention or threatened arrest or detention or such interference, whether or not such arrest or detention or threatened arrest or detention or such interference may be justified.

4. The liability of each and every person under this indemnity shall be joint and several and shall not be conditional upon your proceeding first against any person, whether or not such person is party to or liable under this indemnity.

5. This indemnity shall be governed by and construed in accordance with English law and each and every person liable under this indemnity shall at your request submit to the jurisdiction of the High Court of Justice of England.

Yours faithfully
For and on behalf of
[Insert name of Requestor]
The Requestor
Signature

7. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR DELIVERING CARGO WITHOUT PRODUCTION OF THE ORIGINAL BILLS OF LADING

To: {insert name of Owners}
{insert date}
The Owners of the {insert name of ship}
{insert address}
Dear Sirs
Ship: {insert name of the ship}
Voyage: {insert load and discharge ports as stated in the bill of Lading}
Cargo: {insert description of cargo}
Bill of lading: {insert identification numbers, date and place of issue}

The above cargo was shipped on the above vessel by {enter shipper as on original bill} and consigned {enter consignee on original bill} for delivery at the port of and bills of lading were issued accordingly, but the bill of Lading has not arrived and we (enter name of party requesting delivery) hereby request you to deliver the said cargo to (enter name of party to whom delivery is to be made) at (enter the place where delivery is to be made) without Production of the original bill of lading.

In consideration of your complying with our above request, we hereby agree as follows: -

1. To surrender to you or your appointed agent all of the original bills of lading for accomplishment, as soon as the original Bills of Lading come into our possession where upon our liability shall cease.
2. To indemnify you, your servants and agents and to hold all of you harmless in respect of any liability, loss, damage or expense of whatsoever nature which you may sustain by reason of your complying with our request.
3. In the event of any proceedings being commenced against you or any of your servants or agents in connection with your complying with our request, to provide you or them on demand with sufficient funds to defend the same.
4. If, in connection with your complying with our request, the ship, or any other ship or property in the same or associated ownership, management or control, should be arrested or detained or should the

arrest or detention thereof be threatened, or should there be any interference in the use or trading of the vessel (whether by virtue of a caveat being entered on the ship's registry or otherwise howsoever), to provide on demand such bail or other security as may be required to prevent such arrest or detention or to secure the release of such ship or property or to remove such interference and to indemnify you in respect of any liability, loss, damage or expense caused by such arrest or detention or threatened arrest or detention or such interference, whether or not such arrest or detention or threatened arrest or detention or such interference may be justified.

5. The liability of each and every person under this indemnity shall be joint and several and shall not be conditional upon your proceeding first against any person, whether or not such person is party to or liable under this indemnity.

6. This indemnity shall be governed by and construed in accordance with English law and each and every person liable under this indemnity shall at your request submit to the jurisdiction of the High Court of Justice of England.

Yours faithfully

For and on behalf of
{Insert name of Requestor}
The Requestor
Signature/Seal

8. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR DELIVERING CARGO WITHOUT PRODUCTION OF THE ORIGINAL BILL OF LADING INCORPORATING A BANK'S AGREEMENT TO JOIN IN THE LETTER OF INDEMNITY

To: [insert name of Owners]
[insert date]
The Owners of the [insert name of ship]
[Insert address]
Dear Sirs
Ship: [insert name of ship]
Voyage: [insert load and discharge ports as stated in the bill of lading]
Cargo: [insert description of cargo]
Bill of Lading: [insert identification numbers, date and place of issue]

The above cargo was shipped on the above ship by [insert name of shipper] and consigned to [insert name of consignee or party to whose order the bill of lading is made out, as appropriate] for delivery at the port of [insert name of discharge port stated in the bill of lading] but the bill of lading has not arrived and we, [insert name of party requesting delivery], hereby request you to deliver the said cargo to [insert name of party to whom delivery is to be made] at [insert place where delivery is to be made] without production of the original bill of lading.

In consideration of your complying with our above request, we hereby agree as follows: -

1. To indemnify you, your servants and agents and to hold all of you harmless in respect of any liability, loss, damage or expense of whatsoever nature which you may sustain by reason of delivering the cargo in accordance with our request.
2. In the event of any proceedings being commenced against you or any of your servants or agents in connection with the delivery of the cargo as aforesaid, to provide you or them on demand with sufficient funds to defend the same.
3. If, in connection with the delivery of the cargo as aforesaid, the ship, or any other ship or property in the same or associated ownership, management or control, should be arrested or detained or should the arrest or detention thereof be threatened, or should there be any interference in the use or trading of the vessel (whether by virtue of a

caveat being entered on the ship's registry or otherwise howsoever), to provide on demand such bail or other security as may be required to prevent such arrest or detention or to secure the release of such ship or property or to remove such interference and to indemnify you in respect of any liability, loss, damage or expense caused by such arrest or detention or threatened arrest or detention or such interference, whether or not such arrest or detention or threatened arrest or detention or such interference may be justified.

4. If the place at which we have asked you to make delivery is a bulk liquid or gas terminal or facility, or another ship, lighter or barge, then delivery to such terminal, facility, ship, lighter or barge shall be deemed to be delivery to the party to whom we have requested you to make such delivery.

5. As soon as all original bills of lading for the above cargo shall have come into our possession, to deliver the same to you, or otherwise to cause all original bills of lading to be delivered to you, whereupon our liability hereunder shall cease.

6. The liability of each and every person under this indemnity shall be joint and several and shall not be conditional upon your proceeding first against any person, whether or not such person is party to or liable under this indemnity.

7. This indemnity shall be governed by and construed in accordance with English law and each and every person liable under this indemnity shall at your request submit to the jurisdiction of the High Court of Justice of England.

Yours faithfully
For and on behalf of
[Insert name of Requestor]
The Requestor
Signature

We, [insert name of the Bank], hereby agree to join in this Indemnity providing always that the Bank's liability:-

1. Shall be restricted to payment of specified sums of money demanded in relation to the Indemnity (and shall not extend to the provision of bail or other security)

2. Shall be to make payment to you forthwith on your written demand in the form of a signed letter certifying that the amount demanded is a sum due to be paid to you under the terms of the Indemnity and has not been

paid to you by the Requestor or is a sum which represents monetary compensation due to you in respect of the failure by the Requestor to fulfil its obligations to you under the Indemnity. For the avoidance of doubt the Bank hereby confirms that:-

(a) Such compensation shall include, but not be limited to, payment of any amount up to the amount stated in proviso 3 below in order to enable you to arrange the provision of security to release the ship (or any other ship in the same or associated ownership, management or control) from arrest or to prevent any such arrest or to prevent any interference in the use or trading of the ship, or other ship as aforesaid, and

(b) In the event that the amount of compensation so paid is less than the amount stated in proviso 3 below, the liability of the Bank hereunder shall continue but shall be reduced by the amount of compensation paid.

3. Shall be limited to a sum or sums not exceeding in aggregate [insert currency and amount in figures and words]

4. Subject to proviso 5 below, shall terminate on [date six years from the date of the Indemnity] (the 'Termination Date'), except in respect of any demands for payment received by the Bank hereunder at the address indicated below on or before that date.

5. Shall be extended at your request from time to time for a period of two calendar years at a time provided that: -

(a) The Bank shall receive a written notice signed by you and stating that the Indemnity is required by you to remain in force for a further period of two years, and (b) such notice is received by the Bank at the address indicated below on or before the then current Termination Date. Any such extension shall be for a period of two years from the then current Termination Date and, should the Bank for any reason be unwilling to extend the Termination Date, the Bank shall discharge its liability by the payment to you of the maximum sum payable hereunder (or such lesser sum as you may require).

