

Addendum A.

M.L.A.A.N.Z. Submission

- "1. Are commercial interests in your country satisfied that private salvage in its present form or in an improved form is adequate to modern requirements?

Apparently.

- a. Should total compensation of salvors be higher than at present?

The level appears satisfactory at present. Such awards as are made in this country appear to reflect total and easily reached agreement between salvors and underwriters. They are small comparatively as reflects an industry which is small and has the majority of its claims in respect of small coastal and fishing vessels and pleasure crafts of various sizes.

- b. Is there a risk that salvors will not undertake salvage for fear of incurring liabilities or not being properly compensated?

Yes, in general we agree with the British analysis and therefore the obvious reasons for this risk:

- (i) On our coastal line the smaller, less profitable laden vessel predominates. These are likely to produce the least salvage reward for the most expenditure and therefore be unattractive to salvors.
- (ii) The financial disincentives of the risk of oil pollution control.
- (iii) The delay produced by negotiations between hull and P. & I. insurers as to funding of the salvage operation.
- (iv) Governmental interference.
- (v) The possibility of criminal and civil liability under either Commonwealth or State Legislation.

- c. Does the content of the salvage contract pose special problems in modern salvage? Are these problems soluble by provision in an International Convention?

Yes, and such problems are curable in part by international Convention. We take the view that the effects of the partial solution offered by the L.O.F. 80 should be allowed time to develop on a "wait-and-see basis;" but it may need to be coupled with some Convention provision which provides that in the event of the salvor having used his best, competent endeavours to effect the salvage, then no liability can attach to him - only the ship owner.

We think that this question may raise the whole issue of salvage financing. In a country which has a small maritime component, and is away from the world's maritime disaster areas, the average salvor requires a highly diverse operation to remain viable, let alone profitable (e.g. pile driving, marine inspections, for all manner of organisations and authorities which have no connection with salvage). The services provided, (leaving aside lifesaving measures which are a comparatively small part of the operation) are no different to the major clean-up services provided by local fire brigades. Funding on a similar basis, e.g. from a small levy imposed on all vessels entering a port might assist in supplementing the salvage award where it is too low or infrequent to maintain the viability of the industry.

2. When damage to third party interests has been avoided which might otherwise have involved ship/cargo in liability (liability salvage), should this be a proper subject for salvage? Should compensation be available.

In general, we think not. We find it difficult to saddle anyone other than the ship owner with such liability if and when it occurs; both on principle and because it would be impossible to quantify the respective loss or the value in its avoidance. Again, for the time being we are content to observe the effects of L.O.F.80.

- a. Are salvage awards in your country enhanced to include an element in respect of "liability salvage" or in any other respect?

No.

- b. Should "liability salvage" extend only to pollution risks or should other risks e.g. wreck removal, be included?

Only to pollution risks in the wide sense, i.e. oil chemical, nuclear, but not to wreck removal which only represents an avoidable danger.

- c. Should the award in respect of "liability salvage" be limited by reference to the value of hull and cargo? Alternatively, if liability underwriters are to contribute separately in respect of "liability salvage" should a separate limit be imposed?

We believe that the answer to both the question and the alternative should be no because there

is likely to be no relation between the insured value of hull and cargo and the cost of preventative measures. To impose such a limit is likely to defeat the purpose of a liability salvage award. (This may be another reason to establish a fund by levy to meet the unusually high costs involved.) The effort should be directed towards trying to meet the costs to be incurred rather than treating the cost as a separate component of hull or liability insurance. If the proper encouragement is to be given to the salvor then he ought not be liable in any event short of incompetence or negligence. This also raises the problem of protecting the ship owner from liability in cases of novus actus intervenens particularly by an incompetent or negligent salvor who actually magnifies the damage likely to have been caused to third parties.

- d. Do shipowners in your country prefer that the element of "liability salvage" should be met by their hull underwriters or by their liability underwriters?

There is no general consensus among our ship owners on this issue.

3. Under the law of your country are third party interests considered to be "in danger" for the purpose of Article 1 of the 1910 Convention?

Certainly not. The words of the article clearly exclude that. However, in an appropriate case of negligent salvage such third party interest might well have an action in tort or nuisance against the salvor.

- a. Can salvors claim the cost of preventive measures in salvage in your country? Does this right exist independent of salvors' rights under the 1969 and 1971 Conventions?

No. Unless they are local authorities acting in clean up operations pursuant to the various municipal laws of the States. The Commonwealth of Australia has acceded to the Conventions but has yet to legislate for their implementation.

- b. Do preventive measures refer to danger before or after an accident has occurred?

We are quite unable to perceive how anybody could justifiably anticipate the incident unless he was operating so irresponsibly as to warrant the law terminating his operations altogether. We therefore believe that the preventive measures refer to danger after an incident has occurred.

- c. Should there be an award in respect of preventive measures and, if so, should the salvage award also be enhanced in respect of liability salvage?

We find this question somewhat ambiguous. Doing the best we can then in so far as it raises issues of whether there should be an award regardless of the success of the preventive measures, we take the view that there should be an award in any event and that it is not of important to decide whether it should be part of or separate from the main salvage award. Again this is recognised by the 15% inducement extant under the LAS 80 provisions which we would like to observe in operation over a reasonable period for assessment.

4. In view of the instruction of the Legal Committee of IMCO to the CMI contained in paragraph 64 of the report of the 40th Session (see page 2 of the Introductory Report) should the CMI concern itself with the content of the salvage contract agreed by the interested parties?

We are of the view that the contents of the contract between the parties ought to be the product of their free choice and although we do not see Imco's instruction precluding CMI dealing with the "policy" contents of such contracts we think that neither body should concern itself with the type of substantive issues currently covered by LOF 80.

- a. Should the content of the salvage contract be superseded by rights and duties enforced under a Convention?

We can see no justification for this except perhaps on the "policy" issues we have mentioned. The remaining issues encompass far too many and too broad possibilities for independent agreement (and disagreement) to warrant supersession by a Convention.

- b. Is there a necessity for a jurisdiction clause in the proposed Convention?

No. This should be left to the parties.

- c. Is a new Convention or Protocol necessary?

Certainly, if for no other reason than to update the 1910 Convention but particularly to include the concept of awards being enhanced for preventive salvage measures taken in the interests of third parties."

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ADDENDUM B

CONVENTION FOR THE UNIFICATION OF CERTAIN RULES OF LAW
RESPECTING ASSISTANCE AND SALVAGE AT SEA, SIGNED AT BRUSSELS,
SEPTEMBER 23, 1910.

