

NAME OF YACHT

Standard Crew Management Agreement

PART I

1. Date of the Agreement: _____
2. Owners: [], place of registered office is [] and law of registry is [] (Cl. 1)
3. Crew Managers: Burgess Crew Services (Guernsey) PCC Ltd – **number and name** place of registered office is Guernsey and law of registry is Guernsey (Cl.1).
4. Day and year of commencement of Agreement (Cl. 2, 7.2(i), 8.1 and 17): **[date contract to start]**
5. Day and year of termination of Agreement (Cl.17): **[date one year on from 4]**
6. Accounting service provided: yes (Cl.3.2)
7. Flag of the Vessel (Cl. 3.1 (ii) and 6.5): []
8. Insurance arrangements: b of Cl. 6.7 (iii)
9. Crew management fee (Cl. 7.1) is 5% of 1/12th of the crewmember's annual salary as the first month's fee and 3.75% of the crewmember's payroll thereafter. PCC set up fee €900 and annual PCC fee €350
10. Lay up or extensive repairs (Cl. 7.4): three (3) months
11. Termination (state number of months fee/Crew Support Costs payable) (Cl. 18.6): three (3) months
12. Law and Arbitration (Cl. 19): English law, London arbitration
13. Notices (Cl. 20) Postal address and fax number for service of notice and communication to the Owners: **[name address and contact]**
14. Notices to the Crew Manager (Cl. 20): Burgess Crew Services (Guernsey) PCC Ltd – **number and name**, P O Box 191, Elizabeth House, Ruettes Brayes, St Peter Port, Guernsey GY1 4HJ, Fax: +44 1481 728 633

It is mutually agreed between the party mentioned in No 2 (hereinafter called the "Owners") and the party mentioned in PART I No 3 (hereinafter called the "Crew Managers") that this Agreement consisting of PART I and PART II as well as ANNEX A, ANNEX B and ANNEX C attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II and ANNEX A, ANNEX B and ANNEX C to the extent of such conflict but no further.

Signature(s) (Owners) _____

Signature (Crew Manager) _____

ANNEX "A"

Date of the Agreement: _____

Name of Vessel: _____

Particulars of the Vessel:

Build:

Year:

LOA:

GT:

Flag:

Port of registry:

IMO number:

ANNEX "B" & ANNEX "C"

Date of the Agreement: _____

Name of Vessel: _____

Crew list and crew budget:

PART II
“CREWMAN A – COST PLUS FEE” Standard Crew Management Agreement

1. Definitions

In this Agreement, save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them.

“Company” means the Owner of the Vessel or any other organisation or person who has assumed the responsibility for the operation of the Vessel from the Owner and who, on assuming such responsibility, has agreed to take over all duties and responsibilities imposed by the ISM Code.

“Connected Person” means any person connected with the provision and the performance of the Crew Management Services.

“Crew” means the Master, officers and ratings of the numbers, rank and nationality specified in ANNEX “B” attached hereto.

“Crew Costs” means the budgeted costs for Crew Employment as set out in ANNEX “C”.

“Crew Managers” means the party identified in PART I No 3.

“Crew Management Services” means the services agreed to be carried out by the Crew Managers in accordance with sub-clause 3.1 and sub-clause 3.2.

“ISM Code” means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organisation (IMO) by resolution A.741 (18) or any subsequent amendment thereto.

“MLC” means the International Labour Organisation (ILO) Maritime Labour Convention (MLC 2006) and any amendment thereto or substitution thereof.

“Owners” means the party identified in PART I No 2.

“Severance Costs” means the costs which the Crew Managers are legally obliged to pay to the Crew as a result of the early termination of a fixed term employment contract for service on the Vessel.

“Shipowner” shall mean the party named as “shipowner” on the Maritime Labour Certificate for the Vessel.

“STCW 95” means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 or any subsequent amendment thereto.

“Vessel” means the vessel or vessels, details of which are set out in ANNEX “A” attached hereto.

2. Appointment of Crew Managers

With effect from the day and year stated in PART I No 4 and continuing unless and until termination as provided herein, the Owners hereby appoint the Crew Managers and the Crew Managers hereby agree to act as the crew managers for the Vessel.

3. Basis of Agreement

Subject to the terms and conditions herein provided, during the period of this Agreement, the Crew Managers shall be the employers of the Crew and shall carry out Crew Management Services in respect of the Vessel in their own name. The Crew Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform this Agreement in accordance with sound crew management practice, including but not limited to compliance with all relevant rules and regulations and the MLC.

