

**Salvage Contract**  
**China Maritime Arbitration**  
**Commission Standard Form (2022)**

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## Salvage Contract

### China Maritime Arbitration Commission Standard Form (2022)

<p>1. Information of parties:</p> <p>(1) Name of the salvage Contractors: (referred to in this Contract as “the Contractors”)</p> <p>Address: _____</p> <p>Tel: _____</p> <p>Fax: _____</p> <p>Telex: _____</p> <p>Postal code: _____</p> <p>E-mail: _____</p> <p>(2) The salvaged party:</p> <p>Name of the owner of vessel: _____</p> <p>Address: _____</p> <p>Tel: _____</p> <p>Fax: _____</p> <p>Telex: _____</p> <p>Postal code: _____</p> <p>E-mail: _____</p> <p>Name of the vessel being salvaged: _____</p> <p>Flag state of the vessel: _____</p> <p>Port of registry of the vessel: _____</p>	<p>2. Property to be salvaged:</p> <p>The vessel stated in Box 1, her cargo, freight at risk, bunkers, stores and any other property thereon but excluding the personal effects or baggage of passengers, master or crew. (referred to in this Contract as “the property”)</p>
<p>3. Agreed place of safety: _____</p>	<p>4. Agreed currency of any arbitral award and security: _____ (if other than CNY)</p>
<p>5. Is the CSCOPIC Clause incorporated into this Contract?</p> <p>State alternative:    A. Yes    B. No</p>	
<p>6. Date of this Contract: _____</p>	<p>7. Place of Contract: _____</p>

(dd-mm-yyyy)	
8. Person signing for and on behalf of the Contractors Signature: _____	9. Master or the owners of the vessel signing for and on behalf the owners of the property Signature: _____

**1. Contractors' basic obligation:** The Contractors identified in Box 1 hereby agree to exercise due care to save the property specified in Box 2 and to take the property to the place stated in Box 3 or to such other place as may hereafter be agreed. If no place is inserted in Box 3 and in the absence of any subsequent agreement as to the place where the property is to be taken the Contractors shall take the property to a place he deems safe, the salvaged party shall be responsible for the risks and liabilities related to the property thereafter.

While performing the salvage operation the Contractors shall also exercise due care to prevent or minimise damage to the environment.

**2. CSCOPIC Clause:** Only when the word "Yes" in Box 5 has been selected this Contract shall be deemed to have been made on the basis that the CSCOPIC Clause is incorporated and forms part of this Contract. If the word "Yes" is selected in Box 5 this shall not of itself be construed as a notice invoking the CSCOPIC Clause within the meaning of sub-clause 2 thereof.

**3. No cure - no pay:** Subject to the provisions of the Maritime Law of the People's Republic of China relating to special compensation and to the CSCOPIC Clause if incorporated the Contractors operations shall be rendered and accepted as salvage operations upon the principle of "no cure - no pay". The Contractors shall not be entitled to the payment if the salvage operations have had no useful result.

**4. Prior operations:** Any salvage operations rendered by the Contractors to the property before and up to the date of this Contract shall be deemed to be covered by this Contract.

**5. Duties of property owners:** Each of the owners of the property shall cooperate

fully with the Contractors. In particular:

- (1) The Contractors may make reasonable use of the vessel's machinery, gear and equipment free of expense provided that the Contractors shall not unnecessarily damage abandon or sacrifice any property on board;
- (2) The Contractors shall be entitled to all such information as they may reasonably require relating to the vessel or the remainder of the property provided such information is relevant to the performance of the operations and is capable of being provided without undue difficulty or delay;
- (3) The owners of the property shall co-operate fully with the Contractors in obtaining entry to the place of safety stated in Box 3 or agreed or determined in accordance with Clause 1.
- (4) The owners of property shall ensure the place stated in Clause 5(3) could be safely accessed within a reasonable time. Failing this, the Contractors may deliver the property to a place of safety near the place stated in Clause 5(3).

**6. Rights of terminating the salvage operations:** When there is no longer any reasonable prospect of a useful result leading to a salvage reward either the owners of the vessel or the Contractors shall be entitled to terminate the salvage operations hereunder by giving reasonable prior written notice to the other.

**7. Deemed performance:** The Contractors' operations shall be deemed to have been performed when the property is in a safe condition in the place of safety stated in Box 3, agreed or determined in accordance with Clause 1 or stated in accordance with Clause 5(4). For the purpose of this provision the property shall be regarded as being in safe condition even though that property (or part thereof) is damaged or in need of maintenance provided that

- (1) The Contractors are not obliged to remain in attendance to satisfy the requirements of administrative department of maritime or port, or relevant competent authorities of the State and
- (2) The continuation of skilled salvage operations from the Contractors or other salvors is no longer necessary to avoid the property becoming lost or further damaged or delayed.

**8. Security for salvage reward:** In order to secure the remuneration to which the salvor is entitled, the owner of the property shall, after the completion of the salvage operations, provide satisfactory security in accordance with the currency type stated in Box 4 at the request of the Contractors within 7 working days of banks (except legal holidays).