ARTICLE 1

Assistance and salvage of seagoing vessels in danger, of any things on board, of freight and passage money, and also services of the same nature rendered by seagoing vessels to vessels of inland navigation or vice-versa, are subject to the following provisions, without any distinction being drawn between these two kinds of service (viz., assistance and salvage), and in whatever waters the services have been rendered.

ARTICLE 2

Every act of assistance or salvage of which has had a useful result gives a right to equitable remuneration.

No remuneration is due if the services rendered have no beneficial result.

In no case shall the sum to be paid exceed the value of the property salvaged.

ARTICLE 3

Persons who have taken part in salvage operations notwithstanding the express and reasonable prohibition on the part of the vessel to which the services were rendered, have no right to any remuneration.

ARTICLE 4

A tug has no right to remuneration for assistance to or salvage of the vessel she is towing or of the vessel's cargo, except where she has rendered exceptional services which cannot be considered as rendered in fulfilment of the contract of towage.

ARTICLE 5

Remuneration is due notwithstanding that the salvage services have been rendered by or to vessels belonging to the same owner.

ARTICLE 6

The amount of remuneration is fixed by agreement between the parties, and, failing agreement, by the court.

The proportion in which the remuneration is to be distributed amongst the salvors is fixed in the same manner.

The apportionment of the remuneration amongst the owner, master and other persons in the service of each salvaging vessel shall be determined by the law of the vessel's flag.

ARTICLE 7

Every agreement as to assistance or salvage entered into at the moment and under the influence of danger may, at the request of either party, be annulled, or modified by the court if

it considers that the conditions agreed upon are not equitable.

In all cases, when it is proved that the consent of one of the parties is vitiated by fraud or concealment, or when the remuneration is, in proportion to the services rendered, in an excessive degree too large or too small, the agreement may be annulled or modified by the court at the request of the party affected.

ARTICLE 8

The remuneration is fixed by the court according to the circumstances of each case, on the basis of the following considerations:

(a) firstly, the measure of success obtained, the efforts and deserts of the salvors, the danger run by the salvaged vessel, by her passengers, crew and cargo, by the salvors, and by the salvaging vessel; the time expended, the expenses incurred and losses suffered, and the risks of liability and other risks run by the salvors, and also the value of the property exposed to such risks, due regard being had to the special appropriation (if any) of the salvors' vessel for salvage purposes; (b) secondly, the value of the property salvaged.

The same provisions apply for the purpose of fixing the apportionment provided for by the second paragraph of Article 6.

The court may deprive the salvors of all remuneration, or may award a reduced remuneration, if it appears that the salvors have by their fault rendered the salvage or assistance necessary or have been guilty of theft, fraudulent concealment, or other acts of fraud.

ARTICLE 9

No remuneration is due from persons whose lives are saved, but nothing in this Article shall affect the provisions of the national laws on this subject.

Salvors of human life, who have taken part in the services rendered on the occasion of the accident giving rise to salvage or assistance, are entitled to a fair share of the remuneration awarded to the salvors of the vessel, her cargo and accessories.

ARTICLE 10

A salvage action is barred after an interval of two years from the day on which the operations of assistance or salvage terminate.

The grounds upon which the said period of limitation may be suspended or interrupted are determined by the law of the court where the case is tried.

The High Contracting Parties reserve to themselves the right to provide, by legislation in their respective countries, that the said period shall be extended in cases where it has not been possible to arrest the vessel assisted or salvaged in the territorial waters of the State in which the plaintiff has his domicile or principal place of business.

ARTICLE 11

Every master is bound, so far as he can do so without serious danger to his vessel, her crew and her passengers, to render assistance to everybody, even though an enemy, found at sea in danger of being lost.

The owner of a vessel incurs no liability by reason of contravention of the above provision.

ARTICLE 12

The High Contracting Parties, whose legislation does not forbid infringements of the preceding Article, bind themselves to take or to propose to their respective Legislatures the measures necessary for the prevention of such infringements.

The High Contracting Parties will communicate to one another as soon as possible the laws or regulations which have already been or may be hereafter promulgated in their States for giving effect to the above provision.

ARTICLE 13

This convention does not affect the provisions of national laws or international treaties as regards the organization of services of assistance and salvage by or under the control of public authorities, nor, in particular, does it affect such laws or treaties on the subject of the salvage of fishing gear.

ARTICLE 14

This Convention does not apply to ships of war or to Government ships appropriated exclusively to a public service.

ARTICLE 15

The provisions of this Convention shall be applied as regards all persons interested when either the assisting or salving vessel or the vessel assisted or salvaged belongs to a State of the High Contracting Parties, as well as in any other cases for which the national laws provide.

Provided always that:

1. As regards persons interested who belong to a non-contracting State the application of the above provisions may be made by each of the contracting States conditional upon reciprocity.
2. Where all the persons interested belong to the same State as the Court trying the case, the provisions of the national law and not the Convention are applicable.
3. Without prejudice to any wider provisions of any national laws, Article II only applies as between vessels belonging to the States of the High Contracting Parties.

ARTICLE 16

Any one of the High Contracting Parties shall have the right,

three years after this Convention comes into force, to call for a fresh Conference with a view to possible amendments, and particularly with a view to extend, if possible, the sphere of its application.

Any Power exercising this right must notify its intention to the other Powers, through the Belgian Government, which will make arrangements for convening the Conference within six months.

ARTICLE 17

States which have not signed the present Convention are allowed to accede to it at their request. Such accession shall be notified through the diplomatic channel to the Belgian Government, and by the latter to each of the Governments of the other Contracting Parties, it shall become effective one month after the despatch of such notification by the Belgian Government.

ARTICLE 18

The present Convention shall be ratified.

After an interval of at most one year from the date on which the Convention is signed, the Belgian Government shall place itself in communication with the Governments of the High Contracting Parties which have declared themselves prepared to ratify the Convention, with a view to decide whether it should be put into force.

The ratifications shall, if so decided, be deposited forthwith at Brussels, and the Convention shall come into force a month after such deposit.

The Protocol shall remain open another year in favour of the States represented at the Brussels Conference. After this interval they can only accede to it in conformity with the provisions of Article 17.

ARTICLE 19

In the case of one or other of the High Contracting Parties denouncing this Convention, such denunciation shall not take effect until a year after the day on which it has been notified to the Belgian Government, and the Convention shall remain in force as between the other Contracting Parties.