3.1 Crew Management

The Crew Managers shall provide suitably qualified Crew for the Vessel as required by the Owners in accordance with the STCW 95 requirements, provision of which includes but is not limited to the following functions:

- (i) selecting and engaging the Vessel's Crew, including arranging Seafarer's Employment Agreements, payroll arrangement, pension administration, Crew's tax, social security contributions and other dues payable in the seafarer's country of domicile;
- (ii) ensuring that the applicable requirements of the law of the flag of the Vessel stated in PART I No 7 are satisfied in respect of manning levels, rank, qualification and certification of the Crew and employment regulations including disciplinary and other requirements;
- (iii) ensuring that all members of the Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate flag State requirements. In the absence of applicable flag State requirements the medical certificate shall be dated no more than three months prior to the respective crew members leaving his or her country of domicile and maintained for the duration of his or her service on board the Vessel;
- (iv) ensuring that the Crew shall have a command of the English language of a sufficient standard to enable them to perform his or her duties safely;

- (v) instructing the Crew to obey all reasonable orders of the Owners and/or the Company, including, but not limited to orders in connection with safety and navigation, avoidance of pollution and protection of the environment;
- (vi) ensuring that no Connected Person shall proceed to sea on board the Vessel without the prior consent of the Owners (such consent not to be unreasonably withheld);
- (vii) arranging transportation of the Crew, including repatriation;
- (viii) training the Crew and supervising his or her efficiency;
- (ix) conducting union negotiations;
- (x) operating the Owners' drug and alcohol policy, unless otherwise agreed; and
- (xi) The Crew Managers shall, to the extent of their Crew Management Services, ensure compliance with the MLC, on behalf of the Shipowner, in respect of the Crew supplied by the Crew Managers.

3.2 Accounting Services

The Crew Managers shall:

- (i) establish an accounting system which meets the requirements of the Owners and provide regular accounting services, supply regular reports and records; and
- (ii) maintain the records of all costs and expenditure incurred as well as data necessary or proper for the settlement of accounts between the parties.

4. Crew Insurance Arrangements

Subject to the terms and conditions herein provided, the Owners shall, unless otherwise agreed:

4.1 insure the Crew and any Connected Persons proceeding to sea on board for crew risks, which shall include but not be limited to death, sickness, repatriation, injury, shipwreck unemployment indemnity and loss of personal effects, with a sound and reputable insurance company, underwriter or protection and indemnity association ("the Crew Insurances");

4.2 ensure that all premiums or calls in respect of the Crew Insurances are paid promptly by their due date;

4.3 ensure that Crew Insurances shall name the Crew Managers as co-assured (unless advised by the Crew Managers to the contrary); and

4.4 provide evidence that they have complied with their obligations under sub-clauses 4.1, 4.2 and 4.3 within a reasonable time following the commencement of

this Agreement and after each renewal date or payment date of the Crew Insurances, to the reasonable satisfaction of the Crew Managers.

5. Crew Managers' Obligations

The Crew Managers undertake to provide the agreed Crew Management Services specified in this Agreement to the Owners in accordance with sound crew management practice, and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder.

Provided, however, that the Crew Managers in the performance of their management responsibilities under this Agreement shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Crew Managers shall be entitled to allocate available manpower in such manner as in the prevailing circumstances the Crew Managers in their absolute discretion consider to be fair and reasonable.

6. Owners' Obligations

The Owners shall:

6.1 pay all sums due to the Crew Managers punctually in accordance with the terms of this Agreement;

6.2 procure that the requirements of the law of the Vessel's flag State are satisfied and that they, or such other entity as may be appointed by them, are identified to the Crew Managers as the Company;

6.3 inform the Crew Managers prior to ordering the Vessel to any area excluded by war risk underwriters by virtue of the current London market war risks trading warranties and pay whatever additional costs may properly be incurred by the Crew Managers as a consequence of such orders including, if necessary, the costs of replacing the Crew. Any delays resulting from the negotiation with or replacement of the Crew as a result of the Vessel being ordered to a war zone shall be for the Owner's account;

6.4 agree with the Crew Managers prior to any change of flag of the Vessel and pay whatever additional costs may properly be incurred by the Crew Managers as a consequence of such change;

6.5 provide, at no cost to the Crew Managers, in accordance with the requirements of the law of the flag of the Vessel stated in PART I No 7, or higher standard, as mutually agreed, adequate Crew accommodation and living standards;

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6.6 unless otherwise agreed, arrange for the supply of provisions, at their own expense;

