

**AGREEMENT GOVERNING THE DELEGATION OF STATUTORY CERTIFICATION
SERVICES FOR VESSELS REGISTERED IN
REPUBLIC OF CROATIA
between**

**MINISTRY OF SEA, TRANSPORT AND INFRASTRUCTURE
MARITIME AUTHORITY
and
CROATIAN REGISTER OF SHIPPING**

This Agreement, pursuant to the Maritime Code (Off. Gazette No. 181/04, 76/2007 and 146/08), and "Ordinance on recognized organizations for ship inspections survey and certification" (Off. Gazette No. 03/08) (hereinafter referred to as "the Ordinance") and in compliance with the "Guidelines for the of organizations acting on behalf of the Administration", IMO Assembly resolution A.739(18), as amended by IMO Res. MSC.208(81) and IMO Res. A.789(19) and the Annexes thereto, is between Recognised Organization – Croatian Register of Shipping, hereinafter referred to as "RO" and Ministry of Sea, Transport and Infrastructure, Maritime Authority hereinafter referred to as "the Administration" with respect to the performance of marine statutory surveys and issuance of relevant certificates.

1. Purpose

1.1 The purpose of this Agreement is to delegate authority to perform statutory certification services and to define the scope, terms, conditions and requirements of that delegation.

2. General Conditions

2.1 Statutory certification services comprise the assessment of Republic of Croatia registered vessels in order to determine the compliance of such vessels with the applicable requirements of the international conventions and codes and requirements, as defined in Article 2 of the Ordinance (hereinafter referred to as "applicable instruments") and the issue of relevant certificates as set out in Appendix 1 hereto.

2.2 In so far as the certification services covered by this Agreement are concerned, RO 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.

2.3 Statutory services rendered and statutory certificates issued by RO will be accepted as services rendered by or certificates issued by the Administration provided that RO maintains compliance with the provisions of Appendix 1 of

the Annex to IMO Assembly resolution A.739(18), resolution A.789(19) and the Ordinance.

- 2.4 RO shall have established and maintained a quality management system complying with the provisions of Appendix 1 of the Annex to Resolution A.739 (18) and the Annex to the Ordinance.
- 2.5 All statutory survey services under this Agreement shall be provided in accordance with IMO resolution A.997(25) "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".
- 2.6 RO shall not issue certificates to a ship, irrespective of its flag, which has been declassified or is changing class for safety reasons before giving the opportunity to the Administration to give its opinion within a reasonable time in order to determine whether a full inspection is necessary.
- 2.7 In cases of transfer of class from one RO to another, the losing organisation shall inform the gaining organisation of all overdue surveys, overdue recommendations, conditions of class, operating conditions or operating restrictions issued against the vessel. On transfer, the losing organisation shall provide the gaining organisation with the complete history file of the vessel. The certificates of the ship can be issued by the gaining organisation only after all overdue surveys have been satisfactorily completed and all overdue recommendations or conditions of class previously issued against the vessel have been completed as specified by the losing organisation. Prior to the issuance of the certificates, the gaining organisation must advise the losing organisation of the date of issue of the certificates and confirm the date, location and action taken to satisfy each overdue survey, overdue recommendation and overdue condition of class.
- 2.8 Authorisations for services outside the scope of Appendix 1 to this Agreement will be dealt with as mutually agreed on a case-by-case basis.
- 2.9 RO shall avoid to undertake activities which may result in a conflict of interest.

3. Interpretations, Equivalents and Exemptions

- 3.1 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, RO will co-operate in their establishment as necessary.
- 3.2 Exemptions from the requirements of the applicable instruments are the prerogative of the Administration.

The RO shall obtain approval from the Administration prior first issue of any exemptions from the applicable instruments.

- 3.3 In instances where, temporarily, the requirements of an applicable instrument cannot be met under particular circumstances, RO surveyor will specify such measures or supplementary equipment as may be available to permit the vessel to proceed to a suitable port where permanent repairs or rectification can be effected or replacement equipment fitted.

4. Information and Liaison

- 4.1 RO will report to the Administration such information at such frequency as agreed between RO and the Administration, as delineated in Appendix 2 to this Agreement.
- 4.2 The Administration shall be granted access to all plans and documents, including reports on surveys on the basis of which certificates are issued or endorsed by RO. RO shall provide the Administration access to all ships files.
- 4.3 The Administration will provide RO with all necessary documentation for the purpose of RO's provision of statutory certification services.
- 4.4 RO and the Administration, recognising the importance of technical liaison, agree to co-operate toward this end and maintain an effective dialogue. The Administration will send, free of charge, one copy of the relevant instructions to RO. Similarly, RO will send, free of charge, one copy of its regulations applicable to ships at any time. The Administration shall, free of charge, have access, to relevant information available from RO concerning ships covered by this Agreement.
- 4.5 Regulations, rules, instructions and report forms shall be written in Croatian and/or English language.