In witness whereof, the Plenipotentiaries of the respective High Contracting Parties have signed this Convention and have affixed thereto their seals.

Done at Brussels, in a single copy, September 23, 1910.

Signatories: Great Britain, Germany, Argentine, Austria/Hungary, Austria, Hungary, Belgium, Brazil, Chile, Cuba, Denmark, Spain, United States of America, France, Greece, Italy, Japan, Mexico, Nicaragua, Norway, Netherlands, Portugal, Roumania, Russia, Sweden, Uruguay.

LLOYD'S



NOTES.

1. Insert name of person signing on behalf of Owners of property to be salvaged. The Master should sign wherever possible.

2. The Contractor's name should always be inserted in line 3 and whenever the Agreement is signed by the Master of the Salvaging vessel or other person on behalf of the Contractor the name of the Master or other person must also be inserted in line 3 before the words "for and on behalf of". The words "for and on behalf of" should be deleted where a Contractor signs personally.

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

NO CURE—NO PAY

On board the
Dated

19

* See Note 1
above

IT IS HEREBY AGREED between Captain†
behalf of the Owners of the "
stores and

for and on
" her cargo freight bunkers and

* See Note 2
above

for and on behalf of
(hereinafter called "the Contractor"):-

1. (a) The Contractor agrees to use his best endeavours to save 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 salvaging 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 or (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 Salvaged Values the Award and/or Interim Award and/or Award on 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 Salvaged Values the Award and/or Interim Award and/or Award on Appeal of the Arbitrator and/or Arbitrator(s) on Appeal shall be in Pounds Sterling.
- (d) This Agreement shall be governed by and arbitration thereunder shall be in accordance with English law.

2. The Owners their Servants and Agents shall co-operate fully with the Contractor in and about the salvage including obtaining entry to the place named in Clause 1 of this Agreement or such other place as may be agreed or if applicable the place of safety to which the salvaged property is taken. The Owners shall promptly accept redelivery of the salvaged property at such place. The Contractor may make reasonable use of the vessel's machinery gear equipment anchors chains stores and other appurtenances during and for the purpose of the operations free of expense but shall not unnecessarily damage abandon or sacrifice the same or any property the subject of this Agreement.

3. The Master or other person signing this Agreement on behalf of the property to be salvaged is not authorised to make or give and the Contractor shall not demand or take any payment draft or order as inducement to or remuneration for entering into this Agreement.

PROVISIONS AS TO SECURITY

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 corporations resident in the United Kingdom either satisfactory to the Committee of Lloyd's or agreed by the Contractor. The Committee of Lloyd's shall not be responsible for the sufficiency (whether in amount or otherwise) of any security which shall be given nor for the default or insolvency of any person firm or corporation giving the same.

5. Pending the completion of the security as aforesaid the Contractor shall have a maritime lien on the property salvaged for his remuneration. Where the aforementioned exception to the principle of "no cure—no pay" becomes likely to be applicable the Owners of the vessel shall on demand of the Contractor provide security for the Contractor's remuneration under the aforementioned exception in accordance with Clause 4 hereof. The salvaged 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 of the salvage services until security has been given as aforesaid. The Owners of the vessel their Servants and Agents shall use their best endeavours to ensure that the Cargo Owners provide security in accordance with the provisions of Clause 4 of this Agreement before the cargo is released. The Contractor agrees not to arrest or detain the property salvaged unless (a) the security be not given within 14 days (exclusive of Saturdays and Sundays or other days observed as general holidays at Lloyd's) after the date of the termination of the services (the Committee of Lloyd's not being responsible for the failure of the parties concerned to provide the required security within the said 14 days) or (b) the Contractor has reason to believe that the removal of the property is contemplated contrary to the above agreement. In the event of security not being provided or in the event of (1) any attempt being made to remove the property salvaged contrary to this agreement or (2) the Contractor having reasonable grounds to suppose that such an attempt will be made the Contractor may take steps to enforce his aforesaid lien. The Arbitrator appointed under Clause 6 or the person(s) appointed under Clause 13 hereof shall have power in their absolute discretion to include in the amount awarded to the Contractor the whole or such part of the expense incurred by the Contractor in enforcing or protecting by insurance or otherwise or in taking reasonable steps to enforce or protect his lien as they shall think fit.

PROVISIONS AS TO ARBITRATION

6. (a) Where security within the provisions of this Agreement is given to the Committee of Lloyd's in whole or in part the said Committee shall appoint an Arbitrator in respect of the interests covered by such security.

(b) Whether security has been given or not the Committee of Lloyd's shall appoint an Arbitrator upon receipt of a written or telex or telegraphic notice of a claim for arbitration from any of the parties entitled or authorised to make such a claim.

7. Where an Arbitrator has been appointed by the Committee of Lloyd's and the parties do not wish to proceed to arbitration the parties shall jointly notify the said Committee in writing or by telex or by telegram and the said Committee may thereupon terminate the appointment of such Arbitrator as they may have appointed in accordance with Clause 6 of this Agreement.

8. Any of the following parties may make a claim for arbitration viz.:—(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 of the bunkers and/or stores. (6) Any other person who is a party to this Agreement.

9. If the parties to any such Arbitration or any of them desire to be heard or to adduce evidence at the Arbitration they shall give notice to that effect to the Committee of Lloyd's and shall respectively nominate a person in the United Kingdom to represent them for all the purposes of the Arbitration and failing such notice and nomination being given the Arbitrator or Arbitrator(s) on Appeal may proceed as if the parties failing to give the same had renounced their right to be heard or adduce evidence.

10. The remuneration for the services within the meaning of this Agreement shall be fixed by an Arbitrator to be appointed by the Committee of Lloyd's and he shall have power to make an Interim Award ordering such payment on account as may seem fair and just and on such terms as may be fair and just.

CONDUCT OF THE ARBITRATION

11. The Arbitrator shall have power to obtain call for receive and act upon any such oral or documentary evidence or information (whether the same be strictly admissible as evidence or not) as he may think fit and to conduct the Arbitration in such manner in all respects as he may think fit and shall if in his opinion the amount of the security demanded is excessive have power in his absolute discretion to condemn the Contractor in the whole or part of the expense of providing such security and to deduct the amount in which the Contractor is so condemned from the salvage remuneration. Unless the Arbitrator shall otherwise direct the parties shall be at liberty to adduce expert evidence at the Arbitration. Any Award of the Arbitrator shall (subject to appeal as provided in this Agreement) be final and binding on all the parties concerned. The Arbitrator and the Committee of Lloyd's may charge reasonable fees and expenses for their services in connection with the Arbitration whether it proceeds to a hearing or not and all such fees and expenses shall be treated as part of the costs of the Arbitration. Save as aforesaid the statutory provisions as to Arbitration for the time being in force in England shall apply.

