

DIRECTORATE GENERAL OF COASTAL SAFETY



SALVAGE AGREEMENT FR. 710.139 Rev. 00 / 26.05.2006

NO CURE – NO PAY

1. Name of the Salvor: DIRECTORATE GENERAL OF COASTAL SAFETY <i>(referred to hereinafter as “the SALVOR”)</i>	2. Property to be salvaged: The Vessel: <i>Vessel, Bunker, Cargo, Freight</i> <i>(referred to hereinafter as “the property to be salvaged”)</i>
3. Place of Delivery: <i>(Nearest anchorage area shall be assumed as the Agreed Place of Delivery unless otherwise is stated)</i>	4. The name of Shipowner/Operator:
5. Place of this agreement:	6. Date of this agreement:
7. Person signing for and on behalf of the Salvor: <i>Signature:</i>	8. Master or person signing for and on behalf of the property to be salvaged: <i>Signature:</i>

Master, Shipowner or Agent of the vessel exposed to sea peril shall hereinafter be referred to as the “MASTER”. The MASTER acting for and on behalf of all property to be salvaged has accepted and hereunder signed this Agreement in duplicate consisting of 8 Clauses and 4 pages.

ARTICLE 1- This agreement has been executed on the principle of “**no cure-no pay**” pursuant to ARTICLE 1223 of the Turkish Code of Commerce.

No objection can be raised that the service provided in accordance with this agreement is salvage service.

ARTICLE 2- The MASTER has, in remuneration for, requested the SALVOR to save the property to be salvaged stated in Box 2 which is exposed to the sea perils and to deliver the same to him at the place stated in Box 3. The SALVOR has accepted the request and undertaken to use its best endeavours to save the property within the context of provisions of this agreement at its own expense and by providing its own all kind of services and equipments.

The SALVOR is always entitled to use his absolute discretion at the commencement of the salvage operation until its conclusion in deciding whether the services will yield result or worth to the salvage service and expenses for the property to be salvaged stated in Box 2.

The SALVOR may by exercising its absolute discretion withdraw from this salvage agreement if it considers that the salvage service will not yield result or, if after taking into account the condition of the properties exposed to sea peril and stated in Box 2 and other facts and circumstances, the property to be salvaged do not only justify the costs that will be incurred but also the salvage service to be given. In that event the SALVOR has absolute right of abandoning the salvage notwithstanding that the operation may have already begun. If the SALVOR withdraws from the agreement and abandons the salvage, no claim may be made against the SALVOR. If the vessel or the properties on board are partly salvaged the SALVOR shall be entitled to the remuneration based on the property salvaged. The remuneration may not exceed the property salvaged.

The SALVOR has always absolute authority to render salvage service using any salvage tugs mentioned in this agreement or any other tugs and equipments in its possession and to change any tug/vessel or equipment at any stage of the salvage service.

ARTICLE 3- The master of vessel exposed to sea peril shall perform any manoeuvre and operation that the SALVOR deems necessary and shall deliver any necessary equipment to the SALVOR or put under SALVOR's command.

The SALVOR is entitled to use engine, anchor, chain, all kind of equipments and its accessories of the vessel exposed to sea peril as a free of charge related with the salvage. Therefore the SALVOR may displace all kind of equipments mentioned above, transfer them into the another vessel or salvage tug, if necessary

The SALVOR may discharge, freely displace, lighten everything on board of vessel exposed to sea peril including the cargo, ballast, bunkers, means, accessories, equipment etc. and may jettison anything which it deems necessary in SALVOR's absolute discretion. Therefore the SALVOR can not be held responsible from any claim.

The SALVOR can not be held liable for incurred damage, damages and losses or total loss on hull, equipment, cargo and other values of the vessel exposed to sea peril during the salvage operation due to manoeuvring, loading, discharging, towing and other acts or due to adverse weather or any other reason whatsoever.

ARTICLE 4- The Master and other crews can not in any way intervene to the salvage operation, hinder or attempt on their own any manoeuvres and operation. Furthermore the MASTER and crews are obliged to provide all the information and specifications and other relevant matters relating to the vessel, cargo, casualty to the Master of the Salvage Tug immediately.

In addition, the MASTER is obliged to provide to the SALVOR in writing type, quality, quantity and values of the cargo and bunker on board and name of the insurance companies of the vessel, cargo and freight and their insured values and whether the freight is collected and amount of collected part, if collected

In case of the fact that the SALVOR be prevented or intervened from completing the salvage operation by the MASTER, the salvage service shall nevertheless be deemed to have been fully and satisfactorily rendered and the salvage remuneration shall be assessed and paid accordingly.

ARTICLE 5- The salvage operation shall be deemed to have been successfully performed at the date of the circumstance stated in the last paragraph of article 4 occur and the MASTER shall be deemed to have been taken delivery of the salvaged properties according to the provisions of this agreement or brought to the place stated in Box 3 or secured where they are located.

MASTER, following completion of the Salvage operation in accordance with the first paragraph of this ARTICLE and immediately with unlimited duration, shall be obliged to provide a cash security or legally sufficient bank security including joint and several obligor and solitary surety, a copy of which is attached hereto in covering property salvaged in the form, terms and amount determined by the SALVOR against the salvage remuneration, costs, interest, arbitrators and solicitors' fees, arbitration costs as well as entirely other items that the MASTER is to be addressee and liable to pay the SALVOR. The amount of security shall not in any way affect the determination of the salvage remuneration imposition of costs and other liabilities by the arbitrators.

The SALVOR may keep standby a salvage tug in the vicinity of salvaged vessel or take other measures until such date that appropriate security is provided in accordance with the terms of this Agreement. The costs incurred, damages suffered and losses caused by the reasons mentioned above shall be taken into account when the salvage remuneration is determined. While determining of this remuneration, the times spent is calculated as a period when the tug moves from its location until turning back to the same place.