However, in the event of the Bank receiving a written notice signed by you, on or before the then current Termination Date, stating that legal proceedings have been commenced against you as a result of your having delivered the said cargo as specified in the Indemnity, the Bank agrees that its liability hereunder will not terminate until receipt by the Bank of your signed written notice stating that all legal proceedings have been concluded and that any sum or sums payable to you by the Requestor and/or the Bank in connection therewith have been paid and received in full and final settlement of all liabilities arising under the Indemnity.

6. Shall be governed by and construed in accordance with the law governing the Indemnity and the Bank agrees to submit to the jurisdiction of the court stated within the Indemnity. It should be understood that, where appropriate, the Bank will only produce and deliver to you all original bills of lading should the same come into the Bank's possession, but the Bank agrees that, in that event, it shall do so.

The Bank agrees to promptly notify you in the event of any change in the full details of the office to which any demand or notice is to be addressed and which is stated below and it is agreed that you shall also promptly notify the Bank in the event of any change in your address as stated above.

Please quote the Bank's Indemnity Ref in all correspondence with the Bank and any demands for payment and notices hereunder.

Yours faithfully

For and on behalf of

[Insert name of bank]

[Insert full details of the office to which any demand or notice is to be addressed]

Signature

9. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN FOR SWITCHING BILL OF LADING

To: {insert name of Owners}
{insert date}
The Owners of the {insert name of ship}
{Insert address}
Dear Sirs
Ship: {insert name of the ship}
Voyage: {insert load and discharge ports as stated in the bill of lading}
Cargo: {insert description of cargo}
Bill of lading: {insert identification numbers, date
and place of issue}

The above cargo was shipped on the above vessel by {enter shipper on original bill} and consigned {enter consignee on original bill} for delivery at the port of and bills of lading were issued accordingly, as per attachment one {"the original bills of lading"}. In consequence of a change in our arrangements and the arrangements of the merchants, we hereby request that you cancel the original bills of lading and issue.... new sets of bills of lading as per attachments to..... {"the new bills of lading"} and that you give delivery of the said cargo in accordance with the provisions of the new bills of lading.
In consideration of your complying with our above request, we hereby agree as follows: -

1. To surrender to you or your appointed agent all of the original bills of lading for cancellation, prior to the new bills of lading being issued.
2. To indemnify you, your servants and agents and to hold all of you harmless in respect of any liability, loss, damage or expense of whatsoever nature which you may sustain by reason of your complying with our request.
3. In the event of any proceedings being commenced against you or any of your servants or agents in connection with your complying with our request, to provide you or them on demand with sufficient funds to defend the same.
4. If, in connection with your complying with our request, the ship, or any other ship or property in the same or associated ownership, management or control, should be arrested or detained or should the arrest or detention thereof be threatened, or should there be any interference in the use or trading of the vessel {whether by virtue of a

caveat being entered on the ship's registry or otherwise howsoever}, to provide on demand such bail or other security as may be required to prevent such arrest or detention or to secure the release of such ship or property or to remove such interference and to indemnify you in respect of any liability, loss, damage or expense caused by such arrest or detention or threatened arrest or detention or such interference, whether or not such arrest or detention or threatened arrest or detention or such interference may be justified.

5. The liability of each and every person under this indemnity shall be joint and several and shall not be conditional upon your proceeding first against any person, whether or not such person is party to or liable under this indemnity.

6. This indemnity shall be governed by and construed in accordance with English law and each and every person liable under this indemnity shall at your request submit to the jurisdiction of the High Court of Justice of England.

Yours faithfully
For and on behalf of
{Insert name of Requestor}
The Requestor
Signature

10. STANDARD FORM OF LETTER OF INDEMNITY TO BE GIVEN IN RETURN FOR LINE FLUSHING REQUEST

[insert date]

To: The Owners of the [name of vessel]
[insert address]

Dear Sirs

Ship: [name of vessel]

Voyage: [insert load and discharge ports as
stated in the bill of lading]

Cargo: [insert description of cargo]

Bill of lading: [insert identification numbers, date and place
of issue]

Charter-party dated [insert date] A/c [insert name of charterers]

The above cargo was shipped on the above vessel by [insert name of shipper] and consigned to [insert name of consignee or to whose order the bills of lading is made out, as appropriate] for delivery at the [insert name of terminal] at the port of [name of port]. On completion of discharge of the above cargo, it is proposed that the shore lines at the [insert name of terminal] are flushed using sea water pumped from the [name of vessel]. We, [insert name of party requesting line flushing], hereby request you to order the vessel to flush the shore lines with sea water at [insert name of terminal] entirely at our risk and expense.

In consideration of your complying with our above request, we hereby agree as follows:

1. To indemnify you, your servants and agents and to hold all of you harmless in respect of any liability, loss, damage or expense of whatsoever nature which you may sustain by reason of complying with our request, including but not limited to cargo contamination and/or pollution caused by the line flushing operation.

2. In the event of any proceedings being commenced against you or any of your servants or agents, in connection with your complying with our request as aforesaid, to provide you or them on demand with sufficient funds to defend the same.

3. If, in connection with your complying with our request as aforesaid, the ship, or any other ship or property in the same or associated ownership, management or control, should be arrested or detained or should the arrest or detention thereof be threatened, or should there be any interference in the use or trading of the vessel (whether by virtue of a caveat being entered on the ship's registry or otherwise howsoever),

to provide on demand such bail or other security as may be required to prevent such arrest or detention or to secure the release of such ship or property or to remove such interference and to indemnify you in respect of any liability, loss, damage or expense caused by such arrest or detention or threatened arrest or detention or such interference, whether or not such arrest or detention or threatened arrest or detention or such interference may be justified.

4. The liability of each and every person under this indemnity shall be joint and several and shall not be conditional upon your proceeding first against any person, whether or not such person is party to or liable under this indemnity.

5. This indemnity shall be governed by and construed in accordance with English law and each and every person liable under this indemnity shall at your request submit to the jurisdiction of the High Court of Justice of England.

For and behalf of:

[Name of requestor]

[Signature and stamp]

11. STANDARD LETTER OF AUTHORITY TO ISSUE BILL OF LADING

To:

[ship's agent or, if vessel is operating under a time charter party, time charter's agent]

M.V.:

Loading at:

Dear Sirs

By this letter I authorise you to sign bills of lading in accordance with the following instructions:

1. You will sign legibly showing the name of your company and of the individual person who is signing, and affix any company seal alongside any such signature.

2. You will state that you are signing 'as agent for the master'.

3. You will sign bills of lading which

(a) are strictly in accordance with mate's receipt(s), and

(b) Clearly and accurately state the cargo quantity and condition as shown on the mate's receipt(s) or on any documents referred to in those receipt(s).

4. You will ensure that for each parcel of cargo for which a separate bill of lading is required by the shipper, the correct date of completion of loading of that parcel is shown on the bill of lading.

5. You will provide, immediately upon signing, a copy of the signed bill of lading to the ship and to the owners' managers by fax at

[If the vessel is operating under a time charter party, add the following clause:

6. Any reference in the bill(s) of lading to a charter party shall, in the absence of contrary instructions, show the date of the head charter party between the owners of the vessel and their time charterers, namely If contrary instructions are given, then you are to seek guidance from me or from owners before inserting a different date in the bill of lading.]

Your authority to sign this bill of lading is conditional upon your complying with all of the above instructions.

This authority to sign cannot be sub-delegated to any other party without my or owners' consent.