Without the written consent of the Contractors, the vessel or other property salvaged shall not be removed from the port or place at which they first arrived after the completion of the salvage operations (or “the vessel or other property salvaged shall not be removed from the place of safety stated in Box 3, agreed or determined in accordance with Clause 1 or stated in accordance with Clause 5(4)”), until satisfactory security prescribed in paragraph 1 of this Clause has been provided. If the Contractors have reason to believe that the removal of the property is contemplated or any attempt is made to remove the property, the Contractors are entitled to apply for preservation of property or conduct.

The aforesaid amount(s) shall include interests.

**9. Arbitration clauses:** Any dispute arising from or in connection with this contract shall be submitted to China Maritime Arbitration Commission (CMAC) for arbitration in accordance with CMAC Arbitration Rules currently in force at the time of applying for arbitration. The arbitral award is final and binding on all the parties.

**10. Governing law:** Except otherwise expressly provided, this Contract and any arbitration hereunder shall be governed by the law of People’s Republic of China.

**11. Scope of authority:** The Master or the owners of vessel signing this Contract on behalf of the owners of the property identified in Box 2 enters into this Contract and each of the respective owners is bound to the due performance of this Contract.

**12. Incorporated provisions:** Except otherwise expressly provided, the Maritime Law of the People's Republic of China shall be incorporated and forms part of this Contract.

**13. Notification:** Any change(s) of the name, address, fax, telex number, postal code

and E-mail given in the preamble of this Contract shall be notified to the CMAC and the other party within 14 days. Failing this, any letter and document mailed to such address as well as any fax and telex message transmitted to such number shall be deemed to have been dully served to the parties over a period of reasonable time by the CMAC or the arbitration tribunal.

## **CSCOPIC CLAUSE (2022)**

### **1. General**

(1) This CSCOPIC Clause is supplementary to the Salvage Contract-China Maritime Arbitration Commission Standard Form (“Main Agreement”). The definitions in the Main Agreement are incorporated into this CSCOPIC Clause.

(2) If the CSCOPIC Clause is inconsistent with any provisions of the Main Agreement or inconsistent with the law applicable hereto, the CSCOPIC Clause, once invoked under sub-clause 2 hereof, shall override such other provisions.

(3) Subject to the provisions of sub-clause 4 hereof, the method of assessing Special Compensation under Maritime Law of PRC shall be substituted by the method of CSCOPIC remuneration assessment set out hereinafter. For the purposes of liens and time limits the operations hereunder will be treated in the same manner as salvage.

### **2. Invoking the CSCOPIC Clause**

(1) The Contractor shall have the option to invoke by written notice to the owners of the vessel the CSCOPIC Clause set out hereafter at any time of his choosing regardless of the circumstances and, in particular, regardless of whether or not there is a “threat of damage to the environment”.

(2) The assessment of CSCOPIC remuneration shall commence from the time the written notice is given to the owners of the vessel and operations rendered before the said written notice shall not be remunerated under this CSCOPIC Clause at all but in accordance with Maritime Law of PRC as incorporated into the Main Agreement.

### **3. Security for CSCOPIC Remuneration**

(1) The owners of the vessel shall provide to the Contractor within 2 working days (excluding legal holidays) after receiving written notice from the Contractor invoking the CSCOPIC Clause, a bank guarantee or P&I Club letter (hereinafter called “the Initial Security”) to the Contractor providing security for his claim for CSCOPIC remuneration in the sum of CNY ¥20 million, inclusive of interest and costs.



(2) If, at any time after the provision of the Initial Security the owners of the vessel reasonably assess the CSCOPIC remuneration plus interest and costs due hereunder to be less than the security in place, the owners of the vessel shall be entitled to require the Contractor to reduce the security to a reasonable sum and the Contractor shall be obliged to do so once a reasonable sum has been agreed.

(3) If, at any time after the provision of the Initial Security the Contractor reasonably assesses the CSCOPIC remuneration plus interest and costs due hereunder to be greater than the security in place, the Contractor shall be entitled to require the owners of the vessel to increase the security to a reasonable sum and the owners of the vessel shall be obliged to do so once a reasonable sum has been agreed.

(4) In the absence of agreement, any dispute concerning the proposed Guarantor, the form of the security or the amount of any reduction or increase in the security in place shall be resolved by the Arbitrator.

#### **4. Withdrawal and Termination by the Contractor**

(1) If the owners of the vessel do not provide the Initial Security within the said 2 working days, the Contractor, at his option, and on giving notice to the owners of the vessel, shall be entitled to withdraw from all the provisions of the CSCOPIC Clause and revert to his rights under the Main Agreement as if the CSCOPIC Clause had not existed. PROVIDED THAT this right of withdrawal may only be exercised if, at the time of giving the said notice of withdrawal the owners of the vessel have still not provided the Initial Security or any alternative security which the owners of the vessel and the Contractor may agree will be sufficient.