12. Interest at a rate per annum to be fixed by the Arbitrator from the expiration of 21 days (exclusive of Saturdays and Sundays or other days observed as general holidays at Lloyd's) after the date of publication of the Award and/or Interim Award by the Committee of Lloyd's until the date payment is received by the Committee of Lloyd's both dates inclusive shall (subject to appeal as provided in this Agreement) be payable upon any sum awarded after deduction of any sums paid on account.

PROVISIONS AS TO APPEAL

13. Any of the persons named under Clause 8 may appeal from the Award but not without leave of the Arbitrator(s) on Appeal from an Interim Award made pursuant to the provisions of Clause 10 hereof by giving written or telegraphic or telex Notice of Appeal to the Committee of Lloyd's within 14 days (exclusive of Saturdays and Sundays or other days observed as general holidays at Lloyd's) after the date of the publication by the Committee of Lloyd's of the Award and may (without prejudice to their right of appeal under the first part of this Clause) within 14 days (exclusive of Saturdays and Sundays or other days observed as general holidays at Lloyd's) after receipt by them from the Committee of Lloyd's of notice of such appeal (such notice if sent by post to be deemed to be received on the day following that on which the said notice was posted) give written or telegraphic or telex Notice of Cross-Appeal to the Committee of Lloyd's. As soon as practicable after receipt of such notice or notices the Committee of Lloyd's shall refer the Appeal to the hearing and determination of a person or persons selected by it. In the event of an Appellant or Cross-Appellant withdrawing his Notice of Appeal or Cross-Appeal the hearing shall nevertheless proceed in respect of such Notice of Appeal or Cross-Appeal as may remain. Any Award on Appeal shall be final and binding on all the parties concerned whether such parties were represented or not at either the Arbitration or at the Arbitration on Appeal.

CONDUCT OF THE APPEAL

14. No evidence other than the documents put in on the Arbitration and the Arbitrator's notes of the proceedings and oral evidence if any at the Arbitration and the Arbitrator's Reasons for his Award and Interim Award if any and the transcript if any of any evidence given at the Arbitration shall be used on the Appeal unless the Arbitrator(s) on the Appeal shall in his or their discretion call for or allow other evidence. The Arbitrator(s) on Appeal may conduct the Arbitration on Appeal in such manner in all respects as he or they may think fit and may act upon any such evidence or information (whether the same be strictly admissible as evidence or not) as he or they may think fit and may maintain increase or reduce the sum awarded by the Arbitrator with the like power as is conferred by Clause 11 on the Arbitrator to condemn the Contractor in the whole or part of the expense of providing security and to deduct the amount disallowed from the salvage remuneration. And he or they shall also make such order as he or they shall think fit as to the payment of interest on the sum awarded to the Contractor.

The Arbitrator(s) on the Appeal may direct in what manner the costs of the Arbitration and of the Arbitration on Appeal shall be borne and paid and he or they and the Committee of Lloyd's may charge reasonable fees and expenses for their services in connection with the Arbitration on Appeal whether it proceeds to a hearing or not and all such fees and expenses shall be treated as part of the costs of the Arbitration on Appeal. Save as aforesaid the statutory provisions as to Arbitration for the time being in force in England shall apply.

PROVISIONS AS TO PAYMENT

15. (a) In case of Arbitration if no Notice of Appeal be received by the Committee of Lloyd's within 14 days (exclusive of Saturdays and Sundays or other days observed as general holidays at Lloyd's) after the date of the publication by the Committee of the Award and/or Interim Award the Committee shall call upon the party or parties concerned to pay the amount awarded and in the event of non-payment shall realize or enforce the security and pay therefrom to the Contractor (whose receipt shall be a good discharge to it) the amount awarded to him together with interest as hereinbefore provided but the Contractor shall reimburse the parties concerned to such extent as the final Award is less than the Interim Award.
- (b) If Notice of Appeal be received by the Committee of Lloyd's in accordance with the provisions of Clause 13 hereof it shall as soon as but not until the Award on Appeal has been published by it call upon the party or parties concerned to pay the amount awarded and in the event of non-payment shall realize or enforce the security and pay therefrom to the Contractor (whose receipt shall be a good discharge to it) the amount awarded to him together with interest if any in such manner as shall comply with the provisions of the Award on Appeal.
- (c) If the Award and/or Interim Award and/or Award on Appeal provides or provide that the costs of the Arbitration and/or of the Arbitration on Appeal or any part of such costs shall be borne by the Contractor such costs may be deducted from the amount awarded before payment is made to the Contractor by the Committee of Lloyd's unless satisfactory security is provided by the Contractor for the payment of such costs.
- (d) If any sum shall become payable to the Contractor as remuneration for his services and/or interest and/or costs as the result of an agreement made between the Contractor and the parties interested in the property salvaged or any of them the Committee of Lloyd's in the event of non-payment shall realize or enforce the security and pay therefrom to the Contractor (whose receipt shall be a good discharge to it) the amount agreed upon between the parties.
- (e) Without prejudice to the provisions of Clause 4 hereof the liability of the Committee of Lloyd's shall be limited in any event to the amount of security held by it.

GENERAL PROVISIONS

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.

18. In considering what sums of money have been expended by the Contractor in rendering the services and/or in fixing the amount of the Award and/or Interim Award and/or Award on Appeal the Arbitrator or Arbitrators on Appeal shall to such an extent and in so far as it may be fair and just in all the circumstances give effect to the consequences of any change or changes in the value of money or rates of exchange which may have occurred between the completion of the services and the date on which the Award and/or Interim Award and/or Award on Appeal is made.

19. Any Award notice authority order or other document signed by the Chairman of Lloyd's or any person authorised by the Committee of Lloyd's for the purpose shall be deemed to have been duly made or given by the Committee of Lloyd's and shall have the same force and effect in all respects as if it had been signed by every member of the Committee of Lloyd's.

20. The Contractor may claim salvage and enforce any Award or agreement made between the Contractor and the parties interested in the property salvaged against security provided under this Agreement if any in the name and on behalf of any Sub-Contractors Servants or Agents including Masters and members of the Crews of vessels employed by him in the services rendered hereunder provided that he first indemnifies and holds harmless the Owners of the property salvaged against all claims by or liabilities incurred to the said persons. Any such indemnity shall be provided in a form satisfactory to such Owners.