6.7 procure that throughout the period of this Agreement:

(i) at the Owners' expense, the Vessel is insured for not less than her sound market value or entered for her full gross tonnage, as the case may be, for:

(a) usual hull and machinery marine risks (including crew negligence) and excess liabilities;

(b) protection and indemnity risks, including pollution risks, diversion expenses and also including crew risks in accordance with sub-clause 4.1, unless separately insured by the Crew Managers;

(c) war risks (including protections and indemnity and crew risks); in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with first class insurance companies, underwriters or associations (the "Owners' Insurances");

(ii) all premiums and calls on the Owners' Insurances are paid promptly by their due date;

(iii) the Owners' Insurances name the Crew Managers and, subject to underwriters' agreement, any third party designated by the Crew Managers as a joint assured, with full cover, with the Owners obtaining cover in respect of each of the insurances specified in sub-clause 6.7(i) above on terms that neither the Crew Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances;

(iv) written evidence is provided, to the reasonable satisfaction of the Crew Managers, of their compliance with their obligations under this Clause within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances; and

(d) The Owners shall procure, under Clause 4 (Crew Insurance Arrangements) or otherwise, insurance cover or financial security to satisfy the Shipowner's financial security obligations under the MLC.

7. Crew Management Fee

7.1 The Owners shall pay the Crew Managers for their services as crew managers under this Agreement a monthly fee in the amount stated in PART I No 9 which shall

be payable in advance, the first monthly fee being payable on the commencement of this Agreement.

7.2 (i) The fee shall be renegotiated annually. Not less than three (3) months before the anniversary date of the commencement of this Agreement as specified in PART I No 4, the Crew Managers shall submit to the Owners a proposed fee figure to be applicable for the forthcoming year.

(ii) The Owners shall indicate to the Crew Managers their acceptance or rejection of the proposed revised fee within one month of presentation, failing which the Crew Managers shall be entitled to assume that the Owners have accepted the said fee.

7.3 The Crew Managers shall, at no extra costs to the Owners, provide their own office accommodation, office staff, facilities and stationery. The Owners shall reimburse the Crew Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Crew Managers in the pursuance of the Crew Management Services.

7.4 In the event of lay up or extensive repairs to the Vessel that last for more than the number of months stated in PART I No 10, the parties shall mutually agree the extent of down-manning required, together with the revision of the fee and re-manning arrangements for the period exceeding the number of months stated in PART I No 10 until one month before the Vessel is again put into service. Consequential costs of reduction and reinstatement of the Crew shall be for the Owners' account. In the event that the parties cannot agree, the Agreement shall be terminated in accordance with Clause 17.

8. Budgets and Management of Funds

8.1 The Crew Managers shall present to the Owners annually a budget for the following twelve months in such form as the Owners require. The budget for the first year hereof is set out in ANNEX "C" hereto. Subsequent annual budgets shall be prepared by Crew Managers and submitted to the Owners not less than three months before the anniversary date of the commencement of this Agreement (see Clause 2 and PART 1 No 4).

8.2 The Owners shall indicate to the Crew Managers their acceptance and approval of the annual budget within one month of presentation and in the absence of any such indication the Crew Managers shall be entitled to assume that the Owners have accepted the proposed budget.

8.3 Following the agreement of the budget, the Crew Managers shall prepare and present to the Owners their estimate of the Crew Costs and the Crew Managers shall

each month update this estimate. Based thereon, the Crew Managers shall each month request the Owners in writing for the funds required to crew the Vessel for the ensuing month. Such funds shall be received by the Crew Managers within ten running days after the receipt by the Owners of the Crew Managers' written request and shall be held to the credit of the Owners in a separate bank account.

8.4 The Crew Managers shall produce a monthly comparison between budgeted and actual income and expenditure of the Vessel in such forms as required by the Owners.

8.5 Unless otherwise agreed, all discounts and commissions obtained by the Crew Managers in the course of the Crew Management of the Vessel shall be credited to the Owners.

8.6 Notwithstanding anything contain herein, the Crew Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Crew Management Services.

8.7 Within seven (7) banking days of the date of this Agreement the Owners shall transfer to the Crew Managers a sum equal to 12/52 of the annual budgeted Crew Costs and Crew Management Fee. The Crew Managers shall hold this sum to the credit of the Owners in a named client account and will set it against the final account issued to the Owners following termination of the Agreement, promptly refunding to the Owners any balance remaining on closing of the accounts. Interest earned on the balance of the specified account, if any, will be credited to the Owners.