Ships Certificates and Books shall be written in Croatian and English language.

5. Supervision

- 5.1 The Administration shall, at least on biennial basis, conduct direct auditing of RO to satisfy itself that RO's quality system continues to comply with the requirements of Appendix 1 of the Annex to IMO Assembly resolution A.739(18) and Annex to the Ordinance.
- 5.2 When the Administration choose to conduct direct auditing of RO, the frequency and extent of audit will be communicated to RO in advance.
- 5.3 The Administration may choose to recognize audits performed on RO by an independent audit group effectively representing the interests of the Administration or IMO such as European Commission.

- 5.4 The Administration shall be provided by the RO with annual reports on services rendered as entrusted by the Agreement that will include information on maintenance of the criteria for the RO.
- 5.5 The Administration will be invited to participate in relevant RO's Technical Committees.

6. Other Conditions

6.1 Remuneration

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

6.2 Confidentiality

In so far as activities related to this Agreement are concerned, both RO and the Administration shall be bound by confidentiality provisions in accordance with applicable national and EU laws and regulations.

6.3 Surveyors

All statutory survey services under this Agreement must be undertaken by exclusive surveyors of RO. Exceptionally, when and where RO is not able to offer statutory survey services RO may use exclusive surveyors of other RO, being recognized by the European Commission, and with which RO has a bilateral agreement on cooperation.

6.4 Amendments

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

6.5 Governing Law and Settlement of Disputes

6.5.1 The Agreement shall be governed by and construed in accordance with Croatian 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 accordance with the Rules of Conciliation and Arbitration of the Croatian Chamber of Commerce in Zagreb.

6.5.2 In the performance of statutory certification services hereunder, RO, its officers, employees and other 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 certification services in question.

6.6 Liability

6.6.1 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 RO, its officers, employees, agents or others who act on behalf of RO under this Agreement, the Administration is entitled to seek from RO compensation as defined into Article 6. of the Ordinance.

6.6.2 While acting for the Administration under this Agreement RO shall be free to create contacts direct with its clients and such contracts may contain RO's normal contractual conditions for limiting its legal liability.

6.7 Termination

6.7.1 If this Agreement is breached by one of the parties, the other party will notify the violating party of its breach in writing 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.

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

6.7.3 Notwithstanding the provisions of the paragraph 1. and 2. of this Article, RO's authorisation may be suspended or withdrawn in compliance with the provisions of the Article 7 and 8 and paragraph 5 of the Article 13 of the Ordinance on recognized organizations for ship inspection, survey and certification.

7. This Agreement shall be effected on 01st September 2010 and supersedes Agreement between Administration and RO signed on the 11th January 2008.

IN WITNESS THEREOF, the undersigned, duly authorised by the parties, have on the 08th July 2010 signed this Agreement.

Zlatko Zulim

For Croatian Register of Shipping

Director
Zlatko Zulim

Date 08th July 2010



Mario Babić

For Ministry of Sea, Transport and
Infrastructure, Maritime Authority

State Secretary for Sea
Mario Babić

Date 08th July 2010



[Handwritten signatures]

APPENDIX 1

To the Agreement Governing the Delegation of Statutory Certification Services for
vessels registered in Republic of Croatia
between

MINISTRY OF SEA, TRANSPORT AND INFRASTRUCTURE,
MARITIME AUTHORITY

and

CROATIAN REGISTER OF SHIPPING

dated 08th July 2010 with effect from 01st September 2010 covering the:

APPLICABLE INSTRUMENTS

and

DEGREE OF AUTHORISATION

1. RO is hereby authorized as listed in the table below to carry out statutory surveys and certification services on behalf of the Administration with respect to ship, as specified in item 2.1 of the Agreement.

The following types of authorizations apply as noted:

- F: Full authorization - RO performs inspections necessary for issuance/confirmation of certificates required by the international agreements and national law in force, and issues/confirms this documents.
- P: Partial authorisation to perform plan review, carry out surveys and possible issue interim certificates. (Specific guidance to be provided by the Administration and full term Certificate is to be issued by the Administration.)
- L: Limited authorisation to account for other special categories not covered by the above, such as case by case authorisation or geographical limitations.