Yours faithfully

Master

KISH P&I CLUB RECOMMENDED CLAUSES

1. Both to Blame Collision Clause
(for use in bill of lading)
2. Deck Cargo Clause for Voyages to and from Ports in the USA only
3. General Deck Cargo Clause
4. Himalaya Clause for Bill of Lading and other Contracts
Exemptions and Immunities of all Servants and Agents of the Carrier
5. New Jason Clause
(for use in bill of lading)
6. General Clause Paramount
(for use in bill of lading, voyage charter parties and waybills)
7. General Clause Paramount for Voyages to or from Canadian Ports
(for use in bill of lading, voyage charter parties and waybills)
8. General Clause Paramount for Voyages to or from United States Ports
(for use in bill of lading, voyage charter parties and waybills)
9. Bulk Carrier Safety Clause
(for use in voyage charter parties)
10. Carriage of Nuclear Materials Clause
(for use in charter parties)
11. VOYWAR 2004
(War Risks Clause for Voyage Charter Parties)

12. BIMCO Piracy Clause for Time Charter Parties 2009
13. CONWARTIME 2004
(War Risks Clause for use in Time Charter Parties)
14. P&I Bunkering Clause
(for use in voyage charter parties)
15. Bunker Quality Control Clause
(for use in time charter parties)

16. Strike Clause
(for use in bill of lading and charter parties)
17. General Strike Clause
(for use in voyage charter parties)
18. Financial Security in Respect of Pollution
19. BIMCO ISPS/MTSA Clause for Voyage Charter Parties 2005
20. BIMCO ISPS/MTSA Clause for Time Charter Parties 2005
21. Stowaways Clause for Time Charter Parties 2009
22. BIMCO Bunker Fuel Sulphur Content Clause for Time Charter Parties 2005
23. BIMCO Stevedore Damage Clause for FIO Voyage Charter Parties 2008
24. BIMCO Stevedore Damage Clause for Time Charter Parties 2008
25. BIMCO Ice Clause for Voyage Charter Parties
26. BIMCO Ice Clause for Time Charter Parties
27. BIMCO Solid Bulk Cargoes that Can Liquefy Clause for Charter Parties

1. BOTH TO BLAME COLLISION CLAUSE

(for use in bill of lading)

“If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the master, mariner, pilot or the servants of the Carrier in the navigation or in the management of the ship, the owners of the goods carried hereunder will indemnify the Carrier against all loss or liability to the other or non-carrying ship or her Owners insofar as such loss or liability represents loss of or damage to or any claim whatsoever of the owners of the said goods, paid or payable by the other or non-carrying ship or her Owners to the owners of the said goods and set-off, recouped or recovered by the other or non-carrying ship or her Owners as part of their claim against the carrying ship or carrier. The foregoing provisions shall also apply where the Owners, Operators or those in charge of any ship or ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect of a collision or contact.”

When used in time charter parties, the clause should be preceded by the sentence:

“If the liability for any collision in which the vessel is involved while performing this Charter Party falls to be determined in accordance with the laws of the United States of America, the following provisions shall apply:”

The clause should then be followed by:

“Charterers shall procure that all bills of lading issued under this CharterParty shall contain a provision in the foregoing terms, to be applicable where the liability for any collision in which the vessel is involved falls to be determined in accordance with the laws of the United States of America.”

2. DECK CARGO CLAUSE FOR VOYAGES TO AND FROM PORTS IN THE USA ONLY

Bill of lading to be claused:

“Carried on deck at shipper’s risk as to perils inherent in such carriage. In all other respects the risk shall be subject to the provisions of the United States Carriage of Goods by Sea Act 1936 except that with respect to deck cargo, owner will not have the burden of proof with respect to any claim arising from or related to allegations of unseaworthiness and that burden will rest with the shipper and/or cargo interests.”

3. GENERAL DECK CARGO CLAUSE

Bill of lading to be claused:

“Carried on deck at shipper’s risk without responsibility for loss or damage howsoever caused.”

4. HIMALAYA CLAUSE FOR BILL OF LADING AND OTHER CONTRACTS

Exemptions and Immunities of all Servants and Agents of the Carrier

- a) It is hereby expressly agreed that no servant, agent, direct or indirect subcontractor or other party employed by or on behalf of the Carrier, or whose services or equipment have been used in order to perform this contract (such persons so employed, or whose services or equipment have been used, hereinafter termed “Servant”) shall in any circumstances whatsoever be under any liability whatsoever to the shipper, consignee, receiver or other party to this contract (hereinafter termed “Merchant”) for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on the Servant’s part while acting in the course of or in connection with the performance of this contract.
- b) Without prejudice to the generality of the foregoing provisions in this clause, every exemption, limitation, condition and liberty contained herein (other than Art III Rule 8 of the Hague/Hague-Visby Rules if incorporated herein) and every right, exemption from liability, defense and immunity of whatsoever nature applicable to the

Carrier or to which the Carrier is entitled hereunder including the right to enforce any jurisdiction or arbitration provision contained herein shall also be available and shall extend to every such Servant, who shall be entitled to enforce the same against the Merchant.

- c) (i) The Merchant undertakes that no claim or allegation whether arising in contract, bailment, tort or otherwise shall be made against any Servant which imposes or attempts to impose upon any of them or any vessel owned or chartered by any of them any liability whatsoever in connection with this contract whether or not arising out of negligence on the part of such Servant. The Servant shall also be entitled to enforce the foregoing covenant against the Merchant; and
- (ii) The Merchant undertakes that if any such claim or allegation should nevertheless be made, he will indemnify the Carrier against all consequences thereof.
- d) For the purpose of sub-paragraphs (a)-(d) of this clause the Carrier is or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of the Servant who shall to this extent be or be deemed to be a party to this contract.

5. NEW JASON CLAUSE

(for use in bill of lading)

“In the event of accident, danger, damage or disaster before or after the commencement of the voyage resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequence of which, the carrier is not responsible by statute, contract or otherwise, the goods, shippers, consignees or owners of the goods shall contribute with the carrier in general average to the payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the goods.

If a salvaging ship is owned or operated by the carrier, salvage shall be paid for as fully as if the said salvaging ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon shall, if required, be made by the goods, shippers, consignees or owners of the goods to the carrier before delivery.”

6. GENERAL CLAUSE PARAMOUNT

(for use in bill of lading, voyage charter parties and waybills)

“The International Convention for the Unification of Certain Rules of Law relating to Bills of Lading signed at Brussels on 24 August 1924 (“The Hague Rules”) as amended by the Protocol signed at Brussels on 23 February 1968 (“The Hague-Visby Rules”) and as enacted in the country of shipment shall apply to this Contract. When The Hague-Visby Rules are not enacted in the country of shipment, the corresponding legislation of the country of destination shall apply, irrespective of whether such legislation may only regulate outbound shipments.

When there is no enactment of The Hague-Visby Rules in either the country of shipment or in the country of destination, The Hague-Visby Rules shall apply to this Contract save where The Hague Rules as enacted in the country of shipment or if no such enactment is in place, The Hague Rules as enacted in the country of destination apply compulsorily to this Contract.

The Protocol signed at Brussels on 21 December 1979 (“the SDR Protocol 1979”) shall apply where The Hague-Visby Rules apply, whether mandatorily or by this Contract.

The Carrier shall in no case be responsible for loss of or damage to cargo arising prior to loading, after discharging, or while the cargo is in the charge of

another carrier, or with respect to deck cargo and live animals.”

7. GENERAL CLAUSE PARAMOUNT FOR VOYAGES

TO OR FROM CANADIAN PORTS

(for use in bill of lading, voyage charter parties and waybills)

“CLAUSE PARAMOUNT. All the terms provisions and conditions of the Canadian Carriage of Goods by Water Act, and of the Rules in force thereunder are, so far as applicable, to govern the contract contained in this Bill of Lading and the Carrier is to be entitled to the benefit of all privileges, rights and immunities contained in such Act and of the Rules in force thereunder as if the same were herein specifically set out. If anything herein contained be inconsistent with the said provisions, it shall to the extent of such inconsistency and no further be null and void.