9. Trading Restrictions

The Owners and the Crew Managers will, prior to the commencement of this Agreement, agree on any trading restrictions to the Vessel that may result from the terms and conditions of the Crew's employment.

10. Replacement

The Owners shall have the right to require the replacement, at their own expense, at the next reasonable opportunity, of any member of the Crew found on reasonable grounds to be unsuitable for service. If the Crew Managers have failed to fulfil their obligations in providing suitably qualified Crew within the meaning of sub-clause 3.1, then such replacement shall be at the Crew Manager's expense.

11. Crew Managers' Right to Sub-Contract

The Crew Managers shall be permitted to outsource payroll and other administrative functions. The Crew Managers shall not have to right to sub-contract any of their other obligations hereunder without the prior written consent of the Owners, which shall not be unreasonably withheld. In the event of such a sub-contract, the Crew Managers shall remain fully liable for the due performance of their obligations under this Agreement.

12. Responsibilities

12.1 Force Majeure - Neither party shall be liable for any loss, damage or delay due to any of the following force majeure events and/or conditions to the extent that the party invoking force majeure is prevented or hindered from performing any or all of their obligations under this Agreement, provided they have made all reasonable efforts to avoid, minimise or prevent the effect of such events and/or conditions:

- (i) acts of God;
- (ii) any Government requisition, control, intervention, requirement or interference;
- (iii) any circumstances arising out of war, threatened act of war or warlike operations, acts of terrorism, sabotage or piracy, or the consequences thereof;
- (iv) riots, civil commotion, blockades or embargoes; (v) epidemics;
- (vi) earthquakes, landslides, floods or other extraordinary weather conditions;
- (vii) strikes, lockouts or other industrial action, unless limited to the employees (which shall not include the Crew) of the party seeking to invoke force majeure;
- (viii) fire, accident, explosion except where caused by negligence of the party seeking to invoke force majeure;
- (ix) any other similar cause beyond the reasonable control of either party.

12.2 Crew Managers' liability to Owners. Without prejudice to sub-clause 12.1 the Crew Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature whether direct or indirect (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Crew Management Services **UNLESS** same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Crew Managers or any of their employees, consultants or agents, or sub-contractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Crew Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge

that such loss, damage, delay or expense would probably result) the Crew Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten (10) times the equivalent annual fee payable hereunder.

12.3 Acts or omissions of the Crew. Notwithstanding anything that may appear to the contrary in this Agreement, the Crew Managers shall not be liable for any act or omission of the Crew, even if such acts or omissions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Crew Managers to discharge their obligations under Clause 5, in which case their liability shall be limited in accordance with the terms of this Clause 12.

12.4 Indemnity. Except to the extent and solely for the amount therein set out that the Crew Managers would be liable under sub-clause 12.2 the Owners hereby undertake to keep the Crew Managers and their employees, consultants, agents and sub-contractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of the Agreement, and against and in respect of all costs, loss, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Crew Managers may suffer or incur (either directly or indirectly) in the course of The performance of this Agreement.

12.5 "Himalaya". It is hereby expressly agreed that no employee or agent of the Crew Managers (including every sub-contractor from time to time employed by the Crew Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Crew Managers or to which the Crew Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Crew Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause the Crew Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be his servants or agents from time to time (including sub-contractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.

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12.6 The Crew Managers warrant that they obtained, and will maintain throughout the currency of this Agreement, public liability and professional indemnity insurance on customary terms from a sound and reputable insurer.

13. Documentation

For the purpose of demonstrating compliance with the mandatory rules or regulations applying to the Owners in respect of the Vessel (including but not limited to the requirements of STCW 95, the ISM Code, the ISPS Code and the MLC), the Crew Managers shall provide the Owners with full and ready access to documentation and data relevant to the Crew. Such information shall be maintained and be readily accessible and include, without being limited to, documentation and data on Crew experience, training, medical fitness and competence in assigned duties.

14. General Administration

14.1 The Crew Managers shall handle and settle all claims arising out of the Crew Management Services hereunder and keep the Owners informed regarding any incident of which the Crew Managers become aware, which gives or may give rise to claims or disputes involving third parties.

14.2 The Crew Managers shall, as instructed by the Owners, bring or defend actions, suits or proceedings, in connection with matters entrusted to the Crew Managers according to this Agreement.

14.3 The Crew Managers shall also have the power to obtain legal or technical or other outside expert advice in relation to the handling and settlement of claims and disputes.

