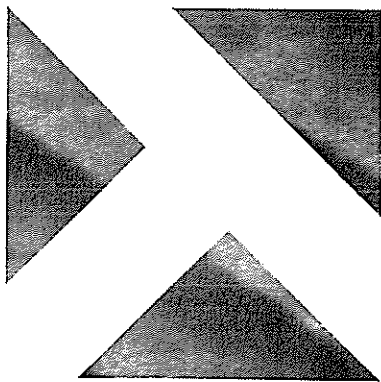


**AGREEMENT GOVERNING THE DELEGATION OF
STATUTORY SURVEY SERVICES FOR SHIPS
REGISTERED IN SWEDEN**

Between
The Swedish Transport Agency
and
American Bureau of Shipping



**SWEDISH
TRANSPORT
AGENCY**

Agreement governing the delegation of statutory survey services for ships registered in Sweden between THE SWEDISH TRANSPORT AGENCY and AMERICAN BUREAU OF SHIPPING

Issued on 16 August 2011, with effect from 1 September 2011.

This Agreement pursuant to Swedish law and in compliance with the Class Directive and the Class Regulation is agreed upon by AMERICAN BUREAU OF SHIPPING, hereinafter referred to as "RO", and THE SWEDISH TRANSPORT AGENCY, hereinafter referred to as "STA", with respect to the performance of statutory survey services.

1. Definitions

Class Certificate: a document issued by a RO certifying the fitness of a ship for a particular use or service in accordance with the rules and procedures laid down and made public by that RO.

Class Directive: Council Directive 2009/15/EC of 23 April 2009 on common rules and standards for ship inspection and survey organisations and for the relevant activities of maritime administrations, as amended.

Class Regulation: Regulation (EC) No 391/2009 of the European Parliament and of the Council of 23 April 2009 on common rules and standards for ship inspection and survey organizations.

Statutory survey services: comprise the assessment of ships registered in Sweden and classed by RO in order to determine the compliance of such ships with the applicable requirements of the international conventions, codes and Swedish law and the issue of relevant certificates and documents within the limits of the relevant instruments.

2. Purpose

The purpose of this Agreement is to authorise RO to perform, on behalf of the STA, statutory survey services on ships registered in Sweden and classed with RO and to define the scope, terms, conditions and requirements of the authorisation.

3. General Conditions

Scope of authorisation

3.1 RO is authorised to perform the statutory survey services listed in Annex I to this Agreement.

3.2 RO shall at all times remain in compliance with the criteria of authorisation set out in the Class Regulation.

3.3 Statutory survey services rendered by RO, in accordance with this Agreement, will be accepted as services rendered by the STA provided that RO maintains compliance with the provisions of this Agreement, the Class Directive and the Class Regulation.

3.4 All statutory survey services under this Agreement shall be provided in accordance with IMO resolution A.997 (25) Revised Survey guidelines under the harmonised system of survey and certification as amended or may be amended, and in accordance with the provisions set out in the Annex to IMO resolution A.789 (19) on Specification on the survey and certification functions of recognised organisations acting on behalf of the administration.

3.5 All survey services made by RO and STA onboard a Swedish ship shall be coordinated and, if possible, performed at the same time. This coordination work is of great importance especially regarding surveys of passenger ships in international trade.

3.6 All statutory survey services under this Agreement must be undertaken by exclusive surveyors of RO. When and where RO is not able to offer statutory survey services by an exclusive surveyor, then another recognised organisation may, on request of the RO and with the full knowledge and the consent of STA, render such services.

3.7 Statutory survey services delegated to RO may not be delegated to personnel onboard a ship without prior Agreement with the STA.

3.8 Authorisations for services beyond the scope set out in Annex I to this Agreement will be dealt with, as mutually agreed, on a case-by-case basis.

Port state interventions

3.9 When the RO is notified in any way (e.g. by Port State Authorities/owners/a management company/agent/a master/crew member etc.) of an accident or a Port State intervention on a Swedish registered ship for which the RO has issued the relevant certificate, the matter shall be dealt with without delay.

