

SALVAGE GUARANTEE FORM I.S.U.2

To:

Dear Sirs,

"....." **Salvage**

Lloyd's Standard Form of Salvage Agreement dated("the LOF")

1. In consideration of your not causing delay to the "....." at the port or ports of by the detention or arrest of the cargo and/or other salvaged property described in paragraph 5 ("the Unsecured Property") for the purpose of obtaining security from the Unsecured Property in connection with your claim for salvage remuneration in respect of salvage services rendered pursuant to the LOF in accordance with the requirements of Clause 4.5 of the Lloyd's Standard Salvage and Arbitration Clauses (the "LSSA Clauses") we hereby undertake to pay to you on demand any sum or sums together with interest and costs which may either be agreed between you and the owners of the Unsecured Property or which may be awarded to you in respect thereof by an arbitrator or appeal arbitrator appointed by the Council of Lloyd's under the LOF provided always that:-
- (a) you will continue your efforts to obtain from the owners of the Unsecured Property security in accordance with your requirements such efforts to comprise:-
 - (i) notifying your security requirements to the Council of Lloyd's in accordance with Clause 4.1 of the LSSA Clauses
 - (ii) liaising with the owners and/or charterers of the vessel to ensure that none of the Unsecured Property is released to its owners until security has been provided to you in respect of it in accordance with Clause 4.5 of the LSSA Clauses;
 - (iii) if so requested by the owners and/or charterers of the vessel taking such action as may be possible to enforce your maritime lien (the right to which is not to be affected by this agreement) against the Unsecured Property at the port or ports where it is discharged
 - (b) our liability hereunder inclusive of any liability for interest and/or costs shall not exceed the sum ofand we shall cease to have any liability in respect of Unsecured Property when security has been provided in respect of it in accordance with your requirement.
2. In the event of an amicable settlement of your claim under the LOF being reached, and in the absence

of any agreement as to date of payment and interest accruing thereafter, it is agreed that payment of the settlement monies will be effected within 28 calendar days after the date of such settlement and, in the event of non-payment within that period, we undertake to pay, in addition to the principal sum, interest thereon at the rate of.....percent per annum from and including the day after the due date for payment specified above until and including the date upon which payment is received and credited for value to your account with Bank, at

3. Any monies paid by the undersigned hereunder shall be deemed to have been paid by the undersigned as surety for the party or parties hereby guaranteed, provided that, notwithstanding anything hereinbefore contained, the liability of the undersigned as between the undersigned on the one hand and you on the other hand shall be that of a principal debtor; and the undersigned shall not be released by time being given or other indulgence shown to the party or parties hereby guaranteed or by any other act, matter or thing whereby the undersigned, if liable as a surety only, would or might have been released.

4. This undertaking shall be governed by and construed in accordance with English law and we undertake, when called upon to do so, to give irrevocable instructions to English solicitors to accept service of proceedings issued by you against us in relation to this undertaking.

5. This undertaking is given in respect of

Signed this day of 20

By

Authorised signatory of

SEE OVER FOR NOTES ON COMPLETION OF THIS GUARANTEE FORM

**GUIDANCE NOTES ON THE COMPLETION
OF SALVAGE GUARANTEE I.S.U. 2**

1. The guarantee should be addressed to the contractors named in the LOF.

2. **Paragraph 1**

Insert the name of the salved vessel, e.g. m.v "....."

Insert the date of the LOF.

The guarantee is designed for a single guarantor. If there are two or more guarantors amends the 6th line to read "we hereby **jointly and severally** undertake to pay you on demand"

3. **Paragraph 1 (b)**

Insert the amount of the guarantee in words and figures.

4. **Paragraph 2**

Insert the appropriate rate of interest.

At the end of this paragraph insert the name of the company or firm, or the bank and account no to whom the contractors wish payment to be made. If unknown amend to read "for value to an account to be specified by you".

5. **Paragraph 5**

(a) Insert details of the salved cargo and/or other salved property on whose behalf the Guarantee is given, e.g.

the bunkers aboard m.v. ".....";

or

the cargo aboard m.v. ".....";

or

the cargo aboard m.v. ".....", carried under Bills of Lading, New York to London Nos. 1, 4, 8, 9.