

# Contract for Agency Service

April

# 2012

---

By and Between Shanghai Resolve Maritime Consultants Co  
Ltd. and .

Agreement Number:  
07-1001-2015-00

**Contents**

1.0 Purpose of Agreement ..... 2

2.0 Scope of Agreement..... 2

3.0 Obligations of SRMCL..... 3

4.0 Obligations of Client ..... 4

5.0 Liabilities .....4

6.0 Insurance.....5

7.0 Confidentiality.....5

8.0 Fees ..... 6

9.0 Payments.....6

10.0 Effect and Termination ..... 6

11.0 Jurisdiction ..... 7

12.0 Other Conditions..... 7

# Contract for Agency Service in China

---

## 1.0 Purpose of Contract

1.1 The Regulations of People's Republic of China on the Administration of Prevention and Control of Pollution to the Marine Environment by Vessels require that an agreement for Ship Pollution Response (hereinafter referred to as "Agreement") is formulated in accordance with the provisions of Article 29 of the Regulations of the People's Republic of China on Emergency Preparedness and Response on Marine Environment Pollution from Ships for the purpose of effectively implementing the regime of agreement for ship pollution response. Through this contract the Owner/Operator/Manager (hereafter called the "Client") agrees to appoint Shanghai Resolve Maritime Consultants Co Ltd. (SRMCL) as its agent as defined by Paragraph 3 of Article 18 of the Detailed Rules of Maritime Safety Administration of the PRC on the Implementation of the Administration Regime of Agreement for Ship Pollution Response with respect to the signing of the agreement for Ship Pollution Response with approved oil spill response organizations ("SPROs") and other relevant issues at Chinese ports except Hong Kong, Macau and Taiwan

1.2 SRMCL agrees to be appointed as agent of the Client for the mission detailed above.

1.3 The ships to receive services under this contract ("the Ships") are listed as in appendix I.

## 2.0 Scope of Service

The scope of services to be rendered by SRMCL to the Client as per the Contract shall be strictly limited to the scope of authorization as is defined by the "Letter of Authorization (IG LOA dated 6 December 2011)", including:

2.1 Advising the Client regarding the identity, qualification status and other relevant information of Maritime Safety Administration ("MSA") approved SPRO(s) for a certain port or ports for the consideration and choice of the Client;

2.2 Negotiating with the SPRO selected by the Client on terms and conditions of the Agreement on behalf of the Client, endeavoring to obtain their agreement as much as possible to contract on the MSA Sample Agreement with IG supplemented clauses (IG Sample Agreement 20 November 2014);

2.3 Monitoring of evolving PRC and Local Regulations and on-going qualification of SPRO

2.4 Signing the Agreement on behalf of the Client;

- 2.5 Handling payment of the retainer fee to SPRO according to the signed Agreement on behalf of the Client;
- 2.6 Providing the Ships' movement information to SPRO according to the signed Agreement on behalf of the Client;
- 2.7 Handling renewal, extension or termination of the Agreement on behalf of the Client;
- 2.8 Dealing with any other issues in relation to the signing of the Agreement as instructed by the Client;

### **3.0 Obligations of SRMCL**

- 3.1 SRMCL shall exercise reasonable skill, care, efficiency and diligence in carrying out the services detailed in Article 2 above.
- 3.2 SRMCL shall advise the Client of all necessary requirements with respect to signing of the Agreement at a certain port or ports, including information of SPRO(s) with appropriate level of qualification approval by MSA to comply with relevant laws and regulations, acceptable procedures and acceptable contract terms, so that the Client may comply with the requirements.
- 3.3 SRMCL shall strictly follow the instructions of the Client and act within the authorization of the Client.
- 3.4 SRMCL shall send a copy of the Agreement signed on behalf of the Client by email or fax to the Client within 48 hours after the execution is completed with the SPRO selected by the Client.
- 3.5 SRMCL shall keep the originals of effective Agreements safely and send them to the Client when requested, at the cost of the Client.
- 3.6 SRMCL shall update the Client with developments on legislation and other requirements with respect to signing of the Agreement.
- 3.7 SRMCL shall update the Client with material changes of status of the SPROs with which the Client has entered into agreement as soon as SRMCL becomes aware of such changes.
- 3.8 SRMCL shall make itself available for service 24/7 by providing the Client with an emergency contact list and updating it timely in case of changes.

## 4.0 Obligations of the Client

4.1 The Client shall ensure itself is the proper party to enter into contract with SPROs for the Ships pursuant to Article 18 of *the Detailed Rules of Maritime Safety Administration of the PRC on the Implementation of the Administration Regime of Agreement for Ship Pollution Response*.

4.2 Generally, the Client shall inform SRMCL of each intended call of the Ships to Chinese ports (except Hongkong, Macau and Taiwan,) together with the appointed local ship agent at least 4 days prior to the Ships' arrival. In case of emergency situations, the Client shall get in contact with SRMCL as soon as the Client becomes aware of the intended call of the Ships to Chinese ports (except Hongkong, Macau and Taiwan) so that the Parties can work out a solution together.

4.3 The Client shall confirm to SRMCL its choice of SPRO together with the Agreement wording which it accepts as far in advance of the ship's arrival as possible but in any event no later than 24 hours prior to arrival at a Chinese port.

4.4 When requested by SRMCL, the Client shall provide SRMCL with a copy of valid P&I entry certificate.

4.5 The Client shall ensure proper conditions for SRMCL to render services in accordance with the Contract, such as:

- (a) Cooperative attitude of all Clients' employees towards SRMCL personnel;
- (b) Timely and exhaustive provision of necessary documentation and information.

