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**RULES MADE BY THE EXECUTIVE COMMITTEE  
UNDER THE AUTHORITY CONTAINED IN ARTICLE 12.2 OF  
THE ARTICLES OF ASSOCIATION.**

**12 October 2023**

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**PART 1  
INTERPRETATION**

**PART 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**

**2.1** 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 and such that the objects of the Union are supported and its members are not brought into disrepute.

- 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** Associate Members who provide salvage services or wreck removal operations directly shall apply forthwith for Full Membership.
- 2.8** 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.

#### **Complaints Procedure.**

- 2.9** Any Full Member can report an alleged breach of the Code of Conduct by another Full Member by submitting details of the alleged breach, in writing, to Executive Committee care of the Secretary General.
- 2.10** The Executive Committee shall consider the allegation to determine if it is prima facie substantial.
- 2.11** If so, or if the Executive Committee refer the matter under art 27. 3(a), then, the Secretary General will call a Disciplinary Committee who will review the alleged breach. The Disciplinary Committee will consist of the President, Vice President, Secretary General, Legal Adviser, up to 3 (three) members of the Executive Committee at the discretion of the President, and one Full Member to be chosen by the Secretary General. A Member

reporting a breach of the Code of Conduct and a Member who is the subject of the alleged breach cannot sit on the Disciplinary Committee.

- 2.12** The Disciplinary Committee shall be at liberty to make further procedural rules for determination of the grievance including to call for attendance of any concerned party in order to assist them in resolving the grievance.
- 2.13** Full Members, Associate Members or affiliates failing to comply with such a request may have their membership suspended in accordance with article 27.3.
- 2.14** If the Disciplinary Committee finds that a breach of the Code of Conduct has occurred they will make a recommendation to the Executive Committee that one of the following disciplinary actions should be implemented:
- Written warning as to future conduct
  - Suspension of Full Membership for a specified or unspecified period
  - Expulsion from the ISU
- 2.15** Any disciplinary action requires endorsement by the Executive Committee on a majority basis and at their absolute discretion.

### **PART 3**

#### **ASSOCIATE AND AFFILIATE MEMBERS**

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

### **PART 4**

#### **GENERAL SALVAGE & WRECK REMOVAL LEVY**

- 4.1** Every full Member of the Union who renders salvage, wreck removal, or emergency response services shall pay a levy to the Union in the quarter following the date of the salvage, wreck removal, or emergency response agreement.
- 4.2** The levy will apply where services are rendered under, for example, LOF, JSE Form, Hamburg Form, Turkish Open Form, BIMCO Towage and Wreck Removal/Marine Services Agreements, other Standard Agreements, or at Common Law, etc. and the revenue exceeds, or can be expected to exceed, US\$100,000.00 (One hundred thousand United States Dollars)
- 4.3** In the above respect 'salvage services' means any services undertaken to assist a vessel in danger, and will include rendering services to ships which suffer;
- Machinery failure, Structural failure, Grounding, Collision with other vessels or with fixed or floating objects, Fire, Stability problems, Hostile action, etc.
- 4.4** Provided always that the levy will not apply to Commercial Towage operations, at sea, in port or in estuarial waters.

- 4.5** The levy will also apply to Wreck Removal services, regardless of the form of agreement utilised for such work. In this regard 'wreck removal' includes removal, disposal, reduction, bunker removal/recovery operations, and cargo recovery operations.
- 4.6** It should be noted that in major wreck clearance operations, for example, following natural disasters such as hurricanes and tsunamis or port clearance projects, only one single levy will apply provided that there is only one contract encompassing the removal/reduction/disposal of several vessels.
- 4.7** In a situation where more than one ISU Member is involved in the salvage or wreck removal service the levy will be payable to ISU by the prime contractor, who will be entitled to recover an appropriate proportion of such levy from the ISU co-salvor or sub-contractor.
- 4.8** The amount of the levy payable under this rule shall be decided by the Executive Committee.

## **PART 5**

### **ADVISERS AND OFFICERS OF THE UNION**

- 5.1** 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 6**

### **CONDITIONS OF MEMBERSHIP**

- 6.1** Annual membership subscriptions are due on 1 January for each year that they apply and will be invoiced in January. Payment is required in accordance with the terms therein. Reminders for payment will be sent regularly and persistent failure to pay the annual membership subscription will lead to termination of membership of the ISU.
- 6.2** Payment of the General Salvage & Wreck Removal Levy is a condition of full membership of the ISU. Reminders for payment will be sent regularly and consistent failure to pay the General Salvage & Wreck Removal Levy will lead to termination of membership of the ISU.
- 6.3** The decision to terminate membership of the ISU can only be made by a majority decision of the ISU Executive Committee.
- 6.4** Members are expected to comply with requests which may be made from time to time for statistical information.

## **PART 7**

### **AMENDMENTS**

- 7.1** 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.

## **PART 8**

### **ELECTRONIC VOTING.**

- 8.1** As provided for in Article 41 voting on resolutions of the Union may be conducted electronically as the Executive Committee may determine.
- 8.2** In such circumstances the Secretary General will circulate the proposed resolution by email to all Full Members with a clear deadline by when responses must be received.
- 8.3** If a response is not received by the Secretary General before the said deadline then that Full Member will be deemed to have voted in favour of the resolution.
- 8.4** if any Full Member wishes to propose an amendment in accordance with article 42 then they must do so within the deadline for responses referred to in 8.2 above.
- 8.5** The Secretary General shall count the votes and declare whether the resolution passed, or not, in accordance with the required majority. Such declaration will be immediately advised to the Full Members.