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01	10.9.15	779/15

AGREEMENT

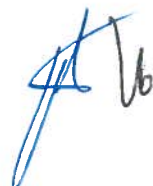
between

**THE GOVERNMENT OF MONTENEGRO REPRESENTED
BY THE MINISTRY OF TRANSPORT AND MARITIME AFFAIRS -
MARITIME SAFETY DEPARTMENT**

and

BUREAU VERITAS

**GOVERNING THE DELEGATION OF STATUTORY CERTIFICATION
SERVICES FOR SHIPS REGISTERED IN MONTENEGRO
AND OTHER ASSOCIATED RELEVANT ACTIVITIES
IN RELATION WITH THE SHIP'S SAFETY**



This Agreement pursuant to the legislation of Montenegro and in compliance with the "Guidelines for the Authorization of Organizations Acting on Behalf of the Administration", IMO Resolution A.739(18) as amended and with the "Specifications on the Survey and Certification Functions of Recognized Organizations acting on behalf of the Administration", IMO Resolution A.789(19), and the Annexes thereto and the "Code for Recognized Organizations" (RO Code) as per IMO Resolution MSC.349(92) and MEPC.237(65) is between the Ministry of Transport and Maritime Affairs - Maritime Safety Department hereafter referred to as "the Administration" and Bureau Veritas hereafter referred to as "BV", with respect to the performance of marine statutory surveys and issuance of relevant certificates to ships registered in Montenegro, as well as the performance of other associated relevant activities (e.g. inspections, audits) in relation with the ship's safety.

PURPOSE

The purpose of this Agreement is to delegate authority to perform statutory certification services on ships registered in Montenegro and classed with BV, unless indicated otherwise, as well as, to perform other associated relevant activities in relation with the ship's safety, as described in Annex 1 to this Agreement, and to define the scope, terms, conditions and requirements of that delegation.

1. GENERAL CONDITIONS

- 1.1. Statutory certification services comprise the assessment of Montenegro registered vessels classed with BV, in order to determine the compliance of such vessels with the applicable requirements of International Conventions, related codes and national regulations (hereinafter referred to as "applicable instruments"), and the issue of relevant certificates, as well as, to perform other associated relevant activities in relation with the ship's safety as set out in Annex 1 hereto. For ISM, ISPS and MLC 2006 certification, BV is authorised to perform such duties also on Montenegro ships classed by another Recognized Organization, if the ship owner so desires.
- 1.2. In so far as the statutory certification services covered by this Agreement are concerned, BV agrees to co-operate with Port State Control officers to facilitate the rectification of reported deficiencies on behalf of the Administration, when so requested, and report to the Administration.
- 1.3. Statutory services rendered and statutory certificates issued by BV, in accordance with this Agreement will be accepted as services rendered by or certificates issued by the Administration provided that BV maintains compliance with the provisions of Appendix 1 of the Annex to IMO Resolution A.739(18) as amended and the Annex to IMO Resolution A.789(19) and the requirements of the "Code for Recognized Organizations" (RO Code) as per Resolution MSC. 349(92) and MEPC.237(65) which are part of this Agreement.
- 1.4. Authorizations for services outside the scope of Annex 1 to this Agreement will be dealt with, as mutually agreed on a case-by-case basis.



- 1.5. BV shall endeavour to avoid undertaking activities, which may result in a conflict of interest.
- 1.6. BV shall maintain an effective internal quality system based on appropriate parts of the internationally recognised quality standards no less effective than the ISO 9000 series, such as the IACS QSCS. This system must be certified by an independent body of auditors accepted by the Administration such as an independent Accredited Certification Body (ACB)

2. INTERPRETATIONS, EQUIVALENTS AND EXEMPTIONS

- 2.1. While interpretations of the applicable instruments, as well as the determination of equivalents or the acceptance of substitutes to the requirements of the applicable instruments are the prerogative of the Administration, BV will co-operate in their establishment as necessary. BV applies the IMO interpretations and Circulars, as well as the available IACS Unified Interpretations, unless provided with written instruction to apply a different interpretation by the Administration.
- 2.2. Exemptions from the requirements of the applicable instruments are the prerogative of the Administration and must be approved by the Administration prior to issuance.
- 2.3. In instances where, temporarily, the requirements of an applicable instrument cannot be met under particular circumstances, BV will accept, after consulting with and gaining approval from the Administration, such measures or supplementary equipment as may be available to permit the vessel to proceed to a suitable port where permanent repairs or rectifications can be effected or replacement equipment fitted.
- 2.4. The Administration reserves the right to suspend, cancel or revoke any certificate, document or approval issued by BV pursuant to this agreement. The Administration will inform BV of the reasons for suspending, cancelling or revoking a statutory certificate.
- 2.5. BV may, having consulted with the Administration, suspend, cancel or revoke any statutory certificate issued on behalf of the Administration.