(2) If the owners of the vessel do not provide the Increased Security within 2 working days of the date upon which the reasonable sum for such Increased Security has been agreed between the Contractor and the owners of the vessel or has otherwise been determined by the Arbitrator, the Contractor, at his option, and on giving notice to the owners of the vessel, shall be entitled to terminate the operations under both the CSCOPIC Clause and the Main Agreement. The Contractor will in that event be

entitled to payment of all CSCOPIC remuneration due up to and including the date of such termination. The assessment of CSCOPIC remuneration shall take into account all monies due under the tariff rates set out in Appendix 1 hereof including a reasonable time for demobilisation after the date of such termination.

## **5. Tariff Rates**

(1) CSCOPIC remuneration shall mean the total of the tariff rates of personnel, tugs and other craft, portable salvage equipment, out of pocket expenses, and bonus due in accordance with the Appendix 1 hereof.

(2) CSCOPIC remuneration in respect of all personnel, tugs and other craft, and portable salvage equipment shall be assessed on a time and materials basis in accordance with the Tariff set out in Appendix 1 hereof. This tariff will apply until reviewed and amended by the CSCOPIC Committee in accordance with Clause 1(2) of Appendix 2. The tariff rates which will be used to calculate CSCOPIC remuneration are those in force at the time the salvage operations take place.

(3) “Out of pocket” expenses shall mean all those monies reasonably paid by or for and on behalf of the Contractor to any third party and in particular includes the hire of men, tugs, other craft and equipment used and other expenses reasonably necessary for the operation. They will be agreed at cost, PROVIDED THAT:

(a) If the expenses relate to the hire of men, tugs, other craft and equipment from another ISU member or their affiliate(s), the amount due will be calculated on the tariff rates set out in Appendix 1 hereof regardless of the actual cost.

(b) If men, tugs, other craft and equipment are hired from any party who is not an ISU member and the hire rate is greater than the tariff rates referred to in Appendix 1 hereof the actual cost will be allowed in full, subject to the Special Casualty Representative (“SCR”) being satisfied that in the particular circumstances of the case, it was reasonable for the Contractor to hire such items at that cost. If an SCR is not appointed or if there is a dispute, then the Arbitrator shall decide whether the expense was reasonable in all in the circumstances.

(c) Any out of pocket expenses incurred during the course of the operation in a currency other than CNY shall for the purpose of the CSCOPIC Clause be converted to CNY at the rate prevailing at the termination of the operations.

(4) In addition to the rates set out above and any out of pocket expenses, the Contractor shall be entitled to a standard bonus of 25% of those rates except that if the out of pocket expenses described in sub-clause 5(3)(b) hereof exceed the applicable tariff rates in Appendix 1 hereof the Contractor shall be entitled to a bonus such that he shall receive in total:

(a) The actual cost of such men, tugs, other craft and equipment plus 10% of the cost, or

(b) The tariff rate for such men, tugs, other craft and equipment plus 25% of the tariff rate whichever is the greater.

## **6. Salvage Award**

(1) The salvage operations under the Main Agreement shall continue to be assessed in accordance with Article 180 of Maritime Law of PRC, even if the Contractor has invoked the CSCOPIC Clause. CSCOPIC remuneration as assessed under sub-clause 5 above will be payable only by the owners of the vessel and only to the extent that it exceeds the total award in Article 180 (or, if none, any potential award) payable by all salvaged interests (including cargo, bunkers, lubricating oil and stores) before currency adjustment and before interest and costs even if the award in Article 180 or any part of it is not recovered.

(2) In the event of award in Article 180 or settlement being in a currency other than CNY it shall, for the purposes of the CSCOPIC Clause, be exchanged at the rate of exchange prevailing at the termination of the operations under the Main Agreement.

(3) The salvage award under Article 180 shall not be diminished by reason of the exception to the principle of “No Cure - No Pay” in the form of CSCOPIC remuneration.

## **7. Discount**

If the CSCOPIC Clause is invoked under sub-clause 2 hereof and the salvage award in Article 180 or settlement (before currency adjustment and before interest and costs) under the Main Agreement is greater than the assessed CSCOPIC remuneration then, notwithstanding the actual date on which the CSCOPIC remuneration provisions were invoked, the said award in Article 180 or settlement shall be discounted by 25% of the difference between the said award Article 180 or settlement and the amount of CSCOPIC remuneration that would have been assessed had the CSCOPIC remuneration provisions been invoked on the first day of the operations.

## **8. Payment of CSCOPIC Remuneration**

(1) The date for payment of any CSCOPIC remuneration which may be due hereunder will vary according to the circumstances:

(a) If there is no potential salvage award within the meaning of Article 180 as incorporated into the Main Agreement then, subject to Appendix 2 hereof, the undisputed amount of CSCOPIC remuneration due hereunder will be paid by the owners of the vessel within 1 month of the presentation of the claim. Interest on sums due will accrue from the date of termination of the operations until the date of payment at the Chinese prime rate plus 1%.

