



# CREWMAN B 2009

## STANDARD CREW MANAGEMENT AGREEMENT (LUMP SUM)

### PART I

1. Place and date of Agreement	2. Date of commencement of Agreement (Cl. 2, 9, 16 and 20)
3. Owners (name, place of registered office and law of registry) (Cl. 1) (i) Name: (ii) Place of registered office: (iii) Law of registry:	4. Crew Managers (name, place of registered office and law of registry) (Cl. 1) (i) Name: (ii) Place of registered office: (iii) Law of registry:
5. The Company (with reference to the ISM/ISPS Codes) (state name and IMO Unique Company Identification number. If the Company is a third party then also state registered office and principal place of business) (Cl. 1) (i) Name: (ii) IMO Unique Company Identification number: (iii) Place of registered office: (iv) Principal place of business:	6. Crew Insurance arrangements (state "yes" or "no" as agreed) (Cl. 5) (i) Crew Insurances: (ii) Insurance for persons proceeding to sea onboard (Cl. 5(a)): 7. Optional insurances (state optional insurance(s) as agreed, such as piracy, kidnap and ransom, loss of hire and FD & D) (Cl. 8(a)(iv))
8. Interest (state rate of interest to apply after due date to outstanding sums) (Cl. 7(a))	9. Crew management lump sum (state monthly amount) (Cl. 9(a))
10. Crew Manager's nominated account (Cl.9(a))	11. Crew overtime expenses (state amount covered by lump sum) (Cl. 9(c)) 12. Initial crew transportation costs (state if for Crew Managers' account) (Cl. 9(d))
13. Vessel's regular trading area (state port or area) (Cl. 9(d))	14. Lay-up period / number of months (Cl.9(g))
15. Minimum contract period (state number of months) (Cl. 16(a))	16. Lump sum on termination (state number of months to apply) (Cl. 17(g))
17. Severance Costs (state maximum amount) (Cl. 17(h))	18. Dispute Resolution (state alternative Cl. 18(a), 18(b) or 18(c); if 18(c) place of arbitration must be stated) (Cl. 18)
19. Notices (state full style contact details for serving notice and communication to the Owners) (Cl. 19)	20. Notices (state full style contact details for serving notice and communication to the Crew Managers) (Cl. 19)

It is mutually agreed between the party stated in Box 3 and the party stated in Box 4 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel or Vessels), "B" (Details of Crew) and "C" (Associated Vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B" and "C" shall prevail over those of PART II to the extent of such conflict but no further.

Signature(s) (Owners)	Signature(s) (Crew Managers)
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**SECTION 1 – Basis of the Agreement**

**1. Definitions**

In this Agreement, save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.

“Company” (with reference to the ISM Code and the ISPS Code) means the organization identified in Box 5 or any replacement organization appointed by the Owners from time to time (see Sub-clause 7(b)).

“Connected Person” means any person connected with the provision and the performance of the Crew Management Services.

“Crew” means the personnel of the numbers, rank and nationality specified in Annex “B” hereto.

“Crew Insurances” means insurance of liabilities in respect of crew risks which shall include but not be limited to death, permanent disability, sickness, injury, repatriation, shipwreck unemployment indemnity and loss of personal effects (see Clause 5 (Crew Insurances) and Clause 8 (Insurance Policies) and Boxes 6 and 7).

“Crew Managers” means the party identified in Box 4.

“Crew Management Services” means the services specified in Clause 4 (Crew Management) and all other functions performed by the Crew Managers under the terms of this Agreement.

“Flag State” means the State whose flag the Vessel is flying.

“ISM Code” means the International Management Code for the Safe Operation of Ships and for Pollution Prevention and any amendment thereto or substitution therefor.

“ISPS Code” means the International Code for the Security of Ships and Port Facilities and the relevant amendments to Chapter XI of SOLAS and any amendment thereto or substitution therefor.

“Owners” means the party identified in Box 3.

“Severance Costs” means the costs which are legally required to be paid to the Crew as a result of the early termination of any contracts for service on the Vessel.

“SMS” means the Safety Management System (as defined by the ISM Code).

“STCW 95” means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 and any amendment thereto or substitution therefor.

“Vessel” means the vessel or vessels details of which are set out in Annex “A” attached hereto.

