

UNIT TWENTY TWO

Lloyd's
STANDARD FORM OF
SALVAGE AGREEMENT
(APPROVED AND PUBLISHED BY THE COMMITTEE OF
LLOYD'S)

NO CURE - NO PAY

extracts

On board the _____.

Dated _____ 19__.

It is hereby agreed between Captain _____, for and on behalf of the Owners of the " _____ " her cargo freight bunkers and stores and _____ for and behalf of (hereinafter called "the Contractor"):

1. (a) The Contractor agrees to use his best endeavours to salve the and/or her cargo bunkers and stores and take them to or other place to be hereafter agreed or if no place is named or agreed to a place of safety. The Contractor further agrees to use his best endeavours to prevent the escape of oil from the vessel while performing the services of salving the subject-vessel and/or her cargo bunkers and stores. The services shall be rendered and accepted as salvage services upon the principle of "no cure - no pay" except that where the property being salvaged is a tanker laden or partly laden with a cargo of oil and without negligence on the part of the Contractor and/or his Servants and/or Agents (1) the services are not successful or (2) are only partially successful (3) the Contractor is prevented from completing the services the Contractor shall nevertheless be awarded solely against the Owners of such tanker his reasonably incurred expenses and an increment not exceeding 15 per cent of such expenses but only if and to the extent that such expenses together with the increment are greater than any amount otherwise recoverable under this Agreement. Within the meaning of the said exception to the principle of "no cure-no pay" expenses shall in addition to actual out of pocket expenses include a fair rate for all tugs craft personnel and other equipment used by the Contractor in the services and oil shall mean crude oil fuel oil heavy diesel oil and lubricating oil.

- (b) The Contractor's remuneration shall be fixed by arbitration in London in the manner herein prescribed and any other difference arising out of this Agreement or the operations thereunder shall be referred to arbitration in the same way. In the event of the services referred to in this Agreement or any part of such services having been already rendered at the date of this Agreement by the Contractor to the said vessel and/or her cargo bunkers and stores the provisions of this Agreement shall apply to such services.
- (c) It is hereby further agreed that the security to be provided to the Committee of Lloyd's the Salved Values the Award and/or Interim Award and Appeal of the Arbitrator and/or Arbitrator(s) on Appeal shall be in _____ currency. If this Clause is not completed then the security to be provided and the Salved Values the Award and/or Interim Award and/or Award on Appeal of the Arbitrator and/or Arbitrator(s) on Appeal shall be _____ Pounds Sterling.
4. The Contractor shall immediately after the termination of the services or sooner in appropriate cases notify the committee of Lloyd's and where practicable the Owners of the amount for which he requires security (inclusive of costs expenses and interest). Unless otherwise agreed by the parties such security shall be given to the Committee of Lloyd's and security so given shall be in a form approved by the Committee and shall be given by persons firms or corporation resident in the United Kingdom either satisfactory to the Committee of Lloyd's or agreed by the Contractor.
5. Pending the completion of the security as aforesaid the Contractor shall have a maritime lien on the property salved for his remuneration. The salved property shall not without the consent in writing of the Contractor be removed from the place (within the terms of Clause 1) to which the property is taken by the Contractor on the completion on the salvage service until security has been given as aforesaid.

8. Any of the following parties may make a claim for arbitration:
(1) The Owners of the ship. (2) The Owners of the cargo or any part thereof. (3) The Owners of any freight separately at risk or any part thereof. (4) The Contractor. (5) The Owners the bunkers and/or stores. (6) Any other person who is a party to this Agreement.
16. Notwithstanding anything hereinbefore contained should the operations be only partially successful without any negligence or want of ordinary skill and care on the part of the Contractor his Servants or Agents and any portion of the vessel her appurtenances bunkers stores and cargo be salvaged by the Contractor he shall be entitled to reasonable remuneration and such reasonable remuneration shall be fixed in case of difference by Arbitration in manner hereinbefore prescribed.
17. The Master or other person signing this Agreement on behalf of the property to be salvaged enters into this Agreement as Agent for the vessel her cargo freight bunkers and stores and the respective owners thereof and binds each (but not the one for the other or himself personally) to the due performance thereof.

For and on behalf of the Contractor

For and behalf of the Owners of property to be salvaged

QUESTIONS

1. What are the parties to the salvage agreement?
2. Explain the principle No Cure - No Pay.
3. What does the Contractor (i.e. the salving vessel) undertake to do in Line (1a)?
4. When does the principle No Cure - No Pay not apply? (1a)
5. What are out-of-pocket expenses? (1a)
6. Where is the contractor's remuneration fixed? (1b)
7. How does this Agreement apply to the services already rendered before the Agreement? (1b)
8. What must the Contractor notify to the Committee of Lloyd's immediately after the termination of the salvage services? (Line 4)
9. What is a maritime lien and when is it applied under the Salvage Agreement? (Line 5)
10. Who or which parties may make a claim for arbitration? (Line 8)
11. Is the Contractor entitled to the remuneration if his services have been only partially successful? (16)
12. If so, on what condition and to what extent? (16)
13. Whose Agent does the Master become by signing the Salvage Agreement? (17)