The SALVOR shall have rights of pledge and lien over the property to be salvaged and secured pursuant to this Agreement and the relevant provisions of the Turkish Code of Commerce. The salvaged vessel and the property on board may not be moved from the place stated in Box 3 or moved to another place and the cargo, other property and materials may not be removed from the vessel without the written consent of the SALVOR.

In case of giving a separate security for the vessel, cargo, bunkers or freight instead of only one letter of guarantee against all property salvaged and accepted in written form by SALVOR, the responsibility of ship owner shall continue relating to the cargo as well as letter of guarantee for cargo and the SALVOR may exercise to the legal process against the ship owner firstly or together with letter of guarantee issued for the cargo.

Not only one security but also separate securities may be given for the vessel, cargo, freight and bunker with the written consent of SALVOR. Although a separate security is given, the SALVOR may exercise to the legal process against the ship owner.

Where there is no security given or the security provided is insufficient, the SALVOR shall be free to exercise all its legal rights in order to secure its claim including exercising its right of lien and pledge or its right to detain the vessel and the cargo through a cautionary attachment or cautionary judgment, until such time that full security is provided or completed. The responsibility for any loss or damage that may be caused to the vessel and the cargo as a result of the exercise of these rights shall lie to the persons concerned with the vessel, bunkers, cargo and freight.

In case of any reason that the cargo on board is discharged without any security or with insufficient security, the owner of the salvaged vessel and the MASTER shall be personally liable to the SALVOR in respect of the cargo interests' share of profits for the salvage remuneration.

No claim for compensation may be made against the SALVOR for having obtained a high amount of security.

ARTICLE 6- The owner of the salvaged or assisted vessel is jointly and severally liable to the SALVOR with persons concerned with the cargo interests for the latter's share of profit for the salvage award including salvage award that the person concerned with the cargo is charged to pay, arbitrators' fees, solicitor fees, costs and other financial burdens. Further, the ship owner is responsible for the full amount of claim including all associated expenses. The owner of the salvaged vessel shall pay to the SALVOR the whole claim relating to the salvage service rendered. The SALVOR shall have absolute discretion to direct the party to the ship owner alone or the owner of the cargo together with the ship owner or to the MASTER at the basis of solidary and participation in covering property salvaged at the suit in order to collect the SALVOR's credit.

The ship owner agrees to pay the salvage award and the associated expenses relating to the vessel, bunkers, cargo and freight in full and that the claim may be directed to it alone.

The fact that securities are provided separately does not in any way affect to direct to the parties.

Where an amicable settlement cannot be reached between the parties the conflict related with the determination of the salvage award arising from the salvage service rendered to the property salvaged then the conflict shall if demanded by the SALVOR be resolved by reference to arbitration in Istanbul within the legal period. Any other conflicts shall be resolved and settled in accordance with the general provisions by the Istanbul Courts.

The SALVOR shall appoint one arbitrator and the MASTER or the ship owner acting on behalf of the property salvaged shall appoint another arbitrator. If the MASTER or the ship owner fails to appoint his arbitrator stated in this ARTICLE and give notifies to the SALVOR, within one week of receiving notification of an arbitrator's choice, the second arbitrator shall, upon application of the SALVOR, be appointed by the Istanbul Maritime Specialized Court.

If the two arbitrators cannot reach agreement, they will appoint a third arbitrator. If the arbitrators fail to agree on the appointment of the third arbitrator, then upon the application of the SALVOR the third arbitrator shall be appointed by the Istanbul Maritime Specialized Court.

The arbitrators shall complete their investigation and issue an award within 55 days of the first meeting on which the parties have been invited to attend, regardless of whether the parties have actually attended. Where it is decided to appoint a third arbitration the period shall be deemed to have been extended for 45 days upon commencing from the date of the meeting on which the parties have been invited to attend by the three arbitrators, regardless of whether the parties have actually attended. In that event the arbitrators as a panel of three arbitrators shall complete their examination and issue an award within 45 days upon commencing from the date of the meeting attended by the three arbitrators.

The arbitrators are not bound to the Code of Civil Procedure except of the obligatory provisions related with the arbitration. Any party not attending the examination shall not be notified and the trial shall progress in his absence.

The period of arbitration may be extended by the mutual consent of the parties or by court decision.

Where separate securities have been received in respect of the vessel, cargo, bunkers and freight, the arbitrators shall state in their award the values of the salvaged property and their ratios.

The arbitrators shall be paid on the basis of amount under the award. This amount shall be 10 % of the sum awarded where there are two arbitrators and 12 % the award accrued from this amount shall belong to persons concerned and/or owners of property salvaged of which the action of depth is litigated and shall be split equally between the arbitrators.

The arbitrators shall apply interest on the awarded sum commencing on the day after the salvage operation has ended, at the rediscount rate on Short Term Loans proposed by the Central Bank of the Republic of Turkey.

ARTICLE 7- If the vessel exposed to sea peril frees herself by her own means until the SALVOR has arrived at the place of the casualty, the SALVOR shall be entitled to recover the expenses and any damages it has incurred as well as an appropriate remuneration.

Where the vessel exposed to sea peril, whether within or outside of the monopoly area becomes salvaged by or receives assistance from third parties or vessels, it agrees to pay the SALVOR the indemnity of salvage remuneration in full.

ARTICLE 8- The salvage award awarded by the arbitrators as well as solicitor and arbitrators' fees, interest, arbitration costs and other sums shall be paid to the SALVOR within 7 days of service of the award on the MASTER, ship owner or their attorneys. Otherwise the SALVOR shall be entitled to recover its full claim from the security it holds or from the vessel, outstanding freight or the cargo.