The Carrier shall be under no responsibility whatsoever for loss of or damage to goods howsoever and wheresoever occurring when such loss or damage arises prior to the loading on and/or subsequent to the discharge from the Carrier’s ship.”

8. GENERAL CLAUSE PARAMOUNT FOR VOYAGE TO OR FROM UNITED STATES PORTS

(for use in bill of lading, voyage charter parties and waybills)

“CLAUSE PARAMOUNT. This Bill of Lading shall have effect subject to the provisions of the Carriage of Goods by Sea Act of the United States approved April 16th, 1936, which shall be deemed to be incorporated herein and nothing herein contained shall be deemed a surrender by the carrier of any of its rights or immunities or an increase of any of its responsibilities or liabilities under said Act. If any term of this bill of lading be repugnant to said Act to any extent, such term shall be void as to that extent but no further. The provisions

stated in said Act shall (except as may be otherwise specifically provided herein) govern before the goods are loaded on and after they are discharged from the ship and throughout the entire time the goods are in the custody of the Carrier. The Carrier shall not be liable in any capacity whatsoever for any delay, non-delivery or mis-delivery, or loss of or damage to the goods occurring while the goods are not in the actual custody of the Carrier.”

9. BULK CARRIER SAFETY CLAUSE

(for use in voyage charter parties)

- a) “The Charterers shall instruct the Terminal Operators or their representatives to co-operate with the Master in completing the IMO SHIP/SHORE SAFETY CHECKLIST and shall arrange all cargo operations strictly in accordance with the guidelines set out therein.
- b) In addition to the above and notwithstanding any provision in this Charter Party in respect of loading/discharging rates, the Charterers shall instruct the Terminal Operators to load/discharge the Vessel in accordance with the loading/discharging plan, which shall be approved by the Master with due regard to the Vessel’s draught, trim, stability, stress or any other factor which may affect the safety of the Vessel.
- c) At any time during cargo operations the Master may, if he deems it necessary for reasons of safety of the Vessel, instruct the Terminal Operators or their representatives to slow down or stop the loading or discharging.
- d) Compliance with the provisions of this Clause shall not affect the counting of lay time.”

10. CARRIAGE OF NUCLEAR MATERIALS CLAUSE

(for use in voyage charter parties)

“Notwithstanding any provision whether written or printed contained in this Charter Party, it is agreed that

nuclear fuels or radioactive waste or products are specifically excluded from the cargo permitted to be loaded or carried under this Charter Party. This exclusion does not apply to radio isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purpose, provided Owners' prior approval has been obtained to the loading thereof."

11. VOYWAR 2004

(War Risks Clause for Voyage Charter Parties)

- a) For the purpose of this Clause, the words:
 - i. "Owners" shall include the shipowners, bareboat charterers,

disponent owners, managers or other operators who are charged with the management of the Vessel, and the Master; and
 - ii. "War Risks" shall include any actual, threatened or reported:

War; act of war; civil war; hostilities; revolution; rebellion; civil commotion; warlike operations; laying of mines; acts of piracy; acts of terrorists; acts of hostility or malicious damage; blockades (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever); by any person, body, terrorist or political group, or the Government of any state whatsoever, which, in the reasonable judgment of the Master and/or the Owners, may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on board the Vessel.
- b) If at any time before the Vessel commences loading, it appears that, in the reasonable judgment of the Master and/or the Owners, performance of the Contract of Carriage, or any part of it, may expose, or is likely to expose, the Vessel, her cargo, crew or other persons on board the Vessel to War Risks, the Owners may give

notice to the Charterers cancelling this Contract of Carriage, or may refuse to perform such part of it as may expose, or may be likely to expose, the Vessel, her cargo, crew or other persons on board the Vessel to War Risks; provided always that if this Contract of Carriage provides that loading or discharging is to take place within a range of ports, and at the port or ports nominated by the Charterers the Vessel, her cargo, crew, or other persons onboard the Vessel may be exposed, or may be likely to be exposed, to War Risks, the Owners shall first require the Charterers to nominate any other safe port which lies within the range for loading or discharging, and may only cancel this Contract of Carriage if the Charterers shall not have nominated such safe port or ports within 48 hours of receipt of notice of such requirement.

- c) The Owners shall not be required to continue to load cargo for any voyage, or to sign Bills of Lading for any port or place, or to proceed or continue on any voyage, or on any part thereof, or to proceed through any canal or waterway, or to proceed to or remain at any port or place whatsoever, where it appears, either after the loading of the cargo commences, or at any stage of the voyage thereafter before the discharge of the cargo is completed, that, in the reasonable judgment of the Master and/or the Owners, the Vessel, her cargo (or any part thereof), crew or other persons on board the Vessel (or any one or more of them) may be, or are likely to be, exposed to War Risks. If it should so appear, the Owners may by notice request the Charterers to nominate a safe port for the discharge of the cargo or any part thereof, and if within 48 hours of the receipt of such notice, the Charterers shall not have nominated such a port, the Owners may discharge the cargo at any safe port of their choice (including the port of loading) in complete fulfilment of the Contract of Carriage. The Owners shall be entitled to recover from the Charterers the extra expenses of such discharge and, if the discharge takes place at any port other than the loading port, to receive the full freight as though the cargo had

been carried to the discharging port and if the extra distance exceeds 100 miles, to additional freight which shall be the same percentage of the freight contracted for as the percentage which the extra distance represents to the distance of the normal and customary route, the Owners having a lien on the cargo for such expenses and freight.

- d) If at any stage of the voyage after the loading of the cargo commences, it appears that, in the reasonable judgment of the Master and/or the Owners, the Vessel, her cargo, crew or other persons on board the Vessel may be, or are likely to be, exposed to War Risks on any part of the route (including any canal or waterway) which is normally and customarily used in a voyage of the nature contracted for, and there is another longer route to the discharging port, the Owners shall give notice to the Charterers that this route will be taken. In this event the Owners shall be entitled, if the total extra distance exceeds 100 miles, to additional freight which shall be the same percentage of the freight contracted for as the percentage which the extra distance represents to the distance of the normal and customary route.
- e)
- (i) The Owners may effect war risks insurance in respect of the Hull and Machinery of the Vessel and their other interests (including, but not limited to, loss of earnings and detention, the crew and their Protection and Indemnity Risks), and the premiums and/or calls therefor shall be for their account.
 - (ii) If the Underwriters of such insurance should require payment of premiums and/or calls because, pursuant to the Charterers' orders, or in order to fulfil the Owners' obligation under this Contract of Carriage, the Vessel is within, or is due to enter and remain within, or pass through any area or areas which are specified by such Underwriters as being subject to additional premiums because of War Risks, then the actual premiums and/or calls paid shall be

reimbursed by the Charterers to the Owners within 14 days after receipt of the Owners' invoice. If the Vessel discharges all of her cargo within an area subject to additional premiums as herein set forth, the Charterer shall reimburse the Owners for the actual additional premiums paid which may accrue from completion of discharge until the Vessel leaves such area or areas referred to above. The Owners shall leave the area as soon as possible after completion of discharge.

- f) The Vessel shall have liberty:
- i. to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery or in any way whatsoever which are given by the Government of the Nation under whose flag the Vessel sails, or other Government to whose laws the Owners are subject, or any other Government which so requires, or anybody or group acting with the power to compel compliance with their orders or directions;
 - ii. to comply with the orders, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;
 - iii. to comply with the terms of any resolution of the Security Council of the United Nations, the effective orders of any other Supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement;
 - iv. to discharge at any other port any cargo or part thereof which may render the Vessel liable to confiscation as a contraband carrier;

- v. to call at any other port to change the crew or any part thereof or other persons on board the Vessel when there is reason to believe that they may be subject to internment, imprisonment or other sanctions;
- vi. where cargo has not been loaded or has been discharged by the Owners under any provisions of this Clause, to load other cargo for the Owners' own benefit and carry it to any other port or ports whatsoever, whether backwards or forwards or in a contrary direction to the ordinary or customary route.
- g) If in compliance with any of the provisions of sub-clauses (b) to (f) of this Clause anything is done or not done, such shall not be deemed to be a deviation, but shall be considered as due fulfilment of the Contract of Carriage.