21. The Contractor shall be entitled to limit any liability to the Owners of the subject vessel and/or her cargo bunkers and stores which he and/or his Servants and/or Agents may incur in and about the services in the manner and to the extent provided by English law and as if the provisions of the Convention on Limitation of Liability for Maritime Claims 1976 were part of the law of England.

For and on behalf of the Contractor

For and on behalf of the Owners of property
to be salvaged.

.....
(To be signed either by the Contractor personally or by the Master of the salvaging vessel or other person whose name is inserted in line 3 of this Agreement.)

.....
(To be signed by the Master or other person whose name is inserted in line 1 of this Agreement.)

ADDENDUM D

DRAFT CONVENTION ON SALVAGE

Chapter 1. - General Provisions

Art. 1-1 DEFINITIONS

1. Salvage operations means any act or activity undertaken to assist a vessel or property in danger in whatever waters the act or activity takes place.
2. Vessel means any ship, craft or structure capable of navigation, including any vessel which is stranded, left by its crew or sunk.
3. Property means any property in danger in whatever waters the salvage operations take place, but including freight for the carriage of the cargo, whether such freight be at the risk of the owner of the goods, the shipowner or the charterer.
4. Damage to the environment means substantial physical damage by pollution, explosion, contamination, fire or similar major incidents in coastal or inland waterways areas.
5. Payment means any reward, remuneration or reimbursement due under the provisions of this Convention.
6. Owner of the goods means the person entitled to the goods.

Art. 1-2 SCOPE OF APPLICATION.

1. This Convention shall apply whenever judicial or arbitral proceedings relating to matters dealt with in this Convention are brought in a contracting State, as well as when the salvor belongs to, or the salvaging vessel or the vessel salvaged is registered in the contracting State.
2. However, the Convention does not apply:
 - a. when all vessels involved are vessels of inland navigation.
 - b. when all interested parties are nationals of the State where the proceedings are brought.
 - c. to warships or to other vessels owned or operated by a State and being used at the time of the salvage operation exclusively on governmental non-commercial services.
 - d. to removal of wrecks.

Art. 1-3 SALVAGE OPERATIONS
CONTROLLED BY PUBLIC AUTHORITIES

1. This Convention shall not affect any provisions of national law or international convention relating to salvage operations by or under the control of public authorities.
2. Nevertheless, salvors carrying out such salvage operations shall be entitled to avail themselves of the remedies

provided for in this Convention in respect of salvage operations.

3. The extent to which a public authority under a duty to perform salvage operations may avail itself of the remedies provided for in this Convention shall be determined by the State where such authority is situated.

Art. 1-4 SALVAGE CONTRACTS

1. This Convention shall apply to any salvage operation unless the contract otherwise provides expressly or by implication.
2. The master shall have authority to conclude contracts for salvage operations on behalf of the owner of the vessel and of property thereon.

Art. 1-5 INVALID CONTRACTS OR CONTRACTUAL TERMS

A contract or any terms thereof may be annulled or modified if:

- a. The contract has been entered into under the influence of danger and its terms are inequitable,
or
- b. the payment under the contract is in an excessive degree too large or too small for the services actually rendered.

Chapter II - PERFORMANCE OF SALVAGE OPERATIONS

Art.2-1 DUTY OF THE OWNER AND MASTER

1. The owner and master of a vessel in danger shall take timely and reasonable action to arrange for salvage operations during which they shall co-operate fully with the salvor and shall use their best endeavours to avoid or minimize damage to the environment.
2. The owners of vessel or property salvaged and brought to a place of safety shall accept redelivery when reasonably requested by the salvors.

Art. 2-2 DUTIES OF THE SALVOR

1. The salvor shall use his best endeavours to save the vessel and property and shall carry out the salvage operations with due care. The salvor shall also use his best endeavours to avoid and minimize damage to the environment.
2. The salvor shall, whenever the circumstances reasonably require, obtain assistance from other available salvors. However, he may reject offers of assistance made by other salvors when he can reasonably expect to complete unassisted the salvage operation successfully within a reasonable time, or the capabilities of the other salvors are inadequate.

Art. 2-3 DUTY TO RENDER ASSISTANCE

1. Every master is bound, so far as he can do so without serious danger to his vessel and persons thereon, to render assistance to any person at sea in danger of being lost.
2. The contracting States shall adopt the measures necessary to enforce the duty set out in the preceding paragraphs.

Art. 2-4 CO-OPERATION OF CONTRACTING STATES

A contracting State shall, whenever regulating or deciding upon matters relating to salvage operations such as admittance to ports of vessels in distress or the provision of facilities to salvors, take into account the need for co-operation between salvors and public authorities in order to ensure the efficient and successful performance of salvage operations as preventing damage to the environment in general.

Chapter III. RIGHTS OF SALVORS

Art. 3-1 CONDITIONS FOR REWARD

1. Salvage operations which have had a useful result give right to a reward.
2. Except as otherwise provided, no payment is due under this Convention if the salvage operations have no useful result.
3. This Chapter shall apply, notwithstanding that the salvaged vessel and the vessel undertaking the salvage operations belong to the same owners.

Art. 3-2 THE AMOUNT OF THE REWARD

1. The reward shall be fixed with a view to encouraging salvage operations, taking into account the following considerations without regard to the order presented below:
 - a. the value of the property salvaged.
 - b. the skill and efforts of the salvors in avoiding or minimizing damage to the environment.
 - c. the measure of success obtained by the salvor.
 - d. the nature and degree of the danger.
 - e. the efforts of the salvors, including the time used and expenses and losses incurred by the salvors.
 - f. the risk of liability and other risks run by the salvors or their equipment.
 - g. the promptness of the service rendered.
 - h. the use of vessels or other equipment intended for salvage operations.

- i. the state of readiness and efficiency of the salvor's equipment and the value thereof.
2. The reward under paragraph 1 of this Article shall not exceed the value of the property salvaged at the time of the completion of the salvage operation.