(b) If there is a claim for an salvage award in Article 180 as well as a claim for CSCOPIC remuneration, subject to Appendix 2 hereof, 75% of the amount by which the assessed CSCOPIC remuneration exceeds the total Article 180 security demanded from ship and cargo will be paid by the owners of the vessel within 1 month and any undisputed balance paid when the Article 180 salvage award has been assessed and falls due. Interest will accrue from the date of termination of the operations until the date of payment at the Chinese prime rate plus 1%.

(2) The Contractor hereby agrees to give an indemnity in a form acceptable to the owners of the vessel in respect of any over payment in the event that the CSCOPIC remuneration due ultimately proves to be less than the sum paid on account.

## **9. Termination of Payment of Remuneration to Owners of the Vessel**

(1) The owners of the vessel may at any time terminate the obligation to pay CSCOPIC remuneration after the CSCOPIC Clause has been invoked under sub-clause 2 hereof provided that the Contractor shall be entitled to at least 5 clear days' notice of such termination. In the event of such termination the assessment of CSCOPIC remuneration shall take into account all monies due under the tariff rates set out in sub-clause 5 hereof including time for demobilisation to the extent that such time did reasonably exceed the 5 days' notice of termination.

(2) The termination provisions contained in sub-clause 4(2) and sub-clause 9(1) hereof shall only apply if the Contractor is not prevented from demobilising his equipment by administrative department of maritime or port, or relevant competent authorities of the State.

## **10. Duties of Contractor**

The duties and liabilities of the Contractor shall remain the same as under the Main Agreement, namely to exercise due care to save the vessel and property thereon and in so doing to prevent or minimise damage to the environment.

## **11. The Misconduct of the Contractor**

The Contractor may be deprived of the whole or part of the payment due under the CSCOPIC Clause to the extent that the salvage operations thereunder have become necessary or more difficult or more prolonged or the salvaged fund has been reduced or extinguished because the Contractor has been guilty of fraud or other dishonest conduct.

## **12. Special Casualty Representative ("SCR")**

Once this CSCOPIC Clause has been invoked in accordance with sub-clause 2 hereof the owners of the vessel may at their sole option appoint an SCR to attend the salvage

operation in accordance with the terms and conditions set out in Appendix 2.

### **13.Special Representatives**

At any time after the CSCOPIC Clause has been invoked the Hull and Machinery underwriter (or, if more than one, the lead underwriter) and one owner or underwriter of all or part of any cargo on board the vessel may each appoint one special representative (hereinafter called respectively the “Special Hull Representative” and the “Special Cargo Representative” and collectively called the “Special Representatives”) at the sole expense of the appointor to attend the casualty to observe and report upon the salvage operation on the terms and conditions set out in Appendix 3 hereof. Such Special Representatives shall be technical men and not practising lawyers.

### **14. Pollution Prevention**

The assessment of CSCOPIC remuneration shall include the prevention of pollution as well as the removal of pollution in the immediate vicinity of the vessel.

### **15. General Average**

CSCOPIC remuneration shall not be a General Average expense to the extent that it exceeds the Article 180 of Maritime Law of PRC; any liability to pay such CSCOPIC remuneration shall be that of the Shipowner alone and no claim whether direct, indirect, by way of indemnity or recourse or otherwise relating to CSCOPIC remuneration in excess of the Article 180 of Maritime Law of PRC shall be made in General Average or under the vessel’s Hull and Machinery Policy by the owners of the vessel.

### **16. Arbitration clause**

Any dispute arising out of this CSCOPIC Clause or the operations thereunder shall be submitted to China Maritime Arbitration Commission (CMAC) in accordance with

the Main Agreement.

## **APPENDIX 1: Tariff Rates (CSCOPIC 2022)**

### **1. PERSONNEL**

(1) The daily tariff rate, or pro rata for part thereof, for personnel reasonably engaged on the contract, including any necessary time in proceeding to and returning from the casualty, shall be as follows:

Office administration, including communications	US\$1,498
Salvage Master	US\$2,232
Naval Architect or Salvage Officer/Engineer	US\$1,862
Assistant Salvage Officer/Engineer	US\$1,492
Diving Supervisor	US\$1,492

HSE or CDSCA qualified diver or his equivalent but excluding saturation or mixed gas divers (whose rate should be agreed with the SCR or determined by the Arbitrator)

US\$1,339

Salvage Foreman	US\$1,116
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Riggers, Fitters, Equipment Operators	US\$ 893
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Specialist Advisors – Fire Fighters, Chemicals, Pollution Control	US\$1,498
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(2) The cost of crews of tugs, and other craft, normally aboard that tug or craft for the purpose of its customary work is included in the tariff rate for that tug or craft but when because of the nature and/or location of the operations to be rendered, it is a legal requirement for an additional crew member or members to be aboard the tug or craft, the cost of such additional crew will be paid.