12. BIMCO PIRACY CLAUSE FOR TIME CHARTER PARTIES 2009

- a) The Vessel shall not be obliged to proceed or required to continue to or through, any port, place, area or zone, or any waterway or canal (hereinafter "Area") which, in the reasonable judgment of the Master and/or the Owners, is dangerous to the Vessel, her cargo, crew or other persons on board the Vessel due to any actual, threatened or reported acts of piracy and/or violent robbery and/or capture/seizure (hereinafter "Piracy"), whether such risk existed at the time of entering into this charter party or occurred thereafter. Should the Vessel be within any such place as aforesaid which only becomes dangerous, or is likely to be or to become dangerous, after her entry into it, she shall be at liberty to leave it.
- b) If in accordance with sub-clause (a) the Owners decide that the Vessel shall not proceed or continue to or through the Area they must immediately inform the Charterers. The Charterers shall be obliged to issue alternative voyage orders and shall indemnify the Owners for any claims from holders of the Bills of Lading caused by waiting for such orders and/or the

performance of an alternative voyage. Any time lost as a result of complying with such orders shall not be considered off-hire.

- c) If the Owners consent or if the Vessel proceeds to or through an Area exposed to the risk of Piracy the Owners shall have the liberty:
- (i) to take reasonable preventative measures to protect the Vessel, her crew and cargo including but not limited to re-routing within the Area, proceeding in convoy, using escorts, avoiding day or night navigation, adjusting speed or course, or engaging security personnel or equipment on or about the Vessel;
 - (ii) to comply with the orders, directions or recommendations of any underwriters who have the authority to give the same under the terms of the insurance;
 - (iii) to comply with all orders, directions, recommendations or advice given by the Government of the Nation under whose flag the Vessel sails, or other Government to whose laws the Owners are subject, or any other Government, body or group, including military authorities, whatsoever acting with the power to compel compliance with their orders or directions; and
 - (iv) to comply with the terms of any resolution of the Security Council of the United Nations, the effective orders of any other Supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement;

and the Charterers shall indemnify the Owners for any claims from holders of Bills of Lading or third parties caused by the Vessel proceeding as aforesaid, save to the extent that such claims are

covered by additional insurance as provided in sub-clause (d)(iii).

d) Costs

(i) If the Vessel proceeds to or through an Area where due to risk of Piracy additional costs will be incurred including but not limited to additional personnel and preventative measures to avoid Piracy, such reasonable costs shall be for the Charterers' account. Any time lost waiting for convoys, following recommended routing, timing, or reducing speed or taking measures to minimize risk, shall be for the Charterers' account and the Vessel shall remain on hire;

(ii) If the Owners become liable under the terms of employment to pay to the crew any bonus or additional wages in respect of sailing into an area which is dangerous in the manner defined by the said terms, then the actual bonus or additional wages paid shall be reimbursed to the Owners by the Charterers;

(iii) If the underwriters of the Owners' insurances require additional premiums or additional insurance cover is necessary because the Vessel proceeds to or through an Area exposed to risk of Piracy, then such additional insurance costs shall be reimbursed by the Charterers to the Owners;

(iv) all payments arising under Sub-clause (d) shall be settled within fifteen (15) days of receipt of Owners' supported invoices or on redelivery, whichever occurs first.

e) If the Vessel is attacked by pirates any time lost shall be for the account of the Charterers and the Vessel shall remain on hire.

f) If the Vessel is seized by pirates the Owners shall keep the Charterers closely informed of the efforts made to have the Vessel released. The Vessel shall remain on hire throughout the seizure and the Charterers' obligations shall remain unaffected, except that hire

payments shall cease as of the ninety first (91st) day after the seizure and shall resume once the Vessel is released.

The Charterers shall not be liable for late redelivery under this Charter Party resulting from seizure of the Vessel by pirates.

- g) If in compliance with this Clause anything is done or not done, such shall not be deemed a deviation, but shall be considered as due fulfilment of this Charter Party. In the event of a conflict between the provisions of this Clause and any implied or express provision of the Charter Party, this Clause shall prevail to the extent of such conflict, but no further.

13. CONWARTIME 2004

(War Risks Clause for Use in Time Charter Parties)

- a) For the purpose of this Clause, the words:
- (i) "Owners" shall include the shipowners, bareboat charterers, disponent owners, managers or other operators who are charged with the management of the Vessel, and the Master; and
 - (ii) "War Risks" shall include any actual, threatened or reported:
war; act of war; civil war; hostilities; revolution; rebellion; civil commotion; warlike operations; laying of mines; acts of piracy; acts of terrorists; acts of hostility or malicious damage; blockades (whether imposed against all vessels or imposed selectively against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever); by any person, body, terrorist or political group, or the Government of any state whatsoever, which, in the reasonable judgement of the Master and/or the Owners, may be dangerous or are likely to be or to become dangerous to the Vessel, her cargo, crew or other persons on board the Vessel.

- b) The Vessel, unless the written consent of the Owners be first obtained, shall not be ordered to or required to continue to or through, any port, place, area or zone (whether of land or sea), or any waterway or canal, where it appears that the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgment of the Master and/or the Owners, may be, or are likely to be, exposed to War Risks. Should the Vessel be within any such place as aforesaid, which only becomes dangerous, or is likely to be or to become dangerous, after her entry into it, she shall be at liberty to leave it.
- c) The Vessel shall not be required to load contraband cargo, or to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent's right of search and/or confiscation.
- d) (i) The Owners may effect war risks insurance in respect of the Hull and Machinery of the Vessel and their other interests (including, but not limited to, loss of earnings and detention, the crew and their Protection and Indemnity Risks), and the premiums and/or calls therefor shall be for their account.
- (ii) If the Underwriters of such insurance should require payment of premiums and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within, or pass through any area or areas which are specified by such Underwriters as being subject to additional premiums because of War Risks, then the actual premiums and/or calls paid shall be reimbursed by the Charterers to the Owners at the same time as the next payment of hire is due, or upon redelivery, whichever occurs first.
- e) If the Owners become liable under the terms of employment to pay to the crew any bonus or additional

wages in respect of sailing into an area which is dangerous in the manner defined by the said terms, then the actual bonus or additional wages paid shall be reimbursed to the Owners by the Charterers at the same time as the next payment of hire is due, or upon redelivery, whichever occurs first.

- f) The Vessel shall have liberty: -
- (i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever, which are given by the Government of the Nation under whose flag the Vessel sails, or other Government to whose laws the Owners are subject, or any other Government, body or group whatsoever acting with the power to compel compliance with their orders or directions;
 - (ii) to comply with the order, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;
 - (iii) to comply with the terms of any resolution of the Security Council of the United Nations, the effective orders of any other Supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement;
 - (iv) to discharge at any other port any cargo or part thereof which may render the Vessel liable to confiscation as a contraband carrier;
 - (v) to call at any other port to change the crew or any part thereof or other persons on board the Vessel when there is reason to believe that they may be subject to internment, imprisonment or other sanctions.
- g) If in accordance with their rights under the foregoing provisions of this Clause, the Owners shall refuse to

proceed to the loading or discharging ports, or any one or more of them, they shall immediately inform the Charterers. No cargo shall be discharged at any alternative port without first giving the Charterers notice of the Owners' intention to do so and requesting them to nominate a safe port for such discharge. Failing such nomination by the Charterers within 48 hours of the receipt of such notice and request, the Owners may discharge the cargo at any safe port of their own choice.