Art. 3-3 REIMBURSEMENT OF SALVOR'S EXPENSES
AND ENTITLEMENT TO A SPECIAL REWARD

1. If the salvor has carried out salvage operations also in order to prevent that, as a result of the danger to the vessel and any cargo on board, damage to the environment might occur, or to minimize such damage, the salvor is entitled to compensation payable by the shipowner equivalent to the salvor's expenses as herein defined.
2. If the salvor's endeavours have actually avoided or minimized such damage, he is, in addition, entitled to a special reward, taking into account as applicable the criteria in paragraph 1 of Art. 3.2 not exceeding (twice) the salvor's expenses
3. "Salvor's expenses" for the purpose of 1) and 2) above means a fair rate for equipment and personnel actually used in the salvage operation together with the expenses reasonably incurred by the salvors in the salvage operations
4. Provided always that any recovery under this Article 3-3 shall be paid only to the extent that it exceeds any sums payable under Article 3-2.
5. If the salvor has been negligent and has thereby failed to avoid or minimize damage to the environment, he may be deprived of the whole or part of any payment due under this Article.

Art. 3-4 APPORTIONMENT BETWEEN SALVORS

1. The apportionment of a reward between salvors shall be made on the basis of the criteria contained in art. 3-2.
2. The apportionment between the owner, master and other persons in the service of each salvaging vessel shall be determined by the law of the flag of that vessel. If the salvage has not been carried out from a vessel the apportionment shall be determined by the law governing the contract between the salvor and his employees.

Art. 3-5 SALVAGE OF PERSONS

1. A salvor of human life, who has taken part in the salvage operations, is entitled to a fair share of any payment due under this Convention.
2. In any event, a salvor who at the request of any party concerned or a public authority has salvaged or undertaken to save any persons from a vessel in danger, shall be entitled to compensation equivalent to his expenses as defined in paragraph 3 of Article 3-3.

3. If the salvor has actually salvaged any person from the vessel, he is, in addition, entitled to a special reward, taking into account as applicable the criteria in paragraph 1. of Article 3-2, but not exceeding (twice) the salvor's expenses.).
4. Provided always that any recovery under paragraphs 2 and 3 of this Article shall be paid only to the extent that it exceeds any sum payable under paragraph 1 of this Article.
5. The payment due under paragraphs 2 and 3 of this Article shall be payable by the owner of the vessel in danger or the state in which that vessel is registered as provided in the law of that state.

Art. 3-6 SERVICES RENDERED
UNDER EXISTING CONTRACTS

No payment is due under the provisions of this Convention unless the services rendered exceed what can be reasonably considered as due performance of a contract entered into before the danger arose.

Art. 3-7 THE EFFECT OF SALVOR'S MISCONDUCT

A salvor may be deprived of the whole or a part of the payment due under the provisions of this Convention to the extent that the salvage operations have become necessary (or more difficult) because of fault or neglect on his part or if the salvor has been guilty of fraud or other dishonest conduct.

Art. 3-8 PROHIBITION BY THE OWNERS
OR PUBLIC AUTHORITIES

Services rendered notwithstanding the express and reasonable prohibition of the owner, the master, or an appropriate public authority shall not give rise to payment under the provisions of this Convention.

CHAPTER IV. - CLAIMS AND ACTIONS

Art. 4-1 MARTIME LIEN

1. Nothing in this Convention shall affect the salvor's maritime lien under any international convention or national law.
2. The salvor may not enforce his maritime lien when satisfactory security for his claim, including interest and costs, has been duly tendered or provided.

Art. 4-2 DUTY TO PROVIDE SECURITY

1. Upon the request of the salvor a person liable for a payment under the provisions of this Convention shall provide satisfactory security for the claim, including interest and costs of the salvor.

2. Without prejudice to paragraph 1 of this Article, the owner of the salvaged vessel shall use his best endeavours to ensure that the owners of the cargo provide satisfactory security for the claims against them including interest and costs before the cargo is released.
3. (If satisfactory security has not been provided within a reasonable time after a request has been made, the salvor is entitled to bring any claim for payment due under this Convention directly against the insurer of the person liable. In such a case the insurer shall only be liable if and to the extent that he would be liable if the claim in respect of the payment had been brought against him under contract of insurance by the person liable. The insurer shall have all defences available under the contract of insurance as against the person liable for the payment.)

Art. 4-3 INTERIM PAYMENT

The court or arbitral tribunal having jurisdiction over the claim of the salvor may by interim decision order that the salvor shall be paid such amount on account as seems fair and just and on such terms including terms as to security where appropriate as may be fair and just according to the circumstances of the case. In the event of an interim payment the security provided under Article 4-2 shall be reduced accordingly.

Art. 4-4 LIMITATION OF ACTIONS

1. Any action relating to payment under the provisions of this Convention shall be time-barred if judicial or arbitral proceedings have not been instituted within a period of two years.

The limitation period commences on the day on which the salvage operations are terminated.

2. The person against whom a claim is made may at any time during the running of the limitation period extend that period by a declaration of the claimant. This period may in the like manner be further extended.
3. An action for indemnity by a person liable may be instituted even after the expiration of the limitation period provided for in the preceding paragraphs, if brought within the time allowed by the law of the State where proceedings are instituted.

However, the time allowed shall not be less than 90 days commencing from the day when the person instituting such action for indemnity has settled the claim or has been served with process in the action against himself.

4. Without prejudice to the preceding paragraphs all matters relating to limitation of action are governed by the law of the State where the action is brought.

Art. 4-5 JURISDICTION

(1. Unless otherwise agreed, an action for payment under the provisions of this Convention may, at the option of the plaintiff, be brought in a court which, according to the law of the State where the court is competent and within the jurisdiction of which is situated one of the following places:

- a. the principal place of business of the defendant,
 - b. the port to which the property salvaged has been brought.
 - c. the place where the property salvaged has been arrested.
 - d. the place where security for the payment has been given.
 - e. the place where the salvage operations took place.
2. With respect to vessels owned by a contracting State and used for commercial purposes, each State shall be subject to suit in the jurisdiction set forth in the preceding paragraph and shall waive all defences based on its status as a sovereign State. In the case of a vessel owned by a State and operated by a Company which in that State is registered as the ship's operator, owner shall for the purpose of this paragraph mean such company.
3. Nothing in this article constitutes an obstacle to the jurisdiction of a contracting State for provisional or protective measures.

Art. 4-6 INTEREST

1. The right of the salvor to interest on any payment due under this Convention shall be determined according to the law of the State in which the court or arbitral tribunal seized of the case is situated.
2. Interest shall in any event commence to run when the request referred to in paragraph 1 of Art. 4-2 has been made.