14.4 The Owners shall arrange for the provision of any necessary guarantee bond or other security, in the first instance.

14.5 Any costs incurred by the Crew Managers in carrying out their obligations according to Clause 14 shall be reimbursed by the Owners.

15. Auditing

The Crew Managers shall at all times maintain and keep true and correct accounts and shall make the same available for inspection and auditing by the Owners at such times as may be mutually agreed. On the termination, for whatever reasons, of this Agreement, the Crew Managers shall release to the Owners, if so requested, the originals where possible, or otherwise certified copies, of all such accounts.

16. Compliance with Laws and Regulations

The Crew Managers will not do, or permit to be done, anything that might cause and breach or infringement of the laws and regulations of the Vessel's flag, Classification society, or of the places where she visits or trades.

17. Duration of the Agreement

This Agreement shall come into effect on the day and year stated in PART I No 4 and shall continue until the date stated in PART I No 5. Thereafter, unless notice of termination is given two (2) months prior to the date stated in PART I No 5, the Agreement shall continue until terminated by either party giving to the other notice in writing, in which event it shall terminate upon expiration of a period of two (2) months from the date upon which such notice was given.

18. Termination

18.1 Owners' Default

(i) The Crew Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing if any sum payable by the Owners under this Agreement shall not have been received in the Crew Managers' nominated account within ten running days of receipt by the Owners of the Crew Managers' written request in accordance with Clause 7 or 8 or if the Vessel is repossessed by the Mortgagees.

(ii) If the Owners:

- a) fail to meet their obligations under clause 6 of this Agreement for any reason within their control, or
- b) proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Crew Managers, is unduly hazardous or improper,

the Crew Managers may give notice in writing of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Crew Managers, the Crew Managers shall be entitled to terminate the Agreement with immediate effect by notice in writing.

18.2 Crew Managers' Default. If the Crew Managers fail to meet their obligations under clause 5 of this Agreement for any reason within the control of the Crew

Managers, the Owners may give notice in writing to the Crew Managers of the default requiring them to remedy it as soon as practically possible. In the event that the Crew Managers fail to remedy it within reasonable time to the satisfaction of the Owners, the Owners shall be entitled to terminate the Agreement with immediate effect by notice in writing.

18.3 Extraordinary Termination. This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned or has been declared missing.

18.4 For the purpose of sub-clause 18.3 hereof:

- i. the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Owners cease to be registered as Owners of the Vessel;
- ii. the Vessel shall not be deemed to be lost unless either she has become an actual total loss or agreement has been reached with her Underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her Underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred; and
- iii. the date upon which the vessel is to be treated as missing shall be ten (10) days after the vessel was last reported or when the Vessel is posted as missing by Lloyd's. A missing vessel shall be deemed lost in accordance with the provisions of sub-clause 18.4(ii).

18.5 This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.

18.6 In the event of this Agreement being terminated by either party in accordance with sub-clauses 18.1 or 18.3, the fee shall continue to be payable from the date on which the Crew leave the Vessel for the number of months stated in PART I No 11. The Owners shall also pay such reasonable Severance Costs as the Crew Managers can prove that they have incurred. The Crew Managers shall use their best endeavours to minimise such Severance Costs which, in any event, shall not exceed a maximum sum equivalent to the Crew's basic wages for the number of months stated in PART I No 11.

18.7 The termination of this Agreement shall be without prejudice to all rights accrued due between the parties prior to the date of termination.

19. Law and Arbitration

19.1 This Agreement shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause. The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced. The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he has been appointed by the agreement.

Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of USD50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

20. Notices

20.1 Any notices to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.

20.2 The address of the Parties for service of such communication shall be stated in PART I Notes 13 and 14 respectively.

21. Confidentiality

The terms and provisions of this Agreement and all other information and knowledge arising from or in connection with the Crew Management Services relating to the Owners, the Vessel and the ultimate beneficial ownership of the Vessel (the "confidential Information") are confidential. The Crew Managers shall not disclose any Confidential Information to any person (other than to their professional advisors or as may be required in connection with the due performance of the Crew Management Services or as required by law or regulation or by any court or tribunal of competent jurisdiction) without the prior consent of the Owners, such consent not to be unreasonably withheld. The Crew Managers undertake to exercise all reasonable precautions to prevent the unauthorised disclosure of any Confidential Information by their directors, employees, servants, agents, suppliers, consultants, and/or sub-contractors. The provisions of this clause shall survive the termination or expiry of this Agreement for any reason.