3.10 Insofar as the certification services covered by this Agreement are concerned, the RO agrees to cooperate with port States to facilitate the rectification of reported deficiencies when so requested and report to the STA, cf. SOLAS, chapter I, regulation 6 (b) (ii) and the Class Regulation, article 10.3.

Rectification

3.11 Where the condition of a ship, its equipment, manning or operation in important respects is found not to be in accordance with the specifications of the relevant certificates, or to be such that the ship is not fit for navigation without danger to the ship or those on board or the marine environment or to third parties or represent significant deviations from the standards required in international conventions and rules, national laws, rules and regulations, the RO shall without undue delay make sure that the necessary corrective actions are taken to rectify the defects. This obligation applies regardless of how such faults or defects are discovered.

3.12 If such corrective actions are not taken, the RO shall inform the STA without undue delay. If the ship is in a port outside Sweden, the appropriate authorities of the port State shall be informed by the STA.

Withdrawal and transfer of class

3.13 If a ship's class certificate is suspended or withdrawn for reasons other than transfer of class carried out in accordance with the requirements of the Class Regulation, the RO shall also suspend or withdraw all statutory certificates issued by the RO to the ship and inform the STA without undue delay. If the ship is in a port outside Sweden, the appropriate authorities of the port State shall also be notified immediately.

3.14 The RO shall consult the STA to determine whether a full inspection is necessary before issuing any statutory certificates to a ship where the class certificate has been suspended or withdrawn for reasons other than transfer of class carried out in accordance with the requirements of the RO Regulation.

3.15 Additionally the RO shall consult the STA to determine whether a full inspection is necessary before issuing any statutory certificates to a ship which, for any reason, is changing its class (Change of Classification Society, change of purpose and/or has undergone a major conversion, etc.).

3.16 On transfer of class from one recognised organisation to another, RO shall follow the procedures stipulated in Article 10.6 of the Class Regulation.

4. Interpretations, Equivalentents and Exemptions

4.1 Interpretations of the applicable instruments, as well as the determination of equivalentents or the acceptance of substitutes to the requirements of the applicable statutory instruments, are the prerogative of the STA.

4.2 Any exemptions from the requirements of the applicable statutory instruments have to be granted by the STA.

4.3 In instances where, temporarily, the requirements of an applicable instrument cannot be met under particular circumstances, the RO surveyor shall specify with a signed statement such measures or supplementary equipment as may be appropriate or available to permit the ship to proceed to a suitable port where permanent repairs or rectification can be effected or replacement equipment fitted. A copy of the signed statement shall be forwarded electronically to the STA in accordance with Annex II.

4.4 The STA reserves the right to suspend, cancel or revoke any document or approval issued by RO pursuant to this Agreement. The STA will inform RO accordingly.

5. Information and Liaison

5.1 RO agrees to report to the Administration information pertaining to services performed pursuant to this agreement as follows.

RO shall:

1. Provide the STA with electronic access to all Rules, Interpretations and calculation software¹ relevant to the STA in respect of work carried out by RO in accordance with

¹ Calculation software means, in this case, software the RO develops to check for rule compliance and upon release is used by STA solely for the purpose of checking compliance.

this Agreement. The access to these instruments should allow at least four users or licenses.

2. STA shall have direct electronic access to the status of all statutory certificates and – on request – all class certificates. STA shall on request be granted access to all plans and documents, including reports on surveys, on the basis of which statutory or – recalling SOLAS II-1 Regulation 3-1 and Article 11 of the Class Directive – class certificates have been issued or endorsed and – further recalling SOLAS II-1 Regulation 3-1 and Article 11 of the Class Directive – information on the results of bottom surveys and surveys of hull, machinery and electrical installations.

3. Hardcopies of statutory certificates shall only be sent to the STA upon request.

4. Allow the STA access to forms, reports, checklists and instructions that RO surveyors use when conducting statutory survey services on Swedish Ships in accordance with this agreement.

5. Inform without delay if a ship is discovered to be operating with faults or defects which may affect its seaworthiness or safety in general or represent significant deviations from the standards required in international conventions and rules, national laws, rules and regulations, and RO rules and regulations. This obligation applies regardless of how such faults or defects are discovered.