(3) The rates for any personnel not set out above shall be agreed with the SCR or, failing agreement, be determined by the Arbitrator.

(4) For the avoidance of doubt, personnel are “reasonably engaged on the contract” within the meaning of Appendix 1 sub-clause 1(1) hereof if, in addition to working, they are eating, sleeping or otherwise resting on site or travelling to or from the site. Personnel who fall ill or are injured while reasonably engaged on the contract shall be charged for at the appropriate daily tariff rate until they are demobilised but only if it was reasonable to mobilise them in the first place.

(5) CSCOPIC remuneration shall cease to accrue in respect of personnel who die on site from the date of death.



## 2. TUGS AND OTHER CRAFT

- (1) (a) Tugs, which shall include salvage tugs, harbour tugs, anchor handling tugs, coastal/ocean towing tugs, off-shore support craft, and any other work boat in excess of 500 b.h.p., shall be charged at the following rates, exclusive of fuel or lubricating oil, for each day, or pro rata for part thereof, that they are reasonably engaged in the operations, including proceeding towards the casualty from the tugs location when CSCOPIC is invoked or when the tugs are mobilised (whichever is the later) and from the tugs position when their involvement in the operations terminates to a reasonable location having due regard to their employment immediately prior to their involvement in the operations and standing by on the basis of their certificated b.h.p.:

For each b.h.p. up to 5,000 b.h.p.	US\$3.29
For each b.h.p. between 5,001 & 12,000 b.h.p.	US\$2.35
For each b.h.p. between 12,001 & 20,000 b.h.p.	US\$1.65
For each b.h.p. over 20,000 b.h.p.	US\$0.82

- (b) Any tug which has aboard certified fire fighting equipment shall, in addition to the above rates, be paid:

US\$810 per day, or pro rata for part thereof, if equipped with Fi Fi 0.5

US\$1,616 per day, or pro rata for part thereof, if equipped with Fi Fi 1.0

For that period in which the tug is engaged in fire fighting necessitating the use of the certified fire fighting equipment.

- (c) Any tug which is certified as “Ice Class” shall, in addition to the above, be paid US\$1,616 per day, or pro rata for part thereof, when forcing or breaking ice during the course of operations including proceeding to and returning from the casualty.

- (d) For the purposes of Appendix 1 sub-clause 2(1)(a) hereof tugs shall be remunerated for any reasonable delay or deviation for the purposes of taking on board essential salvage equipment, provisions or personnel which the Contractors reasonably anticipates he shall require in rendering the operations which would not normally be found on vessels of the tugs size and type.

- (2) Any launch or work boat of less than 500 b.h.p. shall, exclusive of fuel and lubricating oil, be charged at a rate of US\$4.88 for each b.h.p..

- (3) Any other craft, not falling within the above definitions, shall be charged out at the

price list issued by CDSCA, exclusive of fuel and lubricating oil.

(4) All fuel and lubricating oil consumed during the operations shall be paid at cost of replacement and shall be treated as an out of pocket expense.

(5) For the avoidance of doubt, the above rates shall not include any portable salvage equipment normally aboard the tug or craft and such equipment shall be treated in the same manner as portable salvage equipment and the Contractors shall be reimbursed in respect thereof in accordance with Appendix 1 sub-clause 3, sub-clause 4(2)(a) and (b) hereof.

(6) CSCOPIC remuneration shall cease to accrue in respect of tugs and other craft which become a commercial total loss from the date they stop being engaged in the operations plus a reasonable period for demobilisation (if appropriate). Provided that such CSCOPIC remuneration in respect of demobilisation shall only be payable if the commercial total loss arises whilst engaged in the operations and through no fault of the Contractors, their servants, agents or sub-contractors.

### **3. PORTABLE SALVAGE EQUIPMENT**

(1) The daily tariff, or pro rata for part thereof, for all portable salvage equipment reasonably engaged during the operations, including any time necessary for mobilisation and demobilisation, shall be as follows:

Equipment	Rate - US\$
<b>Generators</b>	
Up to 50 kW	88
51 to 120 kW	186
121 to 300 kW	297
Over 301 kW	520
<b>Compressors</b>	
185 Cfm	223
600 Cfm	373
1200 Cfm	595
Air Manifold	15
Blower; 1,500m <sup>3</sup> /min.	1,264
<b>Distribution Boards</b>	
Up to 50 kW	88

51 to 120 kW	186
121 to 300 kW	297
Over 301 kW	520

**Hoses: Per 6 Metres or 20 Feet**

**Air Hose**

¾"	6
2"	12

**Layflat**

2"	16
4"	22
6"	30

**Rigid**

2"	22
3"	25
4"	30
6"	37
8"	45

**Miscellaneous Equipment**

Air Bags, less than 5 tons lift	58
Air Bags 5 to 15 tons lift	297
Air Lift 4"	148
Air Lift 6"	297
Air Lift 8"	445
Air Tugger, up to 3 tons	112
Chain Saw	30
Container handling package	235
Communications package	235
Damage Stability Computer and Software	370
Echo Sounder, portable	37
Extension Ladder	30
Hydraulic Jack, up to 50 tons	58
Hydraulic Jack, up to 120 tons	112
Hydraulic Powerpack up to 40kWw	70

