



**AGREEMENT GOVERNING THE DELEGATION OF STATUTORY FUNCTIONS
AND CERTIFICATION SERVICES FOR SHIPS REGISTERED IN
SAINT CHRISTOPHER AND NEVIS**

between

THE GOVERNMENT OF SAINT CHRISTOPHER AND NEVIS

and

GERMANISCHER LLOYD

**AGREEMENT GOVERNING THE DELEGATION OF STATUTORY FUNCTIONS AND
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This Agreement made in accordance with the provisions of Section 411(4) of the Merchant Shipping Act No. 24 of 2002, is between The Government of Saint Christopher and Nevis represented by the Ministry of Public Works, Utilities Transport and Posts, hereinafter referred to as "Administration" and Germanischer Lloyd, hereinafter referred to as "GL", with respect to the performance of marine statutory survey functions and the issuance of relevant certificates. The Agreement is in compliance with the "Guidelines for the Authorization of Organizations Acting on Behalf of the Administration", IMO Assembly Resolution A.739(18) and the Annexes thereto.

1 Purpose

The purpose of this Agreement is to delegate authority to perform statutory functions and certification services on ships registered in Saint Christopher and Nevis and classed with GL, unless indicated otherwise, and to define the scope, terms, conditions and requirements of that delegation.

2 Authorization and General Conditions

- .1 GL is hereby authorized to perform statutory functions and certification services comprising the assessment of ships registered in Saint Christopher and Nevis and classed with GL, in order to determine their compliance with the applicable requirements of the international conventions, codes and national requirements (hereinafter referred to as "applicable instruments"), and the issue of relevant certificates as set out in Appendix 1 hereto attached.
Furthermore, in case of ISM and ISPS certification GL is authorized to perform such duties also on ships classed by another Recognized Organization (hereinafter referred to as "RO"), if the ship owner so desires.
- .2 Statutory services rendered and statutory certificates issued by GL will be accepted as services rendered by or certificates issued by the Administration provided that GL maintains compliance with the provisions of Appendix 1 of the Annex to IMO Assembly Resolution A.739(18).
- .3 Authorizations for services outside the scope of Appendix 1 to this Agreement will be dealt with as mutually agreed on a case-by-case basis.
- .4 In so far as the statutory functions and certification services covered by this Agreement are concerned, GL agrees to co-operate with port State control officers to facilitate the rectification of reported deficiencies on behalf of the Administration when so requested, and report to the Administration.
- .5 GL shall endeavour to avoid undertaking activities which may result in a conflict of interest.

3 Interpretations, Equivalents, Exemptions

- .1 While interpretations of the applicable instruments, as well as the determination of equivalents or the acceptance of substitutes to the requirements of the applicable instruments are the prerogative of the Administration, GL may interpret the technical requirements of the international instruments and accept equivalents within the limits of those instruments and in accordance with their technical standards, however, shall keep the Administration informed at all times.

- .2 Exemptions from the requirements of the applicable instruments are the prerogative of the Administration and must be approved by the Administration prior to issuance.
- .3 In instances where, temporarily, the requirements of an applicable instrument cannot be met under particular circumstances, GL will specify such measures or supplementary equipment as may be available to permit the ship to proceed to a suitable port where permanent repairs or rectifications can be effected or replacement equipment fitted.

4 Information and Liaison

- .1 GL will report to the Administration such information at such frequency as agreed between GL and the Administration, as delineated in Appendix 2 to this Agreement. For the purposes of such reporting, exchange of information and liaison, the Registrar appointed pursuant to section 446 (5) of the Merchant Shipping Act No. 24 of 2002, is to be the point of contact for the Administration and GL will deal with the Registrar accordingly.
- .2 GL agrees to submit to the Administration, free of charge, a sufficient number of its rules, regulations and instructions as required by the Administration in respect of work carried out by GL in accordance with the Agreement. Alternative equivalent electronic arrangements may be provided.
- .3 GL shall document all statutory work performed on behalf of the Administration.
- .4 The Administration will provide GL with all necessary documentation for the purpose of GL's provision of statutory functions and certification services.
- .5 The Administration agrees to submit to GL, free of charge, a sufficient number of its rules, regulations, instructions and national requirements as required by GL in respect of work carried out by GL in accordance with the Agreement. Alternative equivalent electronic arrangements may be provided.
- .6 GL and the Administration, recognizing the importance of technical liaison, agree to co-operate towards this end and maintain an effective dialogue.
- .7 Rules, regulations, instructions, national requirements and report forms shall be written in English.

5 Supervision

- .1 The Administration will be given the opportunity to satisfy itself that GL's quality system continues to comply with the requirements of Appendix 1 of the Annex to IMO Assembly Resolution A.739(18).
- .2 The Administration may supervise the work of GL by audits, random inspections, planned inspections or expanded special surveys of ships.
- .3 The Administration may choose to recognize audits performed on GL by an independent audit group effectively representing the interests of the Administration or the IACS Quality Committee.
- .4 Should the Administration choose to conduct direct auditing of GL, the frequency and extent of audit will be subject to mutual agreement between the Administration and GL.

6 Remuneration

Remuneration for statutory functions and certification services carried out by GL on behalf of the Administration will be charged by GL directly to the party requesting such services. The Administration and GL do not invoice each other for any costs or financial burden caused by this Agreement.

