



INTERNATIONAL SALVAGE UNION

RULES MADE BY THE EXECUTIVE COMMITTEE

on 23rd March 2010

PART 1 INTERPRETATION

1. Defined terms

1.1 All terms defined in the articles of association of the Union shall have the same meaning as that in the articles of association.

1.2 In these rules, unless the context requires otherwise—

associated company means a subsidiary of the company in question or a subsidiary of a company of which the company in question is also a subsidiary;

associated person means a person who is a senior officer of the company in question, or a person owning a significant stake in the company in question or in an associated company;

code of conduct means those provisions contained in rule 2; and

rules means the Union's rules of membership.

PART 2 CODE OF CONDUCT

2. Code of Conduct

2.1 Full Members should at all times conduct themselves in a manner compatible with this code of conduct. In particular Full Members should endeavour to conduct their affairs so as to maintain the ethical business standard contained in this code of conduct.

2.2 No Full Member of the Union should agree to pay any commission or other consideration, or any percentage of salvage remuneration, to the owner(s) of the property being salvaged or an associated company or person or the servants or agents of the owner, or to any other person if he has reason to believe that person may pay the whole or any part of such sum

to the owner(s) of the property being salvaged or an associated company or person or the servants or agents of the owner.

- 2.3 No Full Member of the Union should knowingly attempt to usurp, dispossess or otherwise unfairly interfere with a contract freely negotiated and entered into by another Full Member, always subject to the provisions of the International Convention on Salvage 1989, Art.8.1(d). Any offer of additional services should be directed simultaneously to the contracted Full Member and the owner(s) of the property at risk.
- 2.4 If a Full Member of the Union requires assistance with a contract, he should consider where appropriate giving another Full Member, with suitable equipment/expertise readily available, the opportunity to tender alongside any marine salvors who are not Full Members of the Union.
- 2.5 It is recommended that where appropriate Full Members use ISU-approved standard forms of Contracts, Agreements, Guarantees and other documents.
- 2.6 When tendering for major wreck removal operations Full Members should endeavour to ensure best practice tendering procedures are used, meaning that tenders should be submitted in sealed envelopes to be opened at a fixed time with no further tenders being permitted.
- 2.7 Members shall at all times comply with the code of conduct agreed with the International P&I Club Group in connection with the SCOPIC clause and shall not at any time endeavour to negotiate any individual variation of the terms (including tariff rates) of that clause.

3. Associate Members and Affiliates

- 3.1 Associate Members and Affiliates of the Union should respect, support and, where relevant, comply with the code of conduct.

PART 3 LLOYD'S FORM & WRECK REMOVAL LEVIES

4. Levy for use of Lloyd's Open Form

- 4.1 Every Full Member of the Union who renders salvage services using the Lloyd's Open Form shall pay a levy to the Union in the quarter following the date of the Lloyd's Open Form agreement. If the performance of services under a Lloyd's Open Form agreement involves more than one Full Member, whether those Full Members are acting as Co-Salvors or as Contractor(s) and Sub-Contractor(s), each Member performing services under that agreement shall pay an equal share of the levy for use of the Lloyd's Open Form due to the Union.

5. **Levy for use of Wreck Removal Agreement**

5.1 Every full Member of the Union who enters into an ISU standard-form wreck removal agreement shall pay a levy to the Union in the quarter following the date of the wreck removal agreement.

6. **Fixing of Levies**

6.1 The amount of the levies payable under rules 4 and 5, and any minimum levy payable for the use of each Lloyd's Open Form or wreck removal agreement shall be decided by the Executive Committee.

**PART 4
ADVISERS AND OFFICERS OF THE UNION**

7. **Appointment of Advisers to and Officers of the Union**

7.1 The Executive Committee shall appoint such officers and advisers as they consider necessary for the efficient running of the Union. Such officers and advisers may be required to attend and answer questions at any Executive Committee meeting, general meeting or meeting of the Associate Members of the Union.

**PART 5
AMEMDMENTS**

8. **Amendments to the rules**

8.1 Any alteration or amendment to these rules proposed by the Executive Committee shall be subject to the approval of Full Members holding fifty per cent (50%) or more of the voting rights in the Union.