Hydraulic Powerpack 75kW	112	
Pressure washer, water	372	
Pressure washer, steam	669	
Rigging Package, heavy	595	
Rigging Package, light	297	
Steel band Saw	30	
Tirfors, up to 5 tonnes	16	
Thermal Imaging Camera	372	
Tool Package, per set	258	
Ventilation Package	30	
VHF Radio	16	
Z Boat, including outboard up to 14 feet	297	
Z Boat, including outboard over 14 feet	520	
<b>Diving Equipment</b>		
High Pressure Compressor 3500 psi/17 Cfm	235	
High Pressure Compressor 5500 psi/5 Cfm	135	
Decompression Chamber with Medical Lock	381	
Decompression Chamber: Two Men, including compressor	742	
Decompression Chamber: Four Men, including compressor	1,040	
Hot Water Diving Assembly	372	
Underwater Magnets	30	
Underwater Drill	30	
Shallow Water Dive Spread	335	
<b>Welding &amp; Cutting Equipment</b>		
Bolt Gun	446	
Oxy-acetylene Surface Cutting Gear	37	
Underwater Cutting Gear	75	
Underwater Welding Kit	75	
250 Amp Welder	223	
400 Amp Welder	297	
<b>Protective Clothing/Safety Equipment</b>		
Breathing Gear	75	
Hazardous Environment Suit	148	

Cooler; Evaporative; 36", 9800 Cfm, 110v	118
Heater 55,000/110,000 Btu	294
Gas Monitor; Four Gas Types	206
Nitrogen Generator - 1500 SCFH @96%, 220v	2,879
PPE; Ascending/Descending package: 4 Men	411
PPE; Bunker Gear Pkg: 1 Man	147
PPE; Chemical Suit Pkg: Class A: 1 Man	170
PPE; Chemical Suit Pkg: Class B: 1 Man	30
PPE; Cold Weather 1st Response Kit	41
PPE; Confined Space Entry 2 Men package, with Communications	617
PPE; Survival Suit, Immersion	12
Ventilation Pkg: Vane Axial: 1,500 Cfm	118
Ventilation Pkg: Venturi Type: 4,000 Cfm	135
<b>Pollution Control Equipment</b>	
Hot Tap Machine, including support equipment	1,486
Oil Boom, 24", per 10 metres	46
Oil Boom, 36", per 10 metres	148
Oil Boom, 48", per 10 metres	289
Ballast/Fuel storage Bins upto 10,000 litres	88
Ballast/Fuel storage Bins 10,000 to 25,000 litres	118
Ballast/Fuel storage Bins 25,000 to 50,000 litres	148
<b>Pumping Equipment</b>	
Air	
1"	76
2"	112
3"	130
Diesel	
2"	75
4"	134
6"	178
Electrical Submersible	
2"	75
4"	223

6"	891
Hydraulic	
3"	587
6"	891
8"	1,486
<b>Lighting Systems</b>	
Halogen system	118
Lighting String, per 50 feet	37
Light Tower	75
Underwater Lighting System, 1,000 watts	112
<b>Winches</b>	
Up to 5 tons, including 50 metres of wire	176
Up to 10 tons, including 50 metres of wire	206
Up to 20 tons, including 50 metres of wire	294
<b>Fenders</b>	
Yokohama	
1.00m. x 2.00m.	112
2.50m. x 5.50m.	223
3.50m. x 6.50m.	373
Low Pressure Inflatable	
3 metres	104
6 metres	104
9 metres	223
12 metres	372
16 metres	372
<b>Shackles</b>	
Up to 50 tonnes	15
51 to 120 tonnes	30
121 to 200 tonnes	46
over 200 tonnes	75
<b>Storage Equipment</b>	
12' Container	37
20' Container	58

(2) Any portable salvage equipment engaged but not set out above shall be charged at a rate to be agreed with the SCR or, failing agreement, determined by the Arbitrator.

(3) The total charge (before bonus) for each item of portable salvage equipment, owned by the Contractors, shall not exceed the manufacturer's recommended retail price on the last day of the operations multiplied by 2.0.

(4) Compensation for any portable salvage equipment lost or destroyed during the operations shall be paid at the replacement cost. Provided that the total of such compensation and the daily tariff rate (before bonus) in respect of that item does not exceed the actual cost of replacing the item at the Contractor's base with the most similar equivalent new item multiplied by 2.5.

(5) All consumables such as welding rods, boiler suits, small ropes etc. shall be charged at cost and shall be treated as an out of pocket expense.

(6) The Contractors shall be entitled to remuneration at a stand-by rate of 50% of the full tariff rate plus bonus for any portable salvage equipment reasonably mobilised but not used during the salvage operation provided:

(a) It has been mobilised with the prior agreement of the owner of the vessel or its mobilisation was reasonable in the circumstances of the casualty, or

(b) It comprises portable salvage equipment normally aboard the tug or craft that would have been reasonably mobilized had it not already been aboard the tug or craft.