- h) If in compliance with any of the provisions of sub-clauses (b) to (g) of this Clause anything is done or not done, such shall not be deemed a deviation, but shall be considered as due fulfilment of this Charter Party.

14. P&I BUNKERING CLAUSE

(for use in voyage charter parties)

“The vessel in addition to all other liberties shall have liberty as part of the contract voyage and at any stage thereof to proceed to any port or ports whatsoever whether such ports are on or off the direct and/or customary route or routes to the ports of loading or discharge named in this Charter and there take oil bunkers in any quantity in the discretion of owners even to the full capacity of fuel tanks, deep tanks, and any other compartment in which oil can be carried whether such amount is or is not required for the chartered voyage.”

15. BUNKER QUALITY CONTROL CLAUSE

(for use in time charter parties)

- (1) The Charterers shall supply bunkers of a quality suitable for burning in the Vessel's engines and auxiliaries and which conform to the specification(s) mutually agreed under this Charter.
- (2) At the time of delivery of the Vessel the Owners shall place at the disposal of the Charterers, the bunker delivery note(s) and any samples relating to the fuels existing on board.

- (3)** During the currency of the Charter the Charterers shall ensure that bunker delivery notes are presented to the Vessel on the delivery of fuel(s) and that during bunkering representative samples of the fuel(s) supplied shall be taken at the Vessel's bunkering manifold and sealed in the presence of competent representatives of the Charterers and the Vessel.
- (4)** The fuel samples shall be retained by the Vessel for 90 (ninety) days after the date of delivery or for whatever period necessary in the case of a prior dispute and any dispute as to whether the bunker fuels conform to the agreed specification(s) shall be settled by analysis of the sample(s) by (....) or by another mutually agreed fuels analyst whose findings shall be conclusive evidence as to conformity or otherwise with the bunker fuels specification(s).
- (5)** The Owners reserve their right to make a claim against the Charterers for any damage to the main engines or the auxiliaries caused by the use of unsuitable fuels or fuels not complying with the agreed specification(s). Additionally, if bunker fuels supplied do not conform with the mutually agreed specification(s) or otherwise prove unsuitable for burning in the ship's engines or auxiliaries the Owners shall not be held responsible for any reduction in the Vessel's speed performance and/or increased bunker consumption or for any time lost and any other consequences.

16. STRIKE CLAUSE

(for use in bill of lading and charter parties)

“Ship not to be responsible for any loss, damage, or delay directly or indirectly, caused by, or arising from strikes, lock-outs, labour disturbances, trade disputes, or anything done in contemplation or furtherance thereof, whether the owners be parties thereto or not.”

17. GENERAL STRIKE CLAUSE

(for use in voyage charter parties)

- a) If there is a strike or lock-out affecting or preventing the actual loading of the cargo, or any part of it, when the Vessel is ready to proceed from her last port or at any time during the voyage to the port or ports of loading or after her arrival there, the Master or the Owners may ask the Charterers to declare, that they agree to reckon the lay days as if there were no strike or lock-out. Unless the Charterers have given such declaration in writing (by telegram, if necessary) within 24 hours, the Owners shall have the option of cancelling this Charter Party. If part cargo has already been loaded, the Owners must proceed with same, (freight payable on loaded quantity only) having liberty to complete with other cargo on the way for their own account.
- b) If there is a strike or lock-out affecting or preventing the actual discharging of the cargo on or after the Vessel's arrival at or off port of discharge and same has not been settled within 48 hours, the Charterers shall have the option of keeping the Vessel waiting until such strike or lock-out is at an end against paying half demurrage after expiration of the time provided for discharging until the strike or lock-out terminates and thereafter full demurrage shall be payable until the completion of discharging, or of ordering the Vessel to a safe port where she can safely discharge without risk of being detained by strike or lock-out. Such orders to be given within 48 hours after the Master or the Owners have given notice to the Charterers of the strike or lock-out affecting the discharge. On delivery of the cargo at such port, all conditions of this Charter Party and of the Bill of lading shall apply and the Vessel shall receive the same freight as if she had discharged at the original port of destination, except that if the distance to the substituted port exceeds 100 nautical miles, the freight on the cargo delivered at the substituted port to be increased in proportion.
- c) Except for the obligations described above, neither the Charterers nor the Owners shall be responsible for the consequences of any strikes or lock-outs preventing or affecting the actual loading or discharging of the cargo.

18. FINANCIAL SECURITY IN RESPECT OF POLLUTION

- 1) Owners warrant that throughout the currency of this charter they will provide the vessel with the following certificates:
 - (a) If the vessel is over 1,000 gross tons and is registered in, or is required to enter a port or offshore facility in the territorial sea of, a State Party to the International Convention on Civil Liability for Bunker Oil Pollution Damage 2001, a Certificate issued pursuant to Article 7 of that Convention.
 - (b) If the vessel is constructed or adapted for the carriage of persistent oil in bulk as cargo and is carrying more than 2,000 tons of such cargo, a Certificate issued pursuant to Article 7 of the International Convention on Civil Liability for Oil Pollution Damage, 1992, as applicable.
 - (c) If the vessel is over 300 gross tons (or as might otherwise be required by US Federal Statutes and Regulations) and is required to enter US navigable waters or any port or place in the US, a Certificate issued pursuant to Section 1016 (a) of the Oil Pollution Act 1990, and Section 108 (a) of the Comprehensive Environmental Response, Compensation and Liability Act 1980, as amended, in accordance with US Coast Guard Regulations, 33 CFR Part 138.
- 2) Notwithstanding anything whether printed or typed herein to the contrary,
 - (a) Save as required for compliance with paragraph (1) hereof, owners shall not be required to establish or maintain financial security in respect of oil or other pollution damage to enable the vessel lawfully to enter, remain in or leave any port, place, territorial or contiguous waters of any country, state or territory in performance of this charter.
 - (b) Charterers shall indemnify owners and hold them harmless in respect of any loss, damage, liability or

expense (including but not limited to the costs of any delay incurred by the vessel as a result of any failure by the charterers promptly to give alternative voyage orders) which owners may sustain due to non-compliance with any demand or requirement to establish or maintain financial security in order to enter, remain in or leave any port, place or waters, other than to the extent provided in paragraph (1) hereof.

(c) Without prejudice to paragraphs 2(a) and 2(b), if owners establish or maintain financial security other than to the extent provided in paragraph (1) hereof (in order to enable the vessel lawfully to enter, remain in or leave any port, place or waters), charterers shall, unless otherwise expressly agreed, indemnify owners and hold them harmless in respect of any costs or delay incurred in establishing or maintaining such security.

(d) Owners shall not be liable for any loss, damage, liability or expense whatsoever and howsoever arising which charterers and/or the holders of any bill of lading issued pursuant to this charter may sustain by reason of any requirement to establish or maintain financial security in order to enter, remain in or leave any port, place or waters, other than to the extent provided in paragraph (1) hereof.

3) Charterers warrant that the terms of this clause will be incorporated effectively into any bill of lading issued pursuant to this charter.

19. BIMCO ISPS/MTSA CLAUSE FOR VOYAGE CHARTER PARTIES 2005

a) (i) The Owners shall comply with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) relating to the Vessel and “the Company” (as defined by the ISPS Code). If trading to or from the United States or passing through United States waters, the Owners shall also comply with the

requirements of the US Maritime Transportation Security Act 2002 (MTSA) relating to the Vessel and the "Owner" (as defined by the MTSA).