**2. Commencement and Appointment**

With effect from the date stated in Box 2 for the commencement of the Crew Management Services and continuing unless and until terminated as provided herein, the Owners hereby appoint the Crew Managers and the Crew Managers hereby agree to act as the crew managers of the Vessel in respect of the Crew Management Services.

**3. Authority of the Crew Managers**

Subject to the terms and conditions herein provided, during the period of this Agreement, the Crew Managers shall be the employers of the Crew and shall carry out the Crew Management Services in respect of the Vessel in their own name. The Crew Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform the Crew Management Services in accordance with sound crew management practice, including but not limited to compliance with all relevant rules and regulations.

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**SECTION 2 – Services**

**4. Crew Management**

The Crew Managers shall provide suitably qualified Crew who shall comply with the requirements of STCW 95. The provision of the Crew Management Services includes, but is not limited to, the following services:

- (a) selecting, engaging and providing for the administration of the Crew, including, as applicable, payroll arrangements, pension arrangements, tax, social security contributions and other mandatory dues related to their employment payable in each Crew member's country of domicile;
- (b) ensuring that the applicable requirements of the law of the Flag State in respect of rank, qualification and certification of the Crew and employment regulations, such as Crew's tax and social insurance, are satisfied;
- (c) ensuring that all Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate Flag State requirements or such higher standard of medical examination as may be agreed with the Owners. In the absence of applicable Flag State requirements the medical certificate shall be valid at the time when the respective Crew member arrives on board the Vessel and shall be maintained for the duration of the service on board the Vessel;
- (d) ensuring that the Crew shall have a common working language and a command of the English language of a sufficient standard to enable them to perform their duties safely;
- (e) ensuring that the Crew, before joining the Vessel, are given proper familiarisation with their duties in relation to the ISM Code;
- (f) instructing the Crew to obey all reasonable orders of the Owners and/or the Company including, but not limited to, orders in connection with safety and navigation, avoidance of pollution and protection of the environment;
- (g) ensuring that no Connected Person shall proceed to sea on board the Vessel without the prior consent of the Owners and/or the Company (such consent not to be unreasonably withheld);
- (h) arranging transportation of the Crew, including repatriation;
- (i) training of the Crew;
- (j) conducting union negotiations; and
- (k) in the event that the Company's drug and alcohol policy requires measures to be taken prior to the Crew joining the Vessel, implementing such measures.

**5. Crew Insurances**

(Only applicable if agreed according to Box 6)

The Crew Managers shall throughout the period of this Agreement provide the following services:

- (a) arranging Crew Insurances in accordance with the best practice of prudent managers of vessels of a similar type to the Vessel, with sound and reputable insurance companies, underwriters or associations. Insurances for any other persons proceeding to sea on board the Vessel may be separately agreed by the Owners and the Crew Managers (see Box 6);
- (b) ensuring that the Owners are aware of the terms, conditions, exceptions and limits of liability of the insurances in Sub-clause 5(a);

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- (c) ensuring that all premiums or calls in respect of the insurances in Sub-clause 5(a) are paid by their due date;
- (d) if obtainable at no additional cost, ensuring that insurances in Sub-clause 5(a) name the Owners as a joint assured with full cover and, unless otherwise agreed, on terms such that Owners shall be under no liability in respect of premiums or calls arising in connection with such insurances.
- (e) providing written evidence, to the reasonable satisfaction of the Owners, of the Crew Managers' compliance with their obligations under Sub-clauses 5(b), and 5(c) within a reasonable time of the commencement of this Agreement, and of each renewal date and, if specifically requested, of each payment date of the insurances in Sub-clause 5(a).

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**SECTION 3 – Obligations**

**6. Crew Managers' Obligations**

The Crew Managers undertake to use their best endeavours to provide the Crew Management Services as principals and not agents in accordance with sound crew management practice, and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder.

Provided, however, that in the performance of their management responsibilities under this Agreement, the Crew Managers shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Crew Managers shall be entitled to allocate available manpower in such manner as in the prevailing circumstances the Crew Managers in their absolute discretion consider to be fair and reasonable.