4.6 The Client shall execute the Letter of Authorization and submit it to SRMCL by sending a copy electronically for submitting to PRC authority. The Client shall send the originals of the Letter of Authorization in duplicate to SRMCL for its own filing in due course.

4.7 The Client shall provide SRMCL with an emergency contact number for the sake of urgent situations, and update any changes thereof.

## 5.0 Liabilities

5.1 It is agreed and understood that, under no circumstances does SRMCL provide any guarantee to the Client regarding performance of any SPROs either in terms of the SPROs' meeting its contractual liabilities under the Agreement or in terms of the SPROs' meeting the demand and criteria of the PRC authority.

5.2 It is agreed and understood that SRMCL shall not be liable for fines, losses, damages, or penalties suffered by the Client arising from MSA's refusal or delay to accept the Agreement signed by SRMCL on behalf of the Client, unless such refusal or delay is caused by the fault or negligence of SRMCL in providing SPRO candidate which is not officially approved by MSA or which is not with appropriate level of qualification approval by MSA to comply with relevant laws and regulations.

5.3 It is agreed that it is the Client's own responsibility to ensure that the Agreement is accepted by the P&I Club with which the Ship is entered so that the Club's cover will not be prejudiced. SRMCL shall not be liable for any losses, damages or liabilities sustained by the Client due to the prejudiced cover caused by the Agreement.

5.4 It is agreed and understood that SRMCL shall not be liable for losses or damages suffered by the Client arising from delays to the Ships' schedule caused by the Client's failure to pay the retainer fees charged by SPROs in a timely manner, unless the Client has had sufficient cash deposit with SRMCL in the manner specified in Article 9.3.

5.5 Each party to the Contract shall not be liable for losses, damages, fines, costs, liabilities and penalties caused to the other party by the fault or negligence of the other party in fulfilling its obligations provided in the Contract, and shall indemnify and hold harmless the other party for losses, damages, fines, costs, liabilities and penalties caused to the other party by the fault or negligence of its own in fulfilling its obligations provided in the Contract.

5.6 The Client agrees to indemnify and hold harmless SRMCL, its directors, managers, employees or sub-contractors from all claims, losses, damages, liabilities, costs and expenses arising from SRMCL's providing the services or fulfilling its obligations as are specified in the Contract and or are carried out in line with the Client's instructions, unless such claims, losses, damages, liabilities, costs and expenses are caused by the fault or negligence of SRMCL, or its directors, managers, employees or sub-contractors.

## **6.0 Insurance**

6.1 During the period when the Contract is in effect, the Client shall maintain P&I cover including coverage for pollution liabilities.

## **7.0 Confidentiality**

7.1 All business transacted between the Parties as well as data, knowledge, information and documents ("Confidential Information") handed over by one Party to the other shall always be subject to confidentiality except where the relevant data, knowledge, information and documents have already become public domain through no fault of any party.

7.2 Neither of the Parties shall disclose, reveal or permit access to the Confidential Information, in whole or in part, to any third party without the other Party's prior written consent, except where the disclosure of information is required by law or is made to PRC maritime authority or the P&I Club which the Ships are entered with.

## 8.0 Fees

8.1 SRMCL's service fee shall in any and all circumstances be charged separately from the retainer fee and response costs that are charged by SPROs or any other third parties,

~~8.2 USD 100 per ship per call for handling necessary arrangements with and payments to the SPROs and for coordinating with port authorities,~~

## 9.0 Payments

9.1 The Client shall settle the debit note submitted by the SRMCL issued in line with Article 8.1 and 8.2 for services rendered within 30 days upon receipt of an electronic version of the debit note via either email or fax.

9.2 SRMCL is not obligated to advance any third party fees on behalf of the Client, including but not limited to the retainer fees and response costs charged by SPROs.

9.3 In order to ensure the Ships' smooth entry, departure and operation at Chinese ports and to save time and costs, the Client may, immediately after the Contract becomes effective, remit an agreed amount of cash deposit with SRMCL, for the purpose of paying the retainer fees charged by SPRO and settling the debit note of SRMCL for services rendered. When the cash deposit is used out or becomes insufficient to cover the cost of the Ship's next call, the Client may make another remittance in an agreed amount. In case of the Client doing so, SRMCL shall keep a clear and complete account record regarding use of this cash deposit, including informing the Client of the amount of retainer fee paid to the SPRO within three working days after such fee is paid out or is incurred, submitting a monthly debit note detailing the service fee charged by SRMCL, and making available a complete account breakdown whenever required by the Client. At the time of termination of this Contract, SRMCL shall return any balance of the cash deposit to the Client within seven days after the Contract is terminated.

## 10.0 Effect and Termination

10.1 The Contract takes effect on the date of execution by both Parties and will continue to be valid until terminated by either of the Parties.

10.2 Either party may terminate the Contract by give 30 days prior written notice to the other party.

10.3 In case of termination of the Contract, the Client undertakes to pay for services rendered prior to the termination of the Contract within 7 days from the receipt of debit notes from SRMCL.

## 11.0 Jurisdiction

The Contract shall be governed by and construed with the laws of Peoples' Republic of China. Any disputes arising there from shall be submitted to the court of Peoples' Republic of China.

## 12.0 Other Conditions

The Contract shall be executed in duplicate, one copy for each Party, both copies being of equal legal effect. The undersigned irrevocably warrant that they are fully and duly authorized by their respective parties to sign and execute this Contract.

Client

Signature & Company Stamp/Seal:

Print Name:

Title:

Company Name:

Date:

SRMCL

Signature & Company Stamp/Seal:

Print Name: Xu Zhanhong

Title: Deputy General Manager

Company Name: Shanghai Resolve Maritime Consultants Co.,Ltd

Date:

