



BROKER'S LETTER OF AUTHORITY (Marine & Energy)

Standard Form 2007

By this Broker's Letter of Authority the Client hereby gives the Broker authority, on behalf of the owners, to research, negotiate and obtain premium quotations for the insurances and from the markets/insurers nominated below.

This Broker's Letter of Authority is exclusive for the nominated insurances and markets/insurers, unless otherwise agreed herein:

.....

Date from when this Broker's Letter of Authority takes effect:

Client (principal):

address:

Broker (insurance broker):

address:

Fleet: Vessels and insurance values as per Attachment 1

Insurances	Inception of Insurances ("due date")	Market/ Insurer(s)

* Possible minimum requirement as to security rating by: (i) Standard & Poor's:
or (ii) equivalent rating agency::

Insurance Conditions: Pursuant to the Norwegian Marine Insurance Plan of 1996 (the Plan) – latest version – and (possible) special conditions for owners and/or nominated insurances, as agreed.

The Client is at liberty to decide whether or not he will avail himself of any of the premium quotations presented by the Broker according to this Broker's Letter of Authority, for possible placement of the nominated insurances with the nominated markets/insurers.

The Broker is not entitled to any remuneration or compensation for his market research on the basis of this Broker's Letter of Authority, unless otherwise agreed herein:

.....

This Broker's Letter of Authority can, at any and all times, be changed or withdrawn by the Client as principal on written notice to the Broker, unless it is: (i) explicitly agreed hereunder that the authority shall be in force until the Client has made his decision on possible placement of the nominated insurances with the nominated markets/insurers, or (ii) in some other way expressed that the authority is limited in time without amendment or withdrawal rights for the Client:

.....

This Broker's Letter of Authority is issued in one original for the Broker.

Date:.....

Signature of Client



BROKER AGREEMENT (Marine & Energy)

Standard Form 2007

This Broker Agreement is entered into on the basis of, and with reference to, the Norwegian Act of 10.06.2005 No. 41 on Insurance Mediation and the Norwegian Regulation on Insurance Mediation stipulated by the Ministry of Finance 09.12.2005 pursuant to the Norwegian Act on Insurance Mediation. Moreover the attached "Standard Conditions for Broker Agreement (Marine & Energy) – Standard Form 2007" and the special conditions that may be agreed in writing between the parties as a separate attachment to this Broker Agreement shall also be applicable.

With this Broker Agreement the Client gives the Broker exclusive right and assignment to place, service and renew the insurances with the markets/insurers which are nominated below.

Date from when this agreement (assignment) takes effect:

Client (principal):
address:

Broker (insurance broker):
address:

Fleet: Vessels and insurance values as per Attachment 1

Insurances	Period of Insurance	Share %	Market/ Insurer(s) *	Broker's Comm. % **	Client's Rebate % **

* Possible minimum requirement as to security rating by: (i) Standard & Poor's:
or (ii) equivalent rating agency

** Possible agreement on other form of remuneration/fee to the Broker or rebate to the Client:
.....

Insurance Conditions: Pursuant to the Norwegian Marine Insurance Plan of 1996 (the Plan) – latest version – and (possible) special conditions for owners and/or nominated insurances, as agreed.

Premium payment to take place through the Broker, unless otherwise agreed herein for nominated insurances:
.....

Claims handling to take place by assistance of the Broker, unless otherwise agreed herein for nominated insurances:
.....

Collection of claims compensation to take place with assistance from the Broker, unless otherwise agreed herein for nominated insurances:
.....

Taxes and other public dues which may be applicable, shall be for the account of the Client and shall be paid by him directly, unless otherwise agreed herein for nominated insurances:
.....

Possible notice of termination period for this Broker Agreement by the Client:
Possible time limit when the Client shall have no right of termination regarding this Broker Agreement:

Norwegian law, jurisdiction and arbitration to apply, unless otherwise agreed herein for nominated insurances:
.....

Additional provisions applicable to this Broker agreement according to Attachment 2: Yes: _____ No: _____

Amendments to this Broker Agreement not to be valid unless conducted in writing with the signature of both parties

This Broker Agreement is issued in two originals, one for each party.

Date:.....

Signature by Client

Signature by Broker



STANDARD CONDITIONS FOR BROKER AGREEMENT (Marine & Energy) 2007

Issued by
The Central Union of Marine Underwriters / The Norwegian Association of Insurance Brokers /
The Norwegian Shipowners' Association

These Standard Conditions are applicable to the agreement established between Clients (principals) and Brokers (insurance brokers) by application of "BROKER AGREEMENT (Marine & Energy) Standard Form 2007".

The conditions are based on collection, presentation and placement of insurance solutions for the Client from one or more insurers, cf. the Norwegian Act of 10.06.2005 No. 41 on Insurance Mediation § 1-2 No. 2 second alternative.