6. Provide the STA with yearly statistics following the STA's request.

5.2 The STA will provide RO with all necessary documentation for the purpose of RO's provision of statutory survey services. STA will on a regular basis and when needed provide RO with STA's interpretations and national regulations.

5.3 The RO shall invite the STA to participate in relevant technical committees etc., in order to permit the STA to participate in the development of the rules and procedures.

5.4 RO and STA, recognising the importance of technical liaison, agree to co-operate toward this end and maintain an effective dialogue.

5.5 When a foreign ship is to be transferred to the Swedish registry, STA will invite RO to a meeting which is held by STA and attended by the ship owner. The purpose of this meeting is to agree on the provisions which will be applicable to the ship.

5.6 The Agreement and its amendments, instructions and report forms shall be written in English. According to Swedish legislation the only authentic version of any rules and regulation are the Swedish version of the actual documents.

5.7 STA reserves the right to request from the RO other relevant information concerning various subjects according to this agreement.

6. Way of communication

6.1 The primary way of communication between the STA and the RO shall be through the RO main representation in Sweden, unless otherwise agreed between the STA and the RO.

6.2 Both parties shall provide an official e-mail address and phone number for the purpose of this communication. For use in case of accidents or other incidents involving ships under Swedish flag, a point of contact (contact by phone, fax and e-mail) that is responsive all year, 24 hours a day, shall be provided.

6.3 The way of communication between the RO and the STA is described in annex II.

7. Supervision

7.1 The STA is entitled to satisfy itself that RO effectively carries out its functions in accordance with this Agreement and that RO's quality system continues to comply with the requirements of the Annex to the Class Regulation.

7.2 The STA may supervise the work of RO by audits, random inspections or expanded special onboard controls. The STA may choose to co-operate with other administrations or to recognise audits performed on RO by an independent audit group which effectively is representing the interest of the STA such as the European Commission or other member States.

7.3 Should the STA choose to conduct direct auditing of RO, the frequency and the extent of the audit will be subject to mutual Agreement between the STA and RO.

7.4 RO undertakes to assist the STA in carrying out random inspections and verifications at RO's survey stations, onboard ships and at shipyards. The local RO representative will be invited to attend inspections on ships or at shipyards, if time and circumstances permit.

7.5 The STA shall, according to article 9.2 of the Class Directive, report to the Commission of the European Union and the Member States of the European Union the results of the assessment of the RO and send them the performance record of RO and other relevant information.

8. Other Conditions

8.1 Remuneration

Remuneration for statutory survey services carried out by RO on behalf of the STA will be charged by RO directly to the party requesting such services.

8.2 Confidentiality

The STA may be obliged by Swedish Law to disclose information that is in the hands of the STA according to the Swedish principle of Public Access to Official Records unless the information is protected by Swedish regulations regarding confidentiality.

8.3 Maintaining the Equivalence of Standards

Rules concerning RO's responsibility to maintain the Equivalence of Standards can be found in article 10 of the Class Regulation.

8.4 Withdrawal and Suspension of the Authorisation

8.4.1 The authorisation to RO can be withdrawn if RO no longer fulfils the criteria for authorisation of a recognised organisation stipulated in the Class Regulation. The decision of withdrawal is taken by the European Commission.

8.4.2 The STA may, however, suspend the authorisation, if it considers that RO can no longer carry out the tasks specified in this Agreement. In case of such a suspension the STA shall inform the European Commission in accordance with article 8 in the Class Directive. The STA shall give RO the opportunity to respond to the alleged poor performance and, if necessary, to undertake the necessary preventive and remedial action to ensure full compliance. Only non-compliance shall lead to the said suspension.

8.4.3 Notwithstanding 8.5, the scope of authorisation may be partially or fully withdrawn by the STA at short notice for policy reasons and without any relation to the quality of or other performance of the RO. Such a partial or full withdrawal of the scope of authorisation shall apply to all ROs equally.