(ii) Upon request the Owners shall provide the Charterers with a copy of the relevant International Ship Security Certificate (or the Interim International Ship Security Certificate) and the full style contact details of the Company Security Officer (CSO).

(iii) Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused by failure on the part of the Owners or "the Company"/"Owner" to comply with the requirements of the ISPS

Code/MTSA or this Clause shall be for the Owners' account, except as otherwise provided in this Charter Party.

b) (i) The Charterers shall provide the Owners and the Master with their full style contact details and, upon request, any other information the Owners require to comply with the ISPS Code/MTSA.

(ii) Loss, damages or expense (excluding consequential loss, damages or expense) caused by failure on the part of the Charterers to comply with this Clause shall be for the Charterers' account, except as otherwise provided in this Charter Party, and any delay caused by such failure shall count as lay time or time on demurrage.

c) Provided that the delay is not caused by the Owners' failure to comply with their obligations under the ISPS Code/MTSA, the following shall apply:

(i) Notwithstanding anything to the contrary provided in this Charter Party, the Vessel shall be entitled to tender Notice of Readiness even if not cleared due to applicable security regulations or measures imposed by a port facility or any relevant authority under the ISPS Code/MTSA.

- (ii) Any delay resulting from measures imposed by a port facility or by any relevant authority under the ISPS Code/MTSA shall count as lay time or time on demurrage, unless such measures result solely from the negligence of the Owners, Master or crew or the previous trading of the Vessel, the nationality of the crew or the identity of the Owners' managers.
- d) Notwithstanding anything to the contrary provided in this Charter Party, any costs or expenses whatsoever solely arising out of or related to security regulations or measures required by the port facility or any relevant authority in accordance with the ISPS Code/MTSA including, but not limited to, security guards, launch services, vessel escorts, security fees or taxes and inspections, shall be for the Charterers' account, unless such costs or expenses result solely from the negligence of the Owners, Master or crew or the previous trading of the Vessel, the nationality of the crew or the identity of the Owners' managers. All measures required by the Owners to comply with the Ship Security Plan shall be for the Owners' account.
- e) If either party makes any payment which is for the other party's account Clause, the other party shall indemnify the paying party.

20. BIMCO ISPS/MTSA CLAUSE FOR TIME CHARTER PARTIES 2005

- a) (i) The Owners shall comply with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) relating to the Vessel and "the Company" (as defined by the ISPS Code). If trading to or from the United States or passing through United States waters, the Owners shall also comply with the requirements of the US Maritime Transportation Security Act 2002 (MTSA) relating to the Vessel and the "Owner" (as defined by the MTSA).
- (ii) Upon request the Owners shall provide the Charterers with a copy of the relevant International Ship

Security Certificate (or the Interim International Ship Security Certificate) and the full style contact details of the Company Security Officer (CSO).

(iii) Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused by failure on the part of the Owners or “the Company”/”Owner” to comply with the requirements of the ISPS Code/MTSA or this Clause shall be for the Owners’ account, except as otherwise provided in this Charter Party.

- b) (i) The Charterers shall provide the Owners and the Master with their full style contact details and, upon request, any other information the Owners require to comply with the ISPS Code/MTSA. Where sub-letting is permitted under the terms of this Charter Party, the Charterers shall ensure that the contact details of all sub-charterers are likewise provided to the Owners and the Master. Furthermore, the Charterers shall ensure that all sub-charter parties they enter into during the period of this Charter Party contain the following provision:

“The Charterers shall provide the Owners with their full style contact details and, where sub-letting is permitted under the terms of the charter party, shall ensure that the contact details of all sub-charterers are likewise provided to the Owners”.

(ii) Loss, damages, expense or delay (excluding consequential loss, damages, expense or delay) caused by failure on the part of the Charterers to comply with this Clause shall be for the Charterers’ account, except as otherwise provided in this Charter Party.

- c) Notwithstanding anything else contained in this Charter Party all delay, costs or expenses whatsoever arising out of or related to security regulations or measures required by the port facility or any relevant authority in accordance with the ISPS Code/MTSA including, but not limited to, security guards, launch services, vessel escorts, security fees or taxes and inspections, shall be

for the Charterers' account, unless such costs or expenses result solely from the negligence of the Owners, Master or crew. All measures required by the Owners to comply with the Ship Security Plan shall be for the Owners' account.

- d) If either party makes any payment which is for the other party's account according to this Clause, the other party shall indemnify the paying party.

21. STOWAWAYS CLAUSE FOR TIME CHARTER PARTIES 2009

- a) If stowaways have gained access to the Vessel by means of secreting away in the goods and/or containers or by any other means related to the cargo operation, this shall amount to breach of charter. The Charterers shall be liable for the consequences of such breach and hold the Owners harmless and keep them indemnified against all claims; costs (including but not limited to victualling costs for stowaways whilst on board and repatriation); losses; and fines or penalties, which may arise and be made against them. The Charterers shall, if required, place the Owners in funds to put up bail or other security. The Vessel shall remain on hire for any time lost as a result of such breach.
- b) Save for those stowaways referred to in sub-clause (a), if stowaways have gained access to the Vessel, all expenses, including fines or penalties, shall be for the Owners' account and the Vessel shall be off hire for any time lost.

22. BIMCO BUNKER FUEL SULPHUR CONTENT CLAUSE FOR TIME CHARTER PARTIES 2005

- a) Without prejudice to anything else contained in this Charter Party, the Charterers shall supply fuels of such specifications and grades to permit the Vessel, at all times, to comply with the maximum sulphur content requirements of any emission control zone when the Vessel is ordered to trade within that zone.

The Charterers also warrant that any bunker suppliers, bunker craft operators and bunker surveyors used by the Charterers to supply such fuels shall comply with Regulations 14 and 18 of MARPOL Annex VI, including the Guidelines in respect of sampling and the provision of bunker delivery notes.

The Charterers shall indemnify, defend and hold harmless the Owners in respect of any loss, liability, delay, fines, costs or expenses arising or resulting from the Charterers' failure to comply with this Sub-clause (a).

- b) Provided always that the Charterers have fulfilled their obligations in respect of the supply of fuels in accordance with Sub-clause (a), the Owners warrant that:
- (i) the Vessel shall comply with Regulations 14 and 18 of MARPOL Annex VI and with the requirements of any emission control zone; and
 - (ii) the Vessel shall be able to consume fuels of the required sulphur content when ordered by the Charterers to trade within any such zone.

Subject to having supplied the Vessel with fuels in accordance with

Sub-clause (a), the Charterers shall not otherwise be liable for any loss, delay, fines, costs or expenses arising or resulting from the Vessel's failure to comply with Regulations 14 and 18 or MARPOL Annex VI.

- c) For the purpose of this Clause, "emission control zone" shall mean zones as stipulated in MARPOL Annex VI and/or zones regulated by regional and/or national authorities such as, but not limited to, the EU and the US Environmental Protection Agency.
- d) Clause (d) shall apply in all cases.

23. BIMCO STEVEDORE DAMAGE CLAUSE FOR FIO VOYAGE CHARTER PARTIES 2008

- a) The Charterers shall be responsible for damage (fair wear and tear excepted) to any part of the Vessel

caused by Stevedores. The Charterers shall be liable for all costs for repairing such damage and for any time lost, which shall be paid in an amount equivalent to the demurrage rate.

- b) The Master or the Owners shall notify the Charterers or their agents and the Stevedores of any damage as soon as reasonably possible, failing which the Charterers shall not be responsible.
- c) Stevedore damage affecting seaworthiness shall be repaired without any delay before the Vessel sails from the port where such damage was caused or discovered. Stevedore damage affecting the Vessel's trading capabilities shall be repaired before leaving the last port of discharge, failing which the Charterers shall be liable for resulting losses. All other damage which is not repaired before leaving the last port of discharge shall be repaired by the Owners and settled by the Charterers on receipt of Owners' supported invoice.