1. Duties of the Client:

- 1.1 To obtain and disclose the information needed by the Broker in order that the insurer may be provided with a proper and objective description of the objects and risks to be insured.
- 1.2 To correct and/or supplement the information previously disclosed as soon as the Client becomes aware of such information having changed in such a way that it may be assumed to be of significance to the insurer.
- 1.3 To provide details of previous insurance arrangements, brokers and claims reported.
- 1.4 To assist the Broker in drawing up a renewal strategy for the insurances in good time before the renewal.
- 1.5 To pay the premium within its due date.
- 1.6 To check that the insurance documents which the Client has received, are in conformity with the information and instructions he has previously given to the Broker.
- 1.7 To report details of any changes in the insurance situation which have occurred in respect of the risk scenario and the objects insured, or which may be requested in respect of the extent of cover and the terms and conditions of cover, both in connection with renewal and during the period of insurance.
- 1.8 To advise the Broker of casualties that occur, and provide the Broker with necessary updating.

2. Duties and tasks of the Broker:

In respect of placement/renewal of insurances:

- 2.1 To start working on the placement/renewal in good time before inception/renewal date.
- 2.2 To obtain relevant insurance quotations from the markets and/or insurers comprised by the Broker Agreement, by arranging a full or a restricted round of tenders, or a unilateral placement/renewal, depending on what is advisable or desirable as agreed with the Client.
At request of the Client the Broker shall at any time advise actual names of those insurers from whom quotations have been obtained or with whom placement/renewal is conducted.
- 2.3 To give necessary advice and information in order to define the need for cover.
- 2.4 Based on the information received from the Client:
 - (i) to amplify, as far as is natural and practically possible, the requirements and needs of the Client, with appropriate reasons for each advice to the Client in respect of a particular insurance product;
 - (ii) to provide advice and guidance with a view to covering the insurance needs of the Client.
- 2.5 To provide advice as to the choice of insurance solutions/options and insurers in relation to the insurance needs of the Client.
The amplifications and reasons given by the Broker according to item 2.4 above and this item shall be adapted to the complexity of the proposed insurance contract, and shall, to the extent necessary, provide circumstances so as to enable the Client to consider and evaluate each insurance solution or option, product and quotation.
In such connection the Broker shall inform:
 - (i) whether there are any material restrictions on cover in relation to the expectations expressed by the Client or in relation to what the Client reasonably can expect being covered under the insurance concerned; and
 - (ii) alternative forms of cover and additional covers that are available in the market or which can be tried
for in the market within reasons.

The Broker shall always give the Client information of the premium applicable to each insurance or insurance solution if several insurances are combined into one package.

- 2.6 To ensure that the insurance contract can take effect and incept at the time agreed for the placing or the renewal.
- 2.7 As soon as possible in connection with the insurance quotations being presented prior to the Client's decision on market/insurer, but not later than in connection with advising as to the choice of market/insurer, to disclose all commissions/remunerations that the Broker will receive from the markets/insurers concerned for and related to the Client's insurances, whether earned directly or being of an indirect nature by the Broker placing reinsurance for the insurer on the insurance concerned, or by the Broker benefiting from agreements of super commission, portfolio commission or the like.
For direct commissions the Broker shall disclose the gross premium, the possible rate of discount to the Client, the Broker's rate of commission, and the rate of commission to any sub-brokers – all rates stated as a percentage of the gross premium.
- 2.8 To agree with the Client a possible fee or remuneration that the Client shall pay to the Broker in lieu of, or in addition to, the commissions/remunerations from insurer(s), including any special fee or remuneration pursuant to items 2.19 and 2.20 below.
- 2.9.1 To arrange for the requisite documentation in order that the insurance contract shall become effective with the insurer, and prior to inception confirm to the Client that the placing has been completed, and alternatively advise on what remains outstanding for placement.
- 2.10 To send the Client a summary in writing of the contents and details of the insurance contracts concluded (the Broker's "Cover Note") within reasonable time after inception of the insurance.

During the period of insurance:

- 2.11 To provide advice and evaluation in respect of the interpretation of actual questions related to the insurance contract(s) placed.
- 2.12 To give the Client any and all necessary assistance in claims handling and collection of claims compensation from the insurers in respect of insurance events having occurred within the period of insurance and within the period of assignment for the Broker as per the Broker Agreement.
- 2.13 To monitor, in joint consultation with the Client, any changes in the insurance needs throughout the period of insurance and assist in arranging for the implementation of them in the insurance contracts with the insurers.
- 2.14 To advise any changes in the security rating of participating insurers which bring their rating below the minimum requirements of the Client.