3. INFORMATION AND LIAISON

- 3.1. BV will report to the Administration such information as delineated in Annex 2 to the Agreement.
- 3.2. The Administration shall be granted access to all plans and documents including reports on surveys/audits on the basis of which certificates are issued or endorsed by BV.



- 3.3. On request, BV agrees to submit to the Administration, free of charge, a sufficient number of its rules, regulations, and instructions, as required by the Administration in respect of work carried out by BV in accordance with the agreement. Alternative electronic arrangements may be provided.
- 3.4. The Administration will provide BV with all necessary documentation for the purpose of BV's provision of statutory certification services. The Administration will inform BV of any changes to their National requirements prior to their implementation date.
- 3.5. BV and the Administration, recognizing the importance of technical liaison, agree to co-operate toward this end and maintain an effective dialogue.
- 3.6. Regulations, rules, instructions, national requirements and report forms shall be available in Montenegrin or English language.
- 3.7. Upon request, BV shall give the Administration the opportunity to present its views with respect to new Rules or amended existing Rules being developed.

4. SUPERVISION

- 4.1. The Administration is entitled to satisfy itself that BV effectively carries out its functions in accordance with this Agreement and that BV's quality system continues to comply with the requirements of Appendix 1 of the Annex to IMO Resolution A. 739(18) as amended and with the requirements of Annex to IMO Resolution A. 789(19) and with the "Code for Recognized Organizations" (RO Code).
- 4.2. The Administration may supervise the work of BV by audits, random inspections or expanded special surveys of ships. The Administration may choose to recognize audits performed on BV by an independent audit group effectively representing the interests of the Administration, such as, with respect to the IACS QSCS by an independent Accredited Certification Body (ACB).
- 4.3. Should the Administration choose to conduct direct auditing of BV, the frequency and extent of the audit will be subject to mutual agreement between the Administration and BV.

5. OTHER CONDITIONS

- 5.1. Remuneration for statutory certification services carried out by BV on behalf of the Administration will be charged by BV directly to the party requesting such services. The Administration and BV will not invoice each other for any costs or financial burden caused by this agreement.

5.2. Confidentiality.

In so far as activities related to this Agreement are concerned, both BV and the Administration agree to maintain confidentiality with respect to all documents and information handed over to the other party. Documents and information can only be made available to third parties with the approval of the respective other party. However, this shall not apply to the obligations BV has towards the administrations of flag States and other international organisations as well as legal requirements and international conventions. Any document or other information may be released by BV as required by applicable legislation, court order, or legal proceedings.

Such obligation shall continue in full force and effect during the term of and after the termination of this Agreement provided that the following shall not be subject to such restrictions:

- i) any information which was in the possession of BV prior to its disclosure to BV by the Administration, or
- ii) any information which is or lawfully become part of the public domain, or
- iii) any information which shall otherwise lawfully become available to BV from a source independent of the Administration.

5.3. Surveyors

BV should perform survey and certification functions of a statutory nature by the use of only exclusive surveyors and auditors, being solely employed by BV, duly qualified, trained and authorised to execute all duties and activities incumbent upon their employer, within their level of work responsibility.

However, if BV finds in exceptional and duly justified cases that its own exclusive surveyor is not available, BV shall inform the Administration, with an alternative nomination for the Administration's consideration. The Administration may accept this alternative nomination, or nominate an exclusive surveyor of one other recognised organisation.

BV may also utilise the services of subcontractors and other support service providers in accordance with the relevant provisions of IMO Res. A789(19) and with the « Code for Recognized Organizations » (RO Code), provided that such subcontractors and suppliers of support services are approved by BV or another RO.

5.4 Amendments.



Amendments to this Agreement and appendices will become effective only after consultation and written agreement between the Administration and BV.