I COMPREHENSION AND VOCABULARY

1. State which of the terms in brackets is described by the sentences below: (ARBITRATION, CONTRACTOR, MARITIME LIEN, NO CURE - NO PAY, SALVAGE AGREEMENT, SALVAGE AWARD, SECURITY)

1. The principle of pure salvage whereby the salvor who fails in his task receives no reward for his efforts.
2. A document governing the terms and conditions of assistance in saving a ship or goods from the dangers of the sea.
3. A claim of the master and crew on the vessel for the payment of wages due.
4. The submitting of matters of controversy to judgement by persons selected by all parties to the dispute.
5. A ship, person or company acting as the salvor in the salvage agreement.
6. A guarantee to cover the costs of salvage and salvage award, given by the Owner to the Committee of Lloyd's.
7. The decision given by an arbitrator for services rendered successfully in a salvage operation.

2. Fit the omitted words in the following text:
(CONCERNED, ENDEAVOURS, RECEIVED,
ASSISTANCE, CLAUSE, TERMS, NO CURE NO PAY,
PROPERTY, COMPLETED, SUCCESS, SECURITY,
CARGO, AMOUNT, OWNER, AGENT)

Where a vessel finds herself in need of _____ and it is not possible or desirable to accept assistance on fixed _____, the Master should do his best to arrange the help to be _____ under the Lloyd's Form of Salvage agreement. The Master should also request the advice of his _____ and of the nearest Lloyd's _____. In _____ 1 of the Agreement the Contractor agrees to use his best _____ to save the ship and _____, the remuneration in the event of _____ to be Lstg. Immediately after the services are _____, the Contractor has to notify the Committee of Lloyd's of the _____ in which he requires the security to be given. Pending (i.e. until) the completion of the _____ Contractor has a maritime lien on the salved _____. After the expiry of 42 days from the date of completion of the security, the Committee of Lloyd's call upon the parties _____ to pay over the amount of the security, unless a claim for arbitration has been within that period.

3. Insert the appropriate words or phrases in the following telexes:

1. **(MEANWHILE, OWING TO, IMMEDIATELY, AVAILABLE)**

MV "Starlight", Call Sign, cargo canned food in containers on the voyage for New Orleans is disabled and adrift off Houston _____ damage to steering gear, pos, pls cable if adequate tug _____ to tow us to port of refuge for repairs. _____ asked Houston agent for one tug require urgent answer _____ in order to be able to cancel Houston tug. Master.

2. **(AWAITING, PROCEED, ASSISTANCE, SALVAGE AGREEMENT, TELEX)**

your _____ of, tugboat "Mighty" _____ can towards you within 7 hours for _____ under no cure no pay Lloyd's standard form of _____. No towage companies would agree to tow under towage agreement. your agreement. Wilkins Salvage Co. Houston.

3. **(MEANWHILE, WHICH, BECAUSE)**

MV "starlight" call sign, regret cannot accept salvage agreement _____ no threatening damage. _____ received message from sistership "Sunlight" now proceeds towards us. Master.

4. **(EXPECT, DECLARED, REQUIRED, PUT INTO, ENTERED, NOTIFY)**

MV "Starlight" cargo canned food in containers for New Orleans due to steering gear damage _____ Houston 20 April - temporary and permanent repairs. sea protest and _____ general average. Please consignees before average bonds and average guarantee are before discharging operations start. Master.

II GRAMMAR

I. Indirect speech - Commands. Consider the following pair of sentences:

(1) The Master ordered: "Call for immediate tug assistance"
(la)The Master ordered the radio operator to call for immediate assistance.

Make the following commands indirect as in (la):

1. (*Chief Officer*), say "'Single up forward to one spring and breast line."
2. (*Agent, suggest*): "'Sign the salvage agreement as soon as possible."
3. (*Coastal Radio*): "Arrange launching passengers and crew in life-boats."
4. (*M/V WEST, M/W OAK: recommend*): "Lower your lifeboats before my arrival."
5. (*Coastal Radio to Master of M/V SYREN, order*): "Take command of Search and Rescue of the crew from the sinking vessel."

III TRANSLATION

1. MB "Ocean Trader", na putovanju iz Osla za Odesu, u balastu, dodirnuo je morsko dno (*touch ground*) u 02,40, 4. svibnja kod otočja Faroes zbog zakazivanja kormilarskog uređaja. Brod se odsukao vlastitim pogonom i ne pušta (*leak*). Uz pomoć ribarskog broda "Harpoon" otegljen je u luku zakloništa kamo je stigao u 07.30 sati. Ronioci su pregledali (*inspect*) udubine (*dents*) u limovima na dnu broda i oštećenje kormila. Zatim je brod izvučen na navoz (*slip*) radi popravka, gdje se još uvijek nalazi.
2.
 1. Rekao mi je da potpišem obrazac No Cure - No Pay.
 2. Preporučili smo im da okrenu brod prema vjetru.
 3. Krcatelj je rekao slagatelju da teret odmah ukrca.
 4. Obalna stanica je naredila zapovjedniku da se pripremi za prihvat tegljača.
 5. Lučki kapetan je naredio da se brod zadrži (*detain*) u luci.