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SALVAGE

In matters of safety and pollution prevention the Master has the overriding authority to take whatever action is considered necessary, including entering into a salvage contract to safeguard the ship, the crew, the cargo and the environment. Whenever possible he must try to contact the Company before entering into a salvage contract.

In acute circumstances when the Master is unable to contact the Company a 'No Cure No Pay' contract must be entered into. The Lloyds Open Form (LOF) 2011 must be used whenever possible.

1. ESSENTIAL ELEMENTS IN A SALVAGE SERVICE

1.1. To award a salvage reward the following conditions must be met:

- a. The salvage service must be voluntary.
- b. The salvage service must be rendered to a recognised subject of salvage e.g. a ship, its equipment, cargo, and bunkers.
- c. The subject of salvage must be in danger; and
- d. The salvage service must be successful.

2. SALVAGE REWARD

A salvage reward is payable to the salvor on the successful conclusion of salvage services. No reward is payable where there is no success, giving rise to the well-known expression, "No Cure, No Pay". In cases where a pollution threat is averted, the LOF is, with agreement of insurers, declared with Scopic. This allows payment to the salvor for endeavours to minimise environmental damage.

The salvage reward is paid out of the value of the property saved. The size of the reward will depend on many factors including the degree of danger, enterprise and skill of the salvors, the degree of risk that the salvors were exposed, the extent of labour of the salvors, the risk of the salvors property, the value of the property saved, and loss, if any, incurred by the salvor.

The beneficiaries of the salvage service are liable to pay the salvage reward, they include the owners of the vessel, owners of equipment on board, charterers, owners of the cargo and the owners of the bunkers.

3. SALVAGE CONTRACT

In terms of the International Convention on Salvage 1989 the Master of the salvaged vessel will have the authority to conclude salvage contracts on behalf of the Owner, and the Master or

Owner will have the authority to conclude salvage contracts on behalf of the owners of the property (cargo/bunkers on the vessel).

3.1. A contract or any contract terms may be annulled or modified if:

- a. The contract was agreed to under undue influence of danger and its terms are inequitable; or
- b. The payment agreement is in an excessive degree too large or too small for the services fully rendered.

4. GENERAL AVERAGE


If there is cargo onboard when salvage becomes necessary, then the rules of General Average will also apply.

5. CONSIDERATIONS BEFORE ACCEPTING SALVAGE ASSISTANCE

5.1. When a vessel is in peril, the Master must immediately assess the threat and decide urgently whether assistance, including salvage assistance, is needed or not. The Master should always over-react on the side of safety and pollution prevention rather than delay in the hope that the situation may improve.

5.2. The Master should:

- a. Always seek the advice and instructions of the Company, but only if time allows.
- b. Immediately call for assistance if he thinks it necessary for the safety of the ship, crew and cargo.
- c. Accept the assistance that seems the most reasonable, taking into account the capabilities of the assisting ships and their ability to perform salvage services.
- d. Try to obtain agreement to LOF 2011 before accepting services offered.
- e. Give the salvor all possible assistance to enable him to do the job, remembering that the more that can be done without the salvors assistance, the less will be the salvors reward.
 - i. Take care to meticulously record evidence about:
 - ii. Terms on which assistance was offered and accepted.
 - iii. Details of assisting vessels.
 - iv. Any measures taken before the salvors arrival, and measures that might have been taken to save the ship had salvors not arrived ('sue and labour costs').
 - v. Any damage to the ship, injuries to the crew, etc.
 - vi. Assistance rendered by the ship's crew, the Master and the ship's own appliances during salvage services.

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- f. If immediate assistance is not considered essential and time allows, the assistance should be arranged through the Company on a contractual basis.
- g. There should never be a delay to negotiate a particular form of agreement or contract terms.
- h. In addition to any threat to life, ship and cargo, the necessity to avoid or reduce the risk of pollution must be a prime consideration.

6. ACCEPTING SALVAGE ASSISTANCE

LOF 2011 can be agreed to orally or by telex or fax by sending:

ACCEPT SALVAGE SERVICES ON BASIS LLOYDS STANDARD FORM LOF 2011 NO CURE NO PAY. MASTER (SHIPS NAME)

If the vessel offering assistance declines LOF 2011 but proposes other terms, these should be accepted at the Masters discretion. However, if the terms offered seem unreasonable or extortionate, the Master must voice his protest and record this in the deck log and the Official Logbook as soon as possible.

The authority of the Master is unaltered by engaging salvors; he remains in command of his vessel despite the presence of a salvage master. The Master should ensure that he is fully aware of all salvage actions being taken. Even though the salvage services are accepted, and assistance is being rendered, the salvor must cease the services if so instructed by the Master.


However, the Master should co-operate fully with professional salvors as they are experts in salvage operations. Any advice given by the salvage master or other person in charge of rendering or advising on salvage services should be heeded.

The salvors may not be experts in safety and handling of special cargoes or be familiar with the vessel being salvaged. If the Master is in doubt about the advisability of any action suggested by the salvors, he should challenge the advice given, bearing in mind his overriding responsibility for the safety of the ship, her cargo and the personnel on board.

Where several prospective salvors appear on the scene, the Master has absolute discretion in deciding which salvage vessel(s) will be employed. Vessels already engaged in the salvage operation have no right to object to others being brought in.

7. RECORD KEEPING

Detailed records must be kept of all events associated with the accident or the breakdown of machinery or equipment, and the salvage services subsequently rendered. The records may be in any form. All contemporaneous notes, whether on scraps of paper, in movement books or logbooks should be retained, together with course, rudder angle, depth and other records.

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Appropriate entries should be made in deck and engine room logs and in the Official Logbook. Accounts should be kept of:

- a. Particulars of the vessel and the cargo
- b. The condition of the vessel (including its position, proximity to the shore, nature of the seabed, the condition of the engines and anchors, the availability of crew, etc.).
- c. All salvage services rendered.
- d. All expenses incurred (overtime, hire of boats, etc.); and
- e. The weather conditions prevailing.

8. GOVERNMENT INTERVENTION

The government of a country whose interests are threatened, e.g. by pollution, has a right to take action within its territorial waters in respect of ship that has suffered a maritime casualty. The Master should comply with any instructions given and a full report should be made to the owners. If instructions are, in the Masters professional judgement, inadvisable or dangerous, he should question them and, if appropriate, make protest to the government or authority.

When challenging these authorities, the appointment of P and I correspondents (and possibly agents) is essential, and the Office will assist the Master.¹

¹ W 09 / 2024