7 Confidentiality

In so far as activities related to this Agreement are concerned, both GL and the Administration maintain confidentiality with respect to all documents and information handed over to the other party. Documents and information can only be made available to third parties with the approval of the respective other party. However, this shall not apply to the obligations GL has towards the administrations of flag States and other international organisations as well as legal requirements and international conventions. GL points out that GL is obliged to transfer class-relevant data to the databases Sirenac and Equasis.

8 Surveyors

In general, all statutory survey work shall be carried out, or directly supervised, by GL exclusive surveyors. GL may use exclusive surveyors of another organization with which GL has a bilateral agreement provided that the other organization is recognized by the Administration. These provisions apply to subcontractors and to all other suppliers of support services being relevant to statutory survey functions and certification services.

9 Amendments

Amendments to this Agreement and Appendixes will become effective only after consultation and written agreement between the Administration and GL.

10 Governing Law and Settlement of Disputes

- .1 The Agreement shall be governed by and construed in accordance with English law. Any dispute arising in connection with this Agreement, which cannot be settled by private negotiations between the parties, shall be settled finally by arbitration in the English language in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce in London by three arbitrators to be appointed according to the said rules. The place of arbitration shall be London, Great Britain.
- .2 In the performance of statutory functions and certification services hereunder, GL, its officers, employees and others acting on its behalf are entitled to all the protections of law and the same defences and/or counterclaims as would be available to the Administration and its own staff surveyors or employees if the latter had conducted the statutory functions and certification services in question.

11 Liability

- .1 In the context of this Agreement, if a liability is finally and definitively imposed on the state of the Administration for loss or damage which is proved in a court of law to have been caused by any negligent act or omission by GL, its officers, employees or others who act on behalf of GL under this Agreement, the Administration is entitled to seek from GL compensation as defined in the Standard Terms & Conditions of GL or up to but not exceeding the amount of € 2 million, whichever is the greater for the case in point.
- .2 While acting for the Administration under this Agreement, GL shall be free to create contracts directly with its clients and such contracts may contain GL's normal contractual conditions for limiting its legal liability.

12 Termination

- .1 If this Agreement is breached by one of the parties, the other party shall notify the violating party of its breach in writing under stating the reasons, to allow the notified party the opportunity to remedy the breach within 90 days, failing which the notifying party has the right to terminate the Agreement immediately.
- .2 This Agreement may be terminated by either party by giving the other party 12 months written notice.

13 This Agreement commences on the 1st day of January 2006

IN WITNESS WHEREOF the undersigned, duly authorized by the parties, have signed this Agreement.

For Ministry of Public Works, Utilities,
Transport & Posts on behalf of the
Administration



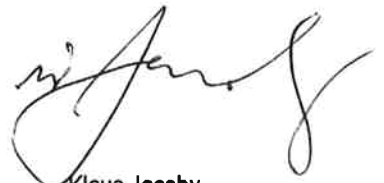
Mr. McClean Hobson
Director of Maritime Affairs

For
GERMANISCHER LLOYD



J. Schreiter

~~Hans J. Försterling~~
~~Chief Operating Officer~~



Klaus Jacoby
Deputy Director
Flag State Affairs

Date : 7/12/05

Date : 2006-02-02

Appendix 1

**To the AGREEMENT GOVERNING THE DELEGATION OF STATUTORY FUNCTIONS AND
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Applicable Instruments and Degree of Authorization

1. Germanischer Lloyd is hereby authorized as listed below to carry out statutory functions and certification services on behalf of the Administration with respect to ships and mobile offshore units registered in Saint Christopher and Nevis.

The following three types of authorizations apply as noted:

- F:** Full authorization to perform plan review, approve and inspect materials and equipment and carry out surveys and issue and/or revoke necessary interim and full-term certificates.
- P:** Partial authorization to perform plan review, carry out surveys and possible issue of interim certificates. (Specific guidance is to be provided by the Administration and full-term certificate is to be issued by the Administration).
- L:** Limited authorization to account for other special categories not covered by the above, such as case-by-case authorization or geographical limitations.

2. The listing of instruments and type of authorization is as follows:

	INSTRUMENT / CERTIFICATE	AUTHORIZATION * (see below for key)			
		IS/A	RS/A	AIS/A	AP
1.	1974 SOLAS Convention and the 1988 SOLAS Protocol as amended				
1.1	Passenger Ship Safety Certificate	F	F	N/A	N/A
1.2	Cargo Ship Safety Construction Certificate	F	F	F	N/A
1.3	Cargo Ship Safety Equipment Certificate	F	F	F	N/A
1.4	Cargo Ship Safety Radio Certificate	F	F	F	N/A
1.5	International Certificate of Fitness for the Carriage of Dangerous Chemicals in Bulk; according to the IBC Code for ships built on or after 1 July 1986	F	F	F	N/A
1.6	International Certificate of Fitness for the Carriage of Liquefied Gases in Bulk; according to the IGC Code for ships built on or after 1 July 1986	F	F	F	N/A
1.7	Document of Authorization for the Carriage of Bulk Grain	N/A	N/A	N/A	F
1.8	Document of Compliance for the Carriage of Dangerous Goods	F	F	N/A	N/A

¹ Authorization for the issue of a full-term certificate for which no survey is required

² Pre-certification survey instead of initial survey

³ Not limited to companies operating ships being classed by Germanischer Lloyd

⁴ Not limited to ships being classed by Germanischer Lloyd

⁵ As the relevant convention is presently not in force, the certificate may be issued only as Statement of Compliance