**7. Owners' Obligations**

The Owners shall:

- (a) pay all sums due to the Crew Managers punctually in accordance with the terms of this Agreement. In the event of payment after the due date of any outstanding sums the Crew Manager shall be entitled to charge interest at the rate stated in Box 8;
- (b) procure that the requirements of the law of the Vessel's Flag State are satisfied and that they, or such other entity as may be appointed by them, are identified to the Crew Managers as the Company as required to comply with the ISM and ISPS Codes. If the Company changes at any time during this Agreement, the Owners shall notify the Crew Managers in a timely manner of the name and contact details of the new organization;
- (c) inform the Crew Managers prior to ordering the Vessel to any excluded or additional premium area under any of the Owners' Insurances by reason of war risks and/or piracy or like perils and pay whatever additional costs may properly be incurred by the Crew Managers as a consequence of such orders including, if necessary, the costs of replacing any member of the Crew. Any delays resulting from the negotiation with or replacement of any member of the Crew as a result of the Vessel being ordered to such an area shall be for the Owners' account. Should the Vessel be within an area which becomes an excluded or additional premium area the above provisions relating to cost and delay shall apply;
- (d) agree with the Crew Managers prior to any change of flag of the Vessel and pay whatever additional costs may properly be incurred by the Crew Managers as a consequence of such change. If agreement cannot be reached then either party may terminate this Agreement in accordance with Sub-clause 17(e);
- (e) provide, at no cost to the Crew Managers, in accordance with the requirements of the law of the Flag State, or higher standard, as mutually agreed, adequate Crew accommodation and living standards;
- (f) ensure that the Crew, on joining the Vessel, are properly familiarised with their duties in accordance with the Vessel's SMS and that instructions which are essential to the SMS are identified, documented and given to the Crew prior to sailing;
- (g) unless otherwise agreed, supply and pay for provisions.

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**SECTION 4 – Insurance and Lump Sum**

**8. Insurance Policies**

The Owners shall procure that throughout the period of this Agreement:

- (a) at the Owners' expense, the Vessel is insured for not less than its sound market value or entered for its full gross tonnage, as the case may be, for:

(i) hull and machinery marine risks (including but not limited to crew negligence) and excess liabilities;

(ii) protection and indemnity risks (including but not limited to pollution risks, diversion expenses and, except to the extent insured separately by the Crew Managers in accordance with Clause 5 (Crew Insurances));

NOTE: If the Crew Managers have not agreed to provide Crew Insurances separately in accordance with Clause 5 (Crew Insurances), then such insurances must be included in the protection and indemnity risks cover for the Vessel (see Sub-clause 8(a)(ii) above).

(iii) war risks (including but not limited to blocking and trapping, protection and indemnity, terrorism and crew risks); and

(iv) such other optional insurances as may be agreed (such as piracy, kidnap and ransom, loss of hire and FD & D) (see Box 7).

Sub-clauses 8(a)(i) to 8(a)(iv) all in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with sound and reputable insurance companies, underwriters or associations ("the Owners' Insurances");

- (b) all premiums and calls on the Owners' Insurances are paid by their due date;
- (c) the Owners' Insurances name the Crew Managers and, subject to underwriters' agreement, any third party designated by the Crew Managers as a joint assured, with full cover. It is understood that in some cases, such as protection and indemnity, the normal terms for such cover may impose on the Crew Managers and any such third party a liability in respect of premiums or calls arising in connection with the Owners' Insurances;
- (d) if obtainable at no additional cost, however, the Owners shall procure such insurances on terms such that neither the Crew Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances. In any event, on termination of this Agreement in accordance with Clause 16 (Duration of the Agreement) and Clause 17 (Termination), the Owners shall procure that the Crew Managers and any third party designated by the Crew Managers as joint assured shall cease to be joint assured and, if reasonably achievable, that they shall be released from any and all liability for premiums and calls that may arise in relation to the period of this Agreement; and
- (e) written evidence is provided, to the reasonable satisfaction of the Crew Managers, of the Owners' compliance with their obligations under this Clause within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.