2. Authorization is as follows:

No.	Convention	Type of authorization
1.	SOLAS CONVENTION 1974 AND PROTOCOL 1988, AS AMENDED, SOLAS 74	
1.1	PASSENGER SHIP SAFETY CERTIFICATE	F
1.2	PASSENGER SHIP LIST OF OPERATIONAL LIMITATIONS	F
1.3	CARGO SHIP SAFETY CONSTRUCTION CERTIFICATE	F
1.4	CARGO SHIP SAFETY EQUIPMENT CERTIFICATE	F

No.	Convention	Type of authorization
2.12	ENGINE INTERNATIONAL AIR POLLUTION PREVENTION CERTIFICATE	F
3.	INTERNATIONAL CONVENTION ON LOAD LINES, 1966	
3.1	INTERNATIONAL LOAD LINE CERTIFICATE	F
3.2	INTERNATIONAL LOAD LINE EXEMPTION CERTIFICATE	F
4.	INTERNATIONAL CONVENTION ON TONNAGE MEASUREMENT OF SHIPS, 1969	
4.1	INTERNATIONAL TONNAGE CERTIFICATE (1969)	F
5.	INTERNATIONAL CONVENTION ON THE CONTROL OF HARMFUL ANTI-FOULING SYSTEMS ON SHIPS	
5.1	INTERNATIONAL ANTI-FOULING SYSTEM CERTIFICATE	F
6.	INTERNATIONAL CONVENTION FOR THE CONTROL AND MANAGEMENT OF SHIP'S BALLAST WATER AND SEDIMENTS, 2004	
6.1	INTERNATIONAL BALLAST WATER MANAGEMENT CERTIFICATE	F ^(*)
7.	MARITIME LABOUR CONVENTION, 2006	
7.1	MARITIME LABOUR CERTIFICATE	F ^(*)
7.2	INTERIM MARITIME LABOUR CERTIFICATE	F
7.3	DECLARATION OF MARITIME LABOUR COMPLIANCE - PART II	F
8.	ILO CONVENTIONS 152 AND 147	
8.1	REGISTER OF LIFTING APPLIANCES AND ITEMS OF LOOSE GEAR	F
8.2	CERTIFICATE OF TEST AND THOROUGH EXAMINATION OF THE CRANE OR HOISTING DEVICE, INTENDED FOR THE OPERATIONS ON BOARD SHIP	F
8.3	CERTIFICATE OF TEST AND THOROUGH EXAMINATION OF THE LIFT	F

^(*)Pending entry into force the Statement of Compliance may be issued

3. Approval of drawings for structure, materials and equipment

This delegation covers the power of approval of drawings and specifications as regards requirements in conventions and other instruments listed above, and related to listed certificates.

This delegation covers the power of:

- approval of material and equipment
- approval of stability documentation
- approval of calculations
- approval of procedures, plans, manuals, etc.,

as required by conventions and other instruments, and related to certificates listed above.

APPENDIX 2

To the Agreement Governing the Delegation of Statutory Certification services for vessels registered in Republic of Croatia

between

**MINISTRY OF SEA, TRANSPORT AND INFRASTRUCTURE,
MARITIME AUTHORITY**

and

CROATIAN REGISTER OF SHIPPING

dated 08th July 2010 with effect from 01st September 2010 covering the:

REPORTING TO THE ADMINISTRATION

RO agrees to report to the Administration information pertaining to services performed pursuant to this Agreement as follows:

1. RO shall report to the Administration information on damages and incidents of a ship, as well as on deficiencies and non-compliance with safety standards, or defects which may affect its seaworthiness or safety in general, or represent deviations from the standards required in international conventions and rules, national laws, rules and regulations, and the RO rules and regulations. This obligation applies regardless of how such faults or defects are discovered.
2. RO shall provide to Administration, with all relevant information about its classed fleet, transfers, changes, suspensions and withdrawals of class, irrespective of the flag the vessels fly.
3. RO shall inform the Administration in writing when a final decision with regard to the assignment of class has been made by RO. The information shall include any restrictions and essential conditions relating to the class and statutory certificates regarding the operation and trading area of the ship and any deviations from RO's rules.
4. RO shall:
 - 4.1 Provide the Administration with electronic access to all Rules and Interpretations relevant to the Administration in respect of work carried out by RO in accordance with this Agreement.
 - 4.2 Provide the Administration direct electronic access to the status of all class and statutory surveys and certificates for all Croatian ships classed by RO, including due dates for class and statutory surveys, expiry dates for class and statutory

certificates, due and overdue conditions of class, as well as due and overdue statutory recommendations.

- 4.3 Provide the Administration, access to all plans and documents, including reports on surveys, on the basis of which statutory or class certificates have been issued or endorsed, for all Croatian ships classed by RO.
- 4.4 Provide the Administration, upon request, with hardcopies of class and statutory certificates, for all Croatian ships classed by RO.
- 4.5 Provide the Administration access to forms, reports, checklists and instructions that RO surveyors use when conducting statutory survey services on Croatian ships in accordance with this Agreement.
- 4.6 Provide the Administration, on the annual basis, with a hardcopy of the Register book.
- 4.7 Provide the Administration direct electronic access to databases for all Croatian ships classed by RO.
- 4.8 Provide the Administration direct electronic access to samples of forms of statutory certificates issued for all Croatian ships classed by RO.