(Art. 4-7 PUBLICATION OF ARBITRAL AWARDS

Contracting States shall take the measures necessary to make public arbitral awards made in any salvage case.)

CHAPTER V. - LIABILITY OF SALVORS

Art. 5-1 LIMITATION OF LIABILITY

A contracting State shall give salvors a right of limitation equivalent in manner and extent to the right provided for by the 1976 Convention on the Limitation of Liability for Marine Claims.

NOTE: This provision is intended to cover the situation where a contracting State is not a party to the 1976 Convention or has not implemented that Convention in its national legislation.

Art. 5-2 (DAMAGE CAUSED DURING SALVAGE OPERATIONS

A contracting State shall adopt the legislation necessary to relieve the salvors of all liability for damage caused (during the salvage operations) and for which the shipowner or other person in whose interest the salvage operations are carried out is liable.)

Draft Convention on SalvageChapter I. General ProvisionsArt. 1-1. Definitions.

1. Salvage operations means any act or activity undertaken to assist a vessel or any property in danger in whatever waters the act or activity takes place.
2. Vessel means any ship, craft or structure capable of navigation, including any vessel which is stranded, left by its crew or sunk.
3. Property includes freight for the carriage of the cargo, whether such freight be at the risk of the owner of the goods, the shipowner or the charterer.
4. Damage to the environment means substantial physical damage to human health or to marine life or resources in coastal or inland waters or areas adjacent thereto, caused by pollution, explosion, contamination, fire or similar major incidents.
5. Payment means any reward, remuneration, compensation or reimbursement due under the provisions of this Convention.

Art. 1-2. Scope of Application.

1. This Convention shall apply whenever judicial or arbitral proceedings relating to matters dealt with in this Convention are brought in a contracting State, as well as when the salvor belongs to, or the salving vessel or the vessel salvaged is registered in a contracting State.
2. However, the Convention does not apply:
 - a) when all vessels involved are vessels of inland navigation,
 - b) when all interested parties are nationals of the State where the proceedings are brought,
 - c) to warships or to other vessels owned or operated by a State and being used at the time of the salvage operations exclusively on governmental non-commercial services,
 - d) to removal of wrecks.

Art. 1-3. Salvage operations controlled by Public Authorities.

1. This Convention shall not affect any provisions of national law or international convention relating to salvage operations by or under the control of public authorities.
2. Nevertheless, salvors carrying out such salvage operations shall be entitled to avail themselves of the rights and remedies provided for in this Convention in respect of salvage operations.
3. The extent to which a public authority under a duty to perform salvage operations may avail itself of the rights and remedies provided for in this Convention shall be determined by the law of the State where such authority is situated.

Art. 1-4. Salvage Contracts.

1. This Convention shall apply to any salvage operations save to the extent that the contract otherwise provides expressly or by implication.
2. The master shall have authority to conclude contracts for salvage operations on behalf of the owner of the vessel and of property thereon.
3. Nothing in this article shall affect the application of the provisions of Article 1-5.

Art. 1-5. Invalid contracts or contractual terms.

A contract or any terms thereof may be annulled or modified if:

- a) the contract has been entered into under undue influence or the influence of danger and its terms are inequitable,
or,
- b) the payment under the contract is in an excessive degree too large or too small for the services actually rendered.

Chapter II. Performance of Salvage Operations.

Art. 2-1. Duty of the Owner and Master.

1. The owner and master of a vessel in danger shall take timely and reasonable action to arrange for salvage operations during which they shall co-operate fully with the salvor and shall use their best endeavours to prevent or minimize damage to the environment.
2. The owner and master of a vessel in danger shall require or accept other salvor's salvage services whenever it reasonably appears that the salvor already effecting salvage operations cannot complete them alone within a reasonable time or his capabilities are inadequate.
3. The owners of vessel or property salvaged and brought to a place of safety shall accept redelivery when reasonably requested by the salvors.

Art. 2-2. Duties of the Salvor

1. The salvor shall use his best endeavours to save the vessel and property and shall carry out the salvage operations with due care. In so doing the salvor shall also use his best endeavours to prevent or minimize damage to the environment.
2. The salvor shall, whenever the circumstances reasonably require, obtain assistance from other available salvors and shall accept the intervention of other salvors when requested so to do by the owner or master pursuant to paragraph 2 of Article 2-1; provided, however, that the amount of his reward shall not be prejudiced should it be found that such intervention was not necessary.

Art. 2-3. Duty to render assistance.

1. Every master is bound, so far as he can do so without serious danger to his vessel and persons thereon, to render assistance to any person in danger of being lost at sea.
2. The contracting States shall adopt the measures necessary to enforce the duty set out in the preceding paragraph.
3. The owner of the vessel shall incur no liability for a breach of the duty of the master under paragraph 1.

Art. 2-4. Co-operation of contracting States.

A contracting State shall, whenever regulating or deciding upon matters relating to salvage operations such as admittance to ports of vessels in distress or the provision of facilities to salvors, take into account the need for co-operation between salvors, other interested parties and public authorities in order to ensure the efficient and successful performance of salvage operations for the purpose of saving life or property in danger as well as preventing damage to the environment in general.

Chapter III. Rights of Salvors.

Art. 3-1. Conditions for reward.

1. Salvage operations which have had a useful result give right to a reward.
2. Except as otherwise provided, no payment is due under this Convention if the salvage operations have no useful result.
3. This Chapter shall apply, notwithstanding that the salvaged vessel and the vessel undertaking the salvage operations belong to the same owners.

Art. 3-2. The amount of the reward.

1. The reward shall be fixed with a view to encouraging salvage operations, taking into account the following considerations without regard to the order in which presented below:
 - a) the value of the property salvaged,
 - b) the skill and efforts of the salvors in preventing or minimizing damage to the environment,
 - c) the measure of success obtained by the salvor,
 - d) the nature and degree of the danger,
 - e) the efforts of the salvors, including the time used and expenses and losses incurred by the salvors,
 - f) the risk of liability and other risks run by the salvors or their equipment,
 - g) the promptness of the service rendered,
 - h) the availability and use of vessels or other equipment intended for salvage operations,
 - i) the state of readiness and efficiency of the salvor's equipment and the value thereof.
2. The reward under paragraph 1 of this Article shall not exceed the value of the property salvaged at the time of the completion of the salvage operation.

Art. 3-3. Special Compensation

1. If the salvor has carried out salvage operations in respect of a vessel which by itself or its cargo threatened

damage to the environment and failed to earn a reward under Article 3-2 at least equivalent to the compensation assessable in accordance with Article 3-3, he shall be entitled to compensation from the owner of that vessel equivalent to his expenses as herein defined.