**9. Crew Management Lump Sum**

- (a) The Owners shall pay the Crew Managers for their services as crew managers under this Agreement a monthly lump sum in the amount stated in Box 9 which shall be payable in advance, the first monthly lump sum (pro rata if appropriate) being payable on the commencement of this Agreement (see Clause 2 (Commencement and Appointment) and Box 2) and subsequent instalments being payable at the beginning of every calendar month. The crew management lump sum shall be payable to the Crew Managers' nominated account stated in Box 10.
- (b) The lump sum shall include:

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(i) all payments to or on behalf of the Crew in accordance with their contracts of employment, subject to any limitation on overtime hours in accordance with sub-clause 9(c), excluding extra or additional crew payments due solely to the trading of the Vessel in, to or through areas that are hazardous due to war risks and/or piracy or like perils, as they may be legally entitled;

(ii) in the event the Crew Managers are providing insurance in accordance with Clause 5 (Crew Insurances) all costs incurred in providing insurance cover including any deductibles;

(iii) the cost of obtaining all documentation necessary for the Crew's employment including, but not limited to, medical and vaccination certificates, passports, visas, seamen's books and licences, in compliance with the rules and regulations in force at the time of the commencement of the Agreement and at each subsequent annual review;

(iv) the cost of transportation of the Crew to and from the Vessel including hotel expenses and food while travelling, other than the Crew costs set out in sub-clause 9(d).

(v) port disbursements and fees in respect of Crew matters;

(vi) the cost of Crew mail and Crew's communications from the Vessel;

(vii) if agreed (see Sub-clause 7(g)), the cost of provisions for the Crew.

The Crew Managers and the Owners shall respectively, at the commencement and termination of this Agreement, take over and pay for all unbroached provisions on board the Vessel at a price to be mutually agreed;

(viii) usual working clothes; and

(ix) all other costs and expenses necessarily incurred by the Crew Managers in providing the Crew Management Services.

(c) The amount of Crew overtime covered by the lump sum shall be as stated in Box 11. If overtime exceeds that amount the Owners shall pay for the excess at the rates set out in Annex B.

(d) Unless stated in Box 12, the Owners shall bear the costs of the first Crew joining the Vessel at the commencement of this Agreement. Such costs shall include standby costs, travel insurance, the cost of transportation of the Crew from the point of departure from their country of domicile to the Vessel including hotel expenses and food while travelling.

All travelling expenses are based on the Vessel trading regularly to the port or area shown in Box 13. Should the Crew Managers have to pay any additional travelling expenses by reason of the Vessel not calling regularly at the above port or area, any excess travelling costs/expenses shall be charged to the Owners separately, on terms to be agreed.

(e) Any invoices submitted by the Crew Managers for expenditure properly and reasonably incurred by them in the discharge of their duties under this Agreement and not included in the Crew Management Services but payable by the Owners including, but not limited to, consequential costs of lay up or repairs (Sub-clause 9(g)), excess overtime (Sub-clause 9(c)) and the initial Crew transportation costs (Sub-clause 9(d)) shall be paid by the Owners at the time of the payment of the next lump sum due under Sub-clause 9(a) or, in case of termination of the Agreement, before disembarkation of the Crew.

(f) The lump sum shall be renegotiated annually in accordance with the following provisions:

(i) Not less than three (3) months before the anniversary date of the commencement of this Agreement specified in Box 2, the Crew Managers shall submit to the Owners a proposed lump sum figure to be applicable for the forthcoming year;

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- (ii) The Owners shall state to the Crew Managers in a timely manner but in any event within one month of presentation whether or not they agree to the proposed lump sum. The parties shall negotiate in good faith and if they fail to agree on the lump sum either party shall have the right to terminate this Agreement in accordance with Sub-clause 17(e).
- (g) If the Owners decide to layup the Vessel and such layup lasts for more than the number of months stated in Box 14, an appropriate reduction of the lump sum for the period exceeding such period until one month before the Vessel is again put into service shall be mutually agreed between the parties. Consequential costs of reduction and reinstatement of the Crew shall be for the Owners' account. If agreement cannot be reached then either party may terminate this Agreement in accordance with Sub-clause 17(e).

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**SECTION 5 - Legal, General and Duration of Agreement**

**10. Trading Restrictions**

The Owners and the Crew Managers will, prior to the commencement of this Agreement, agree on any trading restrictions to the Vessel that may result from the terms and conditions of the Crew's employment.

**11. Replacement**

The Owners shall have the right to require the replacement, at their own expense, at the next reasonable opportunity, of any member of the Crew found on reasonable grounds to be unsuitable for service. If the Crew Managers have failed to fulfil their obligations in providing suitable qualified Crew within the meaning of Clause 4 (Crew Management), then such replacement shall be at the Crew Managers' expense.