5.5 Governing Law and settlement of disputes

5.5.1 The Agreement shall be governed by and construed in accordance with law of Montenegro. Any dispute arising in connection with this Agreement which cannot be settled by private negotiations between the Parties shall be settled finally by arbitration in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce in London, England, by three arbitrators to be appointed according to the said Rules. The language of the arbitration shall be the English language.

5.5.2 In the performance of statutory services hereunder on behalf of the Administration, BV, its officers, employees and others acting on behalf of BV are entitled to all the protections of law and the same defence and/or counterclaims as would be available to the Administration and its own staff, surveyors or employees if the latter had conducted the statutory services in question.

5.6 Liability

5.6.1 If liability arising out of any marine casualty is finally and definitely imposed on the Administration by a court of law or as part of the settlement of a dispute through arbitration procedures, together with a requirement to compensate the injured parties for loss of or damage to property or personal injury or death, which is proved in that court of law to have been caused by a wilful act or omission or gross negligence of BV, its bodies, employees, agents or others who act on behalf of BV, the Administration shall be entitled to financial compensation from BV to the extent said loss, damage, injury or death was, as decided by that court, caused by BV.

5.6.2 If liability arising out of any marine casualty is finally and definitely imposed on the Administration by a court of law or as part of the settlement of a dispute through arbitration procedures, together with a requirement to compensate the injured parties for personal injury or death, which is proved in that court of law to have been caused by any negligent or reckless act or omission of BV, its employees, agents or others who act on behalf of BV, the Administration shall be entitled to financial compensation from BV to the extent that such personal injury or death was, as decided by that court, caused by BV, up to but not exceeding an amount of Four Million Euros (EUR 4 000 000).

5.6.3 If liability arising out of any marine casualty is finally and definitely

imposed on the Administration by a court of law or as part of the settlement of a dispute through arbitration procedures, together with a requirement to compensate the injured parties for loss of or damage to property, which is proved in that court of law to have been caused by any negligent or reckless act or omission of BV, its employees, agents or others who act on behalf of BV, the Administration shall be entitled to financial compensation from BV, to the extent said loss or damage was, as decided by that court, caused by BV, up to but not exceeding an amount of Two Million Euros (EUR 2 000 000).

5.6.4 BV shall effect adequate policies of insurance against any liabilities in sub-clauses 5.6.2 and 5.6.3 and shall keep such policies in force during the continuance of this agreement. BV shall produce satisfactory evidence of such policies upon the Administration's request.

5.6.5 Neither party shall be liable to the other for any special, indirect or consequential losses or damages resulting from or arising out of services performed under this Agreement, including without limitation loss of profit, loss of production, loss of contract, loss of use, business interruption or any other special, indirect or consequential losses suffered or incurred by any party howsoever caused, other than those arising from 5.6.1 to 5.6.3.

5.6.6 If the Administration is summoned or is expected to be summoned to answer for such liability as mentioned above in this Article, BV shall be informed without undue delay.

5.6.7 The Administration shall, for information purposes, send all claims, documents and other relevant material to BV. BV shall be entitled to provide support and/or participate in the defence of such claim, if BV deems it necessary or appropriate.

5.6.8 If the Administration fails to plead all appropriate available defensive measures then BV shall not be required to indemnify the Administration in accordance with the clauses 5.6.1, 5.6.2 and 5.6.3 above.

5.6.9 The Administration shall not enter into any commitment or agreement within the framework of this Agreement, which involves acceptance of such liability as mentioned in sub-clauses 5.6.1, 5.6.2 and 5.6.3 above, without the prior written consent of BV.

5.6.10 While acting for the Administration under this Agreement, BV shall be free to create contracts directly with its clients and such contracts may contain BV's normal contractual conditions for limiting its legal liability.

5.7 Termination

5.7.1 If this Agreement is breached by one of the parties, the other party will



notify the violating party of its breach in writing to allow the notified party the opportunity to remedy the breach within 90 days, failing which the notifying party has the right to terminate the Agreement immediately.

5.7.2 This Agreement may be terminated by either party by giving the other party 12 months written notice.

6 The Agreement comes into force on the later date of the signatures indicated below.


IN WITNESS WHEREOF the undersigned, duly authorised by the Parties, have signed this agreement

Date:

Date:

For the **ADMINISTRATION**

For **BUREAU VERITAS**





Capt. Vladan Radonjić

Philippe Donche-Gay

Director-General of Maritime
Affairs Directorate

Executive Vice-President
Marine and Offshore Division