24. BIMCO STEVEDORE DAMAGE CLAUSE FOR TIMECHARTER PARTIES 2008

- a) The Charterers shall be responsible for damage (fair wear and tear excepted) to any part of the Vessel caused by Stevedores. The Charterers shall be liable for all costs for repairing such damage and for any time lost.
- b) The Master or the Owners shall notify the Charterers or their agents and the Stevedores of any damage as soon as reasonably possible, failing which the Charterers shall not be responsible.
- c) Stevedore damage affecting seaworthiness shall be repaired without any delay before the Vessel sails from the port where such damage was caused or discovered. Stevedore damage affecting the Vessel's trading capabilities shall be repaired prior to redelivery, failing which the Charterers shall be liable for resulting losses. All other damage which is not repaired prior to redelivery shall be repaired by the Owners and settled

by the Charterers on receipt of Owners' supported invoice.

25. BIMCO ICE CLAUSE FOR VOYAGE CHARTER PARTIES

The Vessel shall not be obliged to force ice but, subject to the Owners' approval and having due regard to its size, construction and class, may follow ice-breakers when reasonably required.

a) Port of Loading

(i) If at any time after setting out on the approach voyage the Vessel's passage is impeded by ice, or if on arrival the loading port is inaccessible by reason of ice, the Master or Owners shall notify the Charterers thereof and request them to nominate a safe and accessible alternative port.

If the Charterers fail within 48 running hours, Sundays and holidays included, to make such nomination or agree to reckon lay time as if the port named in the contract were accessible or declare that they cancel the Charter Party, the Owners shall have the option of cancelling the Charter Party. In the event of cancellation by either party, the Charterers shall compensate the Owners for all proven loss of earnings under this Charter Party.

(ii) If at any loading port the Master considers that there is a danger of the Vessel being frozen in, and provided that the Master or Owners immediately notify the Charterers thereof, the Vessel may leave with cargo loaded on board and proceed to the nearest safe and ice free place and there await the Charterers' nomination of a safe and accessible alternative port within 24 running hours, Sundays and holidays excluded, of the Master's or Owners' notification. If the Charterers fail to nominate such alternative port, the vessel may proceed to any port(s), whether or not on the customary route for the chartered voyage, to complete with cargo for the Owners' account. *

b) Port of Discharge

- (i) If the voyage to the discharging port is impeded by ice, or if on arrival the discharging port is inaccessible by reason of ice, the Master or Owners shall notify the Charterers thereof. In such case, the Charterers shall have the option of keeping the Vessel waiting until the port is accessible against paying compensation in an amount equivalent to the rate of demurrage or of ordering the Vessel to a safe and accessible alternative port.

If the Charterers fail to make such declaration within 48 running hours, Sundays and holidays included, of the Master or Owners having given notice to the Charterers, the Master may proceed without further notice to the nearest safe and accessible port and there discharge the cargo.

- (ii) If at any discharging port the Master considers that there is a danger of the Vessel being frozen in, and provided that the Master or Owners immediately notify the Charterers thereof, the Vessel may leave with cargo remaining on board and proceed to the nearest safe and ice free place and there await the Charterers' nomination of a safe and accessible alternative port within 24 running hours, Sundays and holidays excluded, of the Master's or Owners' notification. If the Charterers fail to nominate such alternative port, the vessel may proceed to the nearest safe and accessible port and there discharge the remaining cargo.
- (iii) On delivery of the cargo other than at the port(s) named in the contract, all conditions of the Bill of Lading shall apply and the Vessel shall receive the same freight as if discharge had been at the original port(s) of destination, except that if the distance of the substituted port(s) exceeds 100 nautical miles, the freight on the cargo delivered at the substituted port(s) shall be increased proportionately.

**Note: In trades where the terms and conditions of the charter party are not incorporated into the bill(s) of*

lading, such bill(s) must contain an express statement permitting the vessel to complete with cargo at alternative port(s), whether or not on the customary route for the chartered voyage.

Important Note when using this text.

Trading in ice may lead to delay, extra voyage time and expenses, including bunkers and port expenses, and Members should ensure that their charter party clearly states who is to be liable for all resulting lay time, demurrage, detention, voyage time and expenses.

26. BIMCO ICE CLAUSE FOR TIME CHARTER PARTIES

- a) The Vessel shall not be obliged to force ice but, subject to the Owners' prior approval having due regard to its size, construction and class, may follow ice-breakers.
- b) The Vessel shall not be required to enter or remain in any icebound port or area, nor any port or area where lights, lightships, markers or buoys have been or are about to be withdrawn by reason of ice, nor where on account of ice there is, in the Master's sole discretion, a risk that, in the ordinary course of events, the Vessel will not be able safely to enter and remain at the port or area or to depart after completion of loading or discharging. If, on account of ice, the Master in his sole discretion considers it unsafe to proceed to, enter or remain at the place of loading or discharging for fear of the Vessel being frozen in and/or damaged, he shall be at liberty to sail to the nearest ice-free and safe place and there await the Charterers' instructions.
- c) Any delay or deviation caused by or resulting from ice shall be for the Charterers' account and the Vessel shall remain on-hire.
- d) Any additional premiums and/or calls required by the Vessel's underwriters due to the Vessel entering or

remaining in any icebound port or area, shall be for the Charterers' account.

27. BIMCO SOLID BULK CARGOES THAT CAN LIQUEFY CLAUSE FOR CHARTER PARTIES

- a) The Charterers shall ensure that all solid bulk cargoes to be carried under this Charter Party are presented for carriage and loaded always in compliance with applicable International regulations, including the International Maritime Solid Bulk Cargoes (IMSBC) Code 2009 (as maybe amended from time to time and including any recommendations approved and agreed by the IMO).
- b) If the cargo is a solid bulk cargo that may liquefy, the Charterers shall prior to the commencement of loading provide the ship's Master, or his representative, with all information and documentation in accordance with the IMSBC Code, including but not limited to a certificate of the Transportable Moisture Limit (TML), and a certificate or declaration of the moisture content, both signed by the shipper.
- c) The Owners shall have the right to take samples of cargo prior to loading and, at Charterers' request, samples to be taken jointly, testing of such cargo samples shall be conducted jointly between Charterers and Owners by an independent laboratory that is to be nominated by Owners. Sampling and testing shall be at the Charterers' risk, cost, expense and time. The Master or Owners' representative shall at all times be permitted unrestricted and unimpeded access to cargo for sampling and testing purposes.

If the Master, in his sole discretion using reasonable judgment, considers there is a risk arising out of or in connection with the cargo (including but not limited to the risk of liquefaction) which could jeopardize the safety of the crew, the Vessel or the cargo on the voyage, he shall have the right to refuse to accept the cargo or, if already loaded, refuse to sail from the loading port or place. The Master shall have the right to

require the Charterers to make safe the cargo prior to loading or, if already loaded, to offload the cargo and replace it with a cargo acceptable to the Master, all at the Charterers' risk, cost, expense and time. The exercise by the Master of the aforesaid rights shall not be breach of this Charter Party.

- d) Notwithstanding anything else contained in this Charter Party, all loss, damage, delay, expenses, costs and liabilities whatsoever arising out of or related to complying with, or resulting from failure to comply with, such regulations or with Charterers' obligations hereunder shall be for the Charterers' account. The Charterers shall indemnify the Owners against any and all claims whatsoever against the Owners arising out of the Owners complying with the Charterers' instructions to load the agreed cargo.
- e) This Clause shall be without prejudice to the Charterers' obligations under this Charter Party to provide a safe cargo. In relation to loading, anything done or not done by the Master or the Owners in compliance with this Clause shall not amount to a waiver of any rights of the Owners.