**12. Crew Managers' Right to Sub-Contract**

The Crew Managers shall not have the right to sub-contract any of their obligations hereunder without the prior written consent of the Owners, which shall not be unreasonably withheld. In the event of such a sub-contract, the Crew Managers shall remain fully liable for the due performance of their obligations under this Agreement.

**13. Responsibilities**

(a) Force Majeure

Neither party shall be liable for any loss, damage or delay due to any of the following force majeure events and/or conditions to the extent that the party invoking force majeure is prevented or hindered from performing any or all of their obligations under this Agreement, provided they have made all reasonable efforts to avoid, minimise or prevent the effect of such events and/or conditions:

(i) acts of God;

(ii) any Government requisition, control, intervention, requirement or interference;

(iii) any circumstances arising out of war, threatened act of war or warlike operations, acts of terrorism, sabotage or piracy, or the consequences thereof;

(iv) riots, civil commotion, blockades or embargoes;

(v) epidemics;

(vi) earthquakes, landslides, floods or other extraordinary weather conditions;

(vii) strikes, lockouts or other industrial action, unless limited to the employees (which shall not include the Crew) of the party seeking to invoke force majeure;

(viii) fire, accident, explosion except where caused by negligence of the party seeking to invoke force majeure; and

(ix) any other similar cause beyond the reasonable control of either party.

(b) Crew Managers' liability to Owners

Without prejudice to Sub-clause 13(a) the Crew Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Crew Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Crew Managers or their employees or agents, or sub-contractors

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employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Crew Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Crew Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of six (6) times the monthly lump sum payable hereunder.

(c) Acts or omissions of the Crew

Notwithstanding anything that may appear to the contrary in this Agreement, the Crew Managers shall not be liable for any acts or omissions of the Crew, even if such acts or omissions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Crew Managers to discharge their obligations under Clause 6 (Crew Manager's Obligations), in which case their liability shall be limited in accordance with the terms of this Clause 13 (Responsibilities).

(d) Indemnity

Except to the extent and solely for the amount therein set out that the Crew Managers would be liable under Sub-clause 13(b) the Owners hereby undertake to keep the Crew Managers and their employees, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, loss, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Crew Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.

(e) "Himalaya"

It is hereby expressly agreed that no employee or agent of the Crew Managers (including every sub-contractor from time to time employed by the Crew Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 13 (Responsibilities), every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Crew Managers or to which the Crew Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Crew Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 13 (Responsibilities) the Crew Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be his servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.

**14. General Administration**

- (a) The Crew Managers shall keep the Owners and, if appropriate, the Company informed in a timely manner of any incident of which the Crew Managers become aware which gives or may give rise to delay to the Vessel or claims or disputes involving third parties.
- (b) The Crew Managers shall handle and settle all claims and disputes arising out of the Crew Management Services hereunder, unless the Owners instruct the Crew Managers otherwise. The Crew Managers shall keep the Owners appropriately informed in a timely manner throughout the handling of such claims and disputes.
- (c) The Owners may request the Crew Managers to bring or defend other actions, suits or proceedings related to the Crew Management Services, on terms to be agreed.
- (d) The Crew Managers shall have power to obtain appropriate legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes in relation to Sub-clauses 14(b) and 14(c).
- (e) On giving reasonable notice, the Owners may request, and the Crew Managers shall in a timely manner make

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available, all documentation, information and records in respect of the matters covered by this Agreement either related to mandatory rules or regulations or other obligations applying to the Owners in respect of the Vessel (including but not limited to STCW 95, the ISM Code and ISPS Code) to the extent permitted by relevant legislation.

On giving reasonable notice, the Crew Managers may request, and the Owners shall in a timely manner make available, all documentation, information and records reasonably required by the Crew Managers to enable them to perform the Crew Management Services.

- (f) The Owners shall arrange for the provision of any necessary guarantee bond or other security.
- (g) Any costs incurred by the Crew Managers in carrying out their obligations according to this Clause 14 (General Administration) shall be reimbursed by the Owners.

**15. Compliance with Laws and Regulations**

The parties will not do or permit to be done anything which might cause any breach or infringement of the laws and regulations of the Flag State, or of the places where the Vessel trades.