(7) CSCOPIC remuneration shall cease to accrue in respect of portable salvage equipment which becomes a commercial total loss from the date it ceases to be useable plus a reasonable period for demobilisation (if appropriate). Provided that such CSCOPIC remuneration in respect of demobilisation shall only be payable if the commercial total loss arises while it is engaged in the operations and through no fault of the Contractors, their servants, agents or sub-contractors.

#### **4. DOWNTIME**

(1) If a tug or piece of portable salvage equipment breaks down or is damaged without fault on the part of the Contractors, his servants, agents or sub-contractors and as a direct result of performing the operations it should be paid for during the repair while on site at the stand-by rate of 50% of the tariff rate plus uplift pursuant to sub-clause 5(4) of the CSCOPIC Clause.

(2) If a tug or piece of portable salvage equipment breaks down or otherwise becomes inoperable without fault on the part of the Contractors, his servants, agents or sub-contractors and as a direct result of performing the operations and cannot be repaired on site then:

(a) If it is not used thereafter but remains on site then no CSCOPIC remuneration is payable in respect of that tug or piece of portable salvage equipment from the time of the breakdown.

(b) If it is removed from site, repaired and reasonably returned to the site for use CSCOPIC remuneration at the standby rate of 50% of the tariff rate plus bonus pursuant to sub-clause 5(4) of the CSCOPIC Clause shall be payable from the breakdown to the date it is returned to the site.

(c) If it is removed from the site and not returned CSCOPIC remuneration ceases from the breakdown but is, in addition, payable for the period that it takes to return it directly to base at the stand-by rate of 50% of the tariff rate plus bonus pursuant to sub-clause 5(4) of the CSCOPIC Clause.



## **APPENDIX 2: Special Casualty Representative (CSCOPIC 2022)**

### **1. List of SCR**

(1) The SCR shall be selected from a panel (the "SCR Panel") appointed by a Committee (the "CSCOPIC Committee") comprising of representatives appointed by the following:

1 representative from the China Maritime Arbitration Commission (CMAC)

3 representatives from the shipowners, ship operators and ship managers (or "3 representatives from the ships")

3 representatives from the China Diving & Salvage Contractors Association (CDSCA)

3 representatives from the commercial insurers (selected from PICC Property and Casualty Company Limited, China Pacific Insurance Company Limited and Ping An Insurance Company of China etc.)

1 representative from the China Shipowners Mutual Assurance Association

(2) The CSCOPIC Committee shall be responsible for reviewing the tariff rates set out in Appendix 1 based on the latest version of SCOPIC Appendix A within one month after its publication and ensure the tariff rates set out in Appendix 1 are no less than those set out in the latest version of SCOPIC Appendix A.

(3) The CSCOPIC Committee shall meet once a year in Beijing to review, confirm, reconfirm or remove SCR Panel members.

(4) Members of the CSCOPIC Committee shall serve without compensation.

(5) The CSCOPIC Committee shall be entitled to decide its own administrative rules as to procedural matters (such as quorums, the identity and power of the Chairman etc.).

(6) The CSCOPIC Committee may also set and approve the rates of remuneration for the SCRs.

(7) Any individual may be proposed for membership of the SCR Panel by any member of the CSCOPIC Committee and shall be accepted for inclusion on the SCR

Panel unless at least four votes are cast against his inclusion.

(8) The CSCOPIC Committee's meetings and business shall be organised and administered by the China Maritime Arbitration Commission who will keep the current list of SCR Panel members and make it available to any person with a bona fide interest.

(9) The owners of vessel shall be entitled to appoint SCR from list of SCR Panel members established by the CSCOPIC Committee and, if necessary, with the consent of the Contractors, the owners of vessel shall be entitled to appoint SCR other than those on the list of SCR Panel members for a specific salvage operations.

## **2. Duties of SCR**

The primary duty of the SCR shall be the same as the Contractors, namely to exercise due care to assist in the salvage of the vessel and the property thereon and in so doing to prevent and minimise damage to the environment.

## **3. Duties of Salvage Master**

The Salvage Master shall at all times remain in overall charge of the operation, make all final decisions as to what he thinks is best and remain responsible for the operation.

## **4. Responsibility of SCR**

(1) The Salvage Master shall consult with the SCR during the operation if circumstances allow and the SCR, once on site, shall be entitled to offer the Salvage Master advice.

(2) Once the CSCOPIC Clause is invoked the SCR shall be entitled to request Daily Salvage Reports issued by or on behalf of the Salvage Master or (if none) the principal Contractors' representative on site (hereinafter called "the Salvage Master").