8.5 Amendments

Amendments to this Agreement and Annexes will become effective only after consultation and written Agreement between the STA and RO.

8.6 Meetings

RO and STA shall have periodical meetings to evaluate the effectiveness of this Agreement.

Governing Law and Settlements of Disputes

8.7 This Agreement shall be governed by and construed in accordance with Swedish 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 of three arbitrators in Stockholm, Sweden according to Swedish Law.

8.8 The RO shall establish a local representation of a legal nature on the territory of Sweden to ensure legal personality under Swedish law and the competence of Swedish national courts. The RO representation in Sweden shall be a legal party capable of representing the RO in a Swedish Court of Law.

8.9 Protection clause

In the performance of statutory survey services hereunder, RO, 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 STA and its own staff, surveyors or employees if the latter had conducted the statutory survey services in question.

9. Liability

9.1 If liability, arising out of any marine casualty, is finally and definitively imposed on the STA by a court of law or as part of the settlement of a dispute through arbitration procedures, together with a requirement to compensate the injured parties for loss of or damage to property or personal injury or death, which is proved in that court of law to have been caused by wilful act or omission or gross negligence of RO, its bodies, employees, agents or others who act on behalf of RO, the STA shall be entitled to financial compensation from RO to the extent said loss, damage, injury or death is, as decided by that court, caused by RO.

9.2 If liability, arising out of any marine casualty is finally and definitively imposed on the STA by a court of law or as part of the settlement of a dispute through arbitration procedures, together with a requirement to compensate the injured parties for personal injury or death, which is proved in that court of law to have been caused by any negligent or reckless act or omission of RO, its bodies, employees, agents or others who act on behalf of RO, the STA shall be entitled to financial compensation from RO, to the extent that the said personal injury or death is, as decided by that court, caused by RO; up to but not exceeding an amount of 4.000.000 EURO (four million Euros).

9.3 If liability, arising out of any marine casualty is finally and definitively imposed on the STA by a court of law or as part of the settlement of a dispute through arbitration procedures, together with a requirement to compensate the injured parties for loss of or damage to property, which is proved in that court of law to have been caused by any negligent or reckless act or omission of RO, its bodies, employees, agents or others who act on behalf of RO, the STA shall be entitled to financial compensation from RO, to the extent that the said loss or damage is, as decided by that court, caused by RO; up to but not exceeding an amount of 2.000.000 EURO (two million Euros).

9.4 Neither party shall be liable to the other for any special, indirect or consequential losses or damages resulting from or arising out of services performed under this Agreement, including without limitation loss of profit, loss of production, loss of contract, loss of use, business, interruption or any other special, indirect or consequential losses suffered or incurred by any party, howsoever caused.

9.5 If the STA is summoned or is expected to be summoned to answer for such liability as mentioned under 9.1 – 9.4 of this paragraph, RO shall be informed without undue delay. STA shall, for information purposes, send all claims, documents and other relevant material to RO.

9.6 The STA shall not enter into a conciliation, which involves acceptance of such liability as is mentioned in 9.1 – 9.4 of this paragraph without the consent of RO.

9.7 While acting for the STA under this Agreement, RO shall be free to create contracts directly with its clients and such contracts may contain RO's normal contractual conditions for limiting its legal liability.

10. Termination

10.1 If this Agreement is breached by one of the parties, the other party shall notify the violating party of its breach in writing. The latter shall within 30 days inform the former about the steps it intends to take, and remedy the breach without undue delay, but within 90 days at the latest, failing which the notifying party has the right to terminate the Agreement immediately.

10.2 This Agreement may be terminated by either party by giving the other party 12 months written notice.

This Agreement commences on 1 September 2011 and supersedes all previous Agreements.

This Agreement with annexes has been executed in two originals.

**On behalf of
American Bureau of Shipping**

Date..... *7 Sept 2011*

Christopher J. Wiernicki
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Christopher J. Wiernicki
President and Chief Executive Officer

**On behalf of
the Swedish Transport Agency**

Date..... *August 18, 2011*

Staffan Widlert
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Staffan Widlert
Director General