2. If, in the circumstances set out in paragraph 1 of Article 3-3. hereof, the salvor by his salvage operations has prevented or minimised damage to the environment, the compensation payable by the owner to the salvor thereunder may be increased, if and to the extent that the tribunal considers it fair and just to do so, bearing in mind the relevant criteria set out in paragraph 1 of Art. 3-2. above, but in no event shall it be more than doubled.
3. "Salvor's expenses" for the purpose of paragraphs 1 and 2 of this Article means the out of pocket expenses reasonably incurred by the salvor in the salvage operation and a fair rate for equipment and personnel actually and reasonably used in the salvage operations, taking into consideration the criteria set out in paragraph 1. (g), (h) and (i) of Article 3-2.
4. Provided always that the total compensation under this Article shall be paid only if and to the extent that such compensation is greater than any reward recoverable by the salvor under Article 3-2.
5. If the salvor has been negligent and has thereby failed to prevent or minimize damage to the environment, he may be deprived of the whole or part of any payment due under this Article.
6. Nothing in this Article shall affect any rights of recourse on the part of the owner of the vessel.

Art. 3-4. Apportionment between salvors.

1. The apportionment of a reward between salvors shall be made on the basis of the criteria contained in Article 3-2.
2. The apportionment between the owner, master and other persons in the service of each salving vessel shall be determined by the law of the flag of that vessel. If the salvage has not been carried out from a vessel the apportionment shall be determined by the law governing the contract between the salvor and his employees.

Art. 3-5. Salvage of Persons.

1. No remuneration is due from the persons whose lives are saved, but nothing in this Article shall affect the provisions of national law on this subject.
2. A salvor of human life, who has taken part in the services rendered on the occasion of the accident giving rise to salvage, is entitled to a fair share of the remuneration awarded to the salvor for salvaging the vessel or other property or preventing or minimizing damage to the environment.

Art. 3-6. Services rendered under existing Contracts.

No payment is due under the provisions of this Convention unless the services rendered exceed what can be reasonably considered as due performance of a contract entered into before the danger arose.

Art. 3-7. The effect of Salvor's Misconduct.

A salvor may be deprived of the whole or a part of the payment due under the provisions of this Convention to the extent that the salvage operations have become necessary or more difficult because of fault or neglect on his part or if the salvor has been guilty of fraud or other dishonest conduct.

Art. 3-8. Prohibition by the Owners or Master

Services rendered notwithstanding the express and reasonable prohibition of the owner or the master shall not give rise to payment under the provisions of this Convention.

Chapter IV. Claims and Actions.

Art. 4-1. Maritime Lien.

1. Nothing in this Convention shall affect the salvor's maritime lien under any international convention or national law.
2. The salvor may not enforce his maritime lien when satisfactory security for his claim, including interest and costs, has been duly tendered or provided.
3. The salvaged property shall not without the consent of the salvor be removed from the port or place at which the property first arrives after the completion of the salvage operations until satisfactory security has been put up for the salvor's claim.

Art. 4-2. Duty to provide Security.

1. Upon the request of the salvor a person liable for a payment due under the provisions of this Convention shall provide satisfactory security for the claim, including interest and costs of the salvor.
2. Without prejudice to paragraph 1 of this Article, the owner of the salvaged vessel shall use his best endeavours to ensure that the owners of the cargo provide satisfactory security for the claims against them including interest and costs before the cargo is released.

Art. 4-3. Interim Payment.

The court or arbitral tribunal having jurisdiction over the claim of the salvor may by interim decision order that the salvor shall be paid such amount on account as seems fair and just and on such terms including terms as to security where appropriate as may be fair and just according to the circumstances of the case. In the event of an interim payment the security provided under Article 4-2 shall be reduced accordingly.

Art. 4-4. Limitation of actions.

1. Any action relating to payment under the provisions of this Convention shall be time-barred if judicial or arbitral proceedings have not been instituted within a period of two years. The limitation period commences on the day on which the salvage operations are terminated.
2. The person against whom a claim is made may at any time during the running of the limitation period extend that period by a declaration to the claimant. This period may in the like manner be further extended.
3. An action for indemnity by a person liable may be instituted even after the expiration of the limitation period provided for in the preceding paragraphs, if brought within the time allowed by the law of the State where proceedings are instituted. However, the time allowed shall not be less than 90 days commencing from the day when the person instituting such action for indemnity has settled the claim or has been first adjudged liable in the action against himself.
4. Without prejudice to the preceding paragraphs all matters relating to limitation of action under this Article are governed by the law of the State where the action is brought.

Art. 4-5. Jurisdiction.

1. Unless the parties have agreed to the jurisdiction of another Court or to arbitration, an action for payment under the provisions of this Convention may, at the option of the plaintiff, be brought in a Court which, according to the

law of the State where the court is situated, is competent and within the jurisdiction of which is situated one of the following places:

- a. the principal place of business of the defendant,
 - b. the port to which the property salvaged has been brought,
 - c. the place where the property salvaged has been arrested,
 - d. the place where security for the payment has been given,
 - e. the place where the salvage operations took place.
3. With respect to vessels owned by a contracting State and used for commercial purposes, each State shall be subject to suit in the jurisdiction set forth in paragraph 1 of this article and shall waive all defences based on its status as a sovereign State. In the case of a vessel owned by a State and operated by a company which in that State is registered as the ship's operator, owner shall for the purpose of this paragraph mean such company.
4. Nothing in this article constitutes an obstacle to the jurisdiction of a contracting State for provisional or protective measures. The exercise by the salvor of his maritime lien whether by arrest or otherwise against the property salvaged shall not be treated as a waiver by the salvor of his rights, including the right to have his claim for salvage remuneration adjudicated by court or arbitral proceedings in another jurisdiction.

Art. 4-6 Interest

1. The right of the salvor to interest on any payment due under this Convention shall be determined according to the law of the State in which the court or arbitral tribunal seized of the case is situated.

Art. 4-7 Publication of Arbitral Awards

1. Contracting States shall encourage, as far as possible and if need be with the consent of the parties, the publication of arbitral awards made in salvage cases.

Chapter V. Liability of Salvors

Art. 5-1 Limitation of Liability

1. A contracting State may give salvors a right of limitation equivalent in manner and extent to the right provided for by the 1976 Convention on the Limitation for Maritime Claims.