**16. Duration of the Agreement**

- (a) This Agreement shall come into effect at the date stated in Box 2 and shall continue until terminated by either party by giving notice to the other; in which event this Agreement shall terminate upon the expiration of the later of the number of months stated in Box 15 or a period of two (2) months from the date on which such notice is received, unless terminated earlier in accordance with Clause 17 (Termination).
- (b) Where the Vessel is not at a mutually convenient port or place on the expiry of such period, this Agreement shall terminate on the subsequent arrival of the Vessel at the next mutually convenient port or place.

**17. Termination**

- (a) Owners' or Crew Managers' default

If either party fails to meet their obligations under this Agreement, the other party may give notice to the party in default requiring them to remedy it. In the event that the party in default fails to remedy it within a reasonable time to the reasonable satisfaction of the other party, that party shall be entitled to terminate this Agreement with immediate effect by giving notice to the party in default.

- (b) Notwithstanding Sub-clause 17(a):

- (i) The Crew Managers shall be entitled to terminate the Agreement with immediate effect by giving notice if any monies payable by the Owners and/or the owners of any associated vessel, details of which are listed in Annex "C", shall not have been received in the Crew Managers' nominated account within ten (10) days of receipt by the Owners of the Crew Managers' written request or if the Vessel is repossessed by the Mortgagee(s).

- (ii) If either party fails to meet their respective obligations under Clause 5 (Crew Insurances) and Clause 8 (Insurance Policies), the other party may give notice to the party in default requiring them to remedy it within ten (10) days, failing which the other party shall have the right to terminate this Agreement with immediate effect by giving notice to the party in default.

- (iii) If the Owners proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Crew Managers is unduly hazardous or improper, the Crew Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Crew Managers, the Crew Managers shall be entitled to terminate the Agreement with immediate effect by giving notice.

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(c) Extraordinary Termination

This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned or has been declared missing or, if bareboat chartered, unless otherwise agreed, when the bareboat charter comes to an end.

(d) For the purpose of Sub-clause 17(c) hereof:

(i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Vessel's owners cease to be the registered owners of the Vessel;

(ii) the Vessel shall be deemed to be lost either when it has become an actual total loss or agreement has been reached with the Vessel's underwriters in respect of its constructive total loss or if such agreement with the Vessel's underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred; and

(iii) the date upon which the Vessel is to be treated as declared missing shall be ten (10) days after the Vessel was last reported or when the Vessel is recorded as missing by the Vessel's underwriters, whichever occurs first. A missing vessel shall be deemed lost in accordance with the provisions of Sub-clause 17(d)(ii).

(e) In the event the parties fail to agree the proposed lump sum in accordance with Sub-clause 9(f)(ii) or to agree a change of flag in accordance with Sub-clause 7(d), or to agree to a reduction of the lump sum in accordance with Sub-clause 9(g), either party may terminate this Agreement by giving the other party not less than one month's notice, the result of which will be the expiry of the Agreement at the end of the current budget period or on expiry of the notice period, whichever is the later.

(f) This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver or administrator is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.

(g) In the event of the termination of this Agreement for any reason other than default by the Crew Managers the lump sum payable to the Crew Managers according to the provisions of Clause 9 (Crew Management Lump Sum), shall continue to be payable from the date the Crew reach their country of domicile for a further Period of the number of months stated in Box 16. If Box 16 is left blank then ninety (90) days shall apply.

(h) In addition, the Owners shall also pay an equitable proportion of such reasonable Severance Costs as the Crew Managers can prove that they have incurred to the extent that such Severance Costs exceed the lump sum for the number of months stated in Box 17. The Crew Managers shall use their best endeavours to minimise such Severance Costs which, in any event, shall not exceed a maximum sum equivalent to the Crew's basic wages for the number of months stated in Box 15.

(i) The termination of this Agreement shall be without prejudice to all rights accrued due between the parties prior to the date of termination.

**18. BIMCO Dispute Resolution Clause**

(a) This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.

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The reference shall be to three arbitrators. 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 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 a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of USD 50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

- (b) This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgment may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.

In cases where neither the claim nor any counterclaim exceeds the sum of USD 50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.

- (c) This Agreement shall be governed by and construed in accordance with the laws of the place mutually agreed by the parties and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.
- (d) Notwithstanding Sub-clauses 18(a), 18(b) or 18(c) above, the parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Agreement.

(i) In the case of a dispute in respect of which arbitration has been commenced under Sub-clauses 18(a), 18(b) or 18(c) above, the following shall apply:

(ii) Either party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other party of a written notice (the "Mediation Notice") calling on the other party to agree to mediation.