The Daily Salvage Reports shall set out:

- the salvage plan (followed by any changes thereto as they arise)

- the condition of the casualty and the surrounding area (followed by any changes thereto as they arise)
- the progress of the operation
- the personnel, equipment, tugs and other craft used in the operation that day

(3) Pending the arrival of the SCR on site the Daily Salvage Reports shall be sent to CMAC and the owners of the vessel. Once the SCR has been appointed and is on site the Daily Salvage Reports shall be delivered to him. The SCR shall upon receipt of each Daily Salvage Report:

(a) Transmit a copy of the Daily Salvage Report by the quickest method reasonably available to CMAC, the owners of the vessel, their liability insurers, (if any) to the Special Representative (appointed under sub-clause 13 of the CSCOPIC Clause and Appendix 3) if they are on site, any parties to this Contract and any of their property insurers of whom they are notified and to the vessel's liability insurers; and if a Special Hull Representative is not on site the SCR shall likewise send copies of the Daily Salvage Reports direct to the leading Hull Underwriter or his agent (if known to the SCR) and if a Special Cargo Representative is not on site the SCR shall likewise send copies of the Daily Salvage Reports to such cargo underwriters or their agent or agents as are known to the SCR (hereinafter in this Appendix 2 such Hull and Cargo property underwriters shall be called "Known Property Underwriters").

(b) If circumstances reasonably permit consult with the Salvage Master and endorse the Daily Salvage Report stating whether or not he is satisfied and

(c) If not satisfied with the Daily Salvage Report, prepare a dissenting report setting out any objection or contrary view and deliver it to the Salvage Master and transmit it to CMAC, the owners of the vessel, their liability insurers, any Special Representatives, any parties to this Contract and any of their property insurers of whom they are notified and to the vessel's liability insurers. If one or both Special Representatives has not been appointed, to the appropriate Known Property Underwriter.

(d) If the SCR gives a dissenting report to the Salvage Master in accordance with Clause 4(3)(c) of Appendix 2, any initial payment due for CSCOPIC remuneration shall be at the tariff rate applicable to what is in the SCR's view the appropriate equipment or procedure until any dispute is resolved by agreement or arbitration.

(e) As soon as reasonably possible after the salvage operations terminate the SCR shall issue a report (hereinafter call the "SCR's Final Salvage Report") setting out:

- the facts and circumstances of the casualty and the salvage operation insofar as they are known to him.
- the tugs, personnel and equipment employed by the Contractors in performing the operation.
- a calculation of the CSCOPIC remuneration to which the Contractors may be entitled by virtue of this CSCOPIC Clause.

The SCR's Final Salvage Report shall be sent to the owners of the vessel and their liability insurers, CMAC any parties to this Contract and any of their property insurers of whom they are notified.

## **5. Replacement of SCR**

(1) The SCR may be replaced by the owner of the vessel if either:

- (a) the SCR makes a written request for a replacement to the owner of the vessel (however the SCR should expect to remain on site throughout the operations and should only expect to be substituted in exceptional circumstances); or
- (b) the SCR is physically or mentally unable or unfit to perform his duties; or
- (c) all salvaged interests or their representatives agree to the SCR being replaced.

(2) Any person who is appointed to replace the SCR may only be chosen from the SCR Panel.

(3) The SCR shall remain on site throughout the operations while he remains in that appointment and until the arrival of any substitute so far as practicable and shall hand

over his file and all other correspondence, computer data and papers concerning the salvage operations to any substitute SCR and fully brief him before leaving the site.

(4) The SCR acting in that role when the operations terminate shall be responsible for preparing the Final Salvage Report and shall be entitled to full co-operation from any previous SCR's or substitute SCR's in performing his functions hereunder.

## **6. Fees and Expenses of SCR**

The owners of the vessel shall be primarily responsible for paying the fees and expenses of the SCR. The Arbitrator shall have jurisdiction to apportion the fees and expenses of the SCR and include them in his award under the Main Agreement.

### **APPENDIX 3: Special Representatives (CSCOPIC 2022)**

1. The Salvage Master, the owners of the vessel and the SCR shall co-operate with the Special Representatives and shall permit them to have full access to the vessel to observe the salvage operation and to inspect such of the ship's documents as are relevant to the salvage operation.
2. The Special Representative shall have the right to be informed of all material facts concerning the salvage operation as the circumstances reasonably allow.
3. If an SCR has been appointed the SCR shall keep the Special Representatives (if any and if circumstances permit) fully informed and shall consult with the said Special Representatives. The Special Representatives shall also be entitled to receive a copy of the Daily Salvage Reports direct from the Salvage Master or, if appointed, from the SCR.
4. The appointment of any Special Representatives shall not affect any right that the respondent ship and cargo interests may have (whether or not they have appointed a Special Representative) to send other experts or surveyors to the vessel to survey ship or cargo and inspect the ship's documentation or for any other lawful purpose.
5. If an SCR or Special Representative is appointed the Contractor shall be entitled to limit access to any surveyor or representative (other than the said SCR and Special Representative or Representatives) if he reasonably feels their presence will substantially impede or endanger the salvage operation.