(iii) The other party shall thereupon within 14 calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the parties shall thereafter agree a mediator within a further 14 calendar days, failing which on the application of either party a mediator will be appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the parties may agree or, in the event of disagreement, as may be set by the mediator.

(iv) If the other party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the parties.

(v) The mediation shall not affect the right of either party to seek such relief or take such steps as it considers necessary to protect its interest.

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(vi) Either party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.

(vii) Unless otherwise agreed or specified in the mediation terms, each party shall bear its own costs incurred in the mediation and the parties shall share equally the mediator's costs and expenses.

(viii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.

(Note: The parties should be aware that the mediation process may not necessarily interrupt time limits.)

- (e) If Box 18 in Part I is not appropriately filled in, Sub-clause 18(a) of this Clause shall apply.

Note: Sub-clauses 18(a), 18(b) and 18(c) are alternatives; indicate alternative agreed in Box 18. Sub-clause 18(d) shall apply in all cases.

**19. Notices**

- (a) All notices given by either party or their agents to the other party or their agents in accordance with the provisions of this Agreement shall be in writing and shall, unless specifically provided in this Agreement to the contrary, be sent to the address for that other party as set out in Boxes 19 and 20 or as appropriate or to such other address as the other party may designate in writing.

A notice may be sent by registered or recorded mail, facsimile, electronically or delivered by hand in accordance with this Sub-clause 19(a).

- (b) Any notice given under this Agreement shall take effect on receipt by the other party and shall be deemed to have been received:
- (i) if posted, on the seventh (7th) day after posting;
  - (ii) if sent by facsimile or electronically, on the day of transmission; and
  - (iii) if delivered by hand, on the day of delivery.

And in each case proof of posting, handing in or transmission shall be proof that notice has been given, unless proven to the contrary.

**20. Entire Agreement**

This Agreement constitutes the entire agreement between the parties and no promise, undertaking, representation, warranty or statement by either party prior to the date stated in Box 2 shall affect this Agreement. Any modification of this Agreement shall not be of any effect unless in writing signed by or on behalf of the parties.

**21. Third Party Rights**

Except to the extent provided in Sub-clauses 13(d) (Indemnity) and 13(e) (Himalaya), no third parties may enforce any term of this Agreement.

**22. Partial Validity**

If any provision of this Agreement is or becomes or is held by any arbitrator or other competent body to be illegal, invalid or unenforceable in any respect under any law or jurisdiction, the provision shall be deemed to be amended to the extent necessary to avoid such illegality, invalidity or unenforceability, or, if such amendment is not possible,

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the provision shall be deemed to be deleted from this Agreement to the extent of such illegality, invalidity or unenforceability, and the remaining provisions shall continue in full force and effect and shall not in any way be affected or impaired thereby.

**23. Interpretation**

In this Agreement:

(a) Singular/Plural

The singular includes the plural and vice versa as the context admits or requires.

(b) Headings

The index and headings to the Clauses and Appendices to this Agreement are for convenience only and shall not affect its construction or interpretation.

(c) Day

“Day” means a calendar day unless expressly stated to the contrary.

Sample copy

**ANNEX "A" (DETAILS OF VESSEL OR VESSELS)**

**TO THE BIMCO STANDARD CREW MANAGEMENT AGREEMENT  
CODE NAME: CREWMAN B (LUMP SUM) 2009**

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Date of Agreement:

Name of Vessel(s):

Particulars of Vessel(s):

Sample copy



**ANNEX "B" (DETAILS OF CREW)**

**TO THE BIMCO STANDARD CREW MANAGEMENT AGREEMENT  
CODE NAME: CREWMAN B (LUMP SUM) 2009**

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Date of Agreement:

Details of Crew:

Numbers	Rank	Nationality
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Sample copy

**ANNEX "C" (ASSOCIATED VESSELS)**

**TO THE BIMCO STANDARD CREW MANAGEMENT AGREEMENT  
CODE NAME: CREWMAN B (LUMP SUM) 2009**

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**NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "C" THEY WILL BE SUBJECT TO THE PROVISIONS OF SUB-CLAUSE 17(b)(i) OF THIS AGREEMENT.**

Date of Agreement:

Details of Associated Vessels:

Sample copy