Otherwise:

- 2.15 To provide assistance to the Client in questions of a technical, legal and insurance nature in connection with the placing/renewal of insurance and during the course of the period of insurance, to the extent that this may be deemed necessary or natural with the scope of the assignment.
- 2.16 To appoint a Client contact at the Broker's office.
- 2.17 To ensure that any and all information from the Client, of a significant nature to the extent of cover and the evaluation of risk, is passed on without delay to the insurers.
- 2.18 To arrange for any and all relevant information received from the insurers concerning the insurance cover to be passed on without delay to the Client.

Other aspects:

- 2.19 In the event that the Client requests an examination or deliberation of questions of a technical, legal and insurance nature to a greater extent than what is reasonable to the nature and size of the assignment, then this shall be subject to a separate agreement and payment of fee.
- 2.20 In the event that the Client requests special or extended duties, service and/or advice from the Broker within casualties/claims, training, analysis, reporting, routines or other aspects related to the Client's treatment of insurances, which exceeds the duties and tasks of the Broker as stipulated in the Broker Agreement, then this shall be subject to a separate written agreement, with clarification

of the Broker's tasks, and shall be remunerated separately, or in some other appropriate way be taken into consideration under the agreement on the Broker's remuneration.

- 2.21 In the event that the Broker provides advice to the Client on the basis of an analysis of the largest number possible of insurance solutions available in the market, this shall be pointed out separately by the Broker, cf. the Norwegian Act of 10.06.2005 No. 41 on Insurance Mediation § 1-2 No. 2 first alternative.

3. Duration of the Broker Agreement, Notice of Termination, and the Broker's duties and right to commission/remuneration:

- 3.1 The Broker Agreement is effective from and including the date of the agreement (the assignment) until termination, which may take place at any time, unless the parties have agreed that a period of prior notice shall apply or that the agreement is for a limited period of time without right to tender notice of termination. Notice of termination ought to become effective at the insurance's due date (expiry), alternatively the anniversary date of an insurance running for at least 24 months.

- 3.2 In the event that the Client gives notice of termination, the Broker is entitled to, and the Client undertakes to pay to the Broker, the agreed commission/remuneration until the insurances' due date (expiry), limited to 12 months from inception of the insurances even if the agreed period of insurance is longer than 12 months, unless otherwise agreed between the parties.

In the event that the insurances having been terminated, are placed for several periods of insurance, the provision in the first sentence shall apply to the period of insurance within which notice of termination takes place. The Broker is not entitled to commission/remuneration for the remaining periods of insurance not yet having attached under such a long term placing, unless otherwise agreed between the parties.

- 3.3 Subsequent to a termination the Broker shall also follow up and finish his remaining tasks and duties of work under the Broker Agreement for the periods of insurance in respect of which the Broker has been paid commission/remuneration. The Broker has no such duties for the remaining part of a period of insurance extending beyond 12 months in respect of which he has not been remunerated, unless otherwise is, or is to be, agreed between the parties, or the Client chooses to transfer such tasks and duties of work to a new broker. In the event of the latter circumstances the Broker is still entitled to commission/remuneration in full.
- 3.4 Upon request from the Client the Broker is obliged to deliver the written material which is necessary to substantiate, beyond what follows from the Broker's Cover Notes, the contents of the insurance contracts entered into and placed. Furthermore, at the request of the Client the Broker is obliged to deliver documentation for insurance incidents/casualties/claims which are being handled by the Broker that are necessary to continue the handling, unless the Broker shall continue to handle said matters as part of his remaining tasks and duties of work under the Broker Agreement.

4. The Broker's right to commission/remuneration in connection with changes to/termination of the insurance contract:

- 4.1 When the Broker earns commission on the insurance premiums, this shall be calculated on the actual premiums accruing under the insurances for the period of insurance. The Broker's commission is to be adjusted for changes to, or termination of, the insurances during the period of insurance, unless otherwise agreed or following from the provisions below.

- 4.2 In the event that the Broker receives other remuneration than commission, this shall be treated according to the provision in item 4.1 only to the extent that such remuneration is related to the insurance premium and/or the period of insurance.

- 4.3 In the event that the insurances cease prior to the due date (expiry):

(i) by reason of agreement between the Client and the insurers without the mediation or agreement of the Broker; or

(ii) by reason of the insurers having had the opportunity to tender notice of cancellation due to circumstances on the part of the Client;

then the Client is obliged to pay to the Broker the agreed commission/remuneration until the insurances' due date (expiry) for the period of insurance within which the cessation takes place, according to the provisions under item 3.2 above.

5. Payment of premiums and compensations in respect of a claims settlement via the Broker:

Unless specifically agreed in the Broker Agreement that payment of premiums and claims shall be made directly between the Client and the insurers, the following shall apply:

As soon as possible following completion of the placing, the Broker shall issue and send to the Client a premium debit note showing net premiums payable (i.e. gross premium after deduction of any Client rebate).

The Client shall pay the premium to the Brokers who will arrange for distribution and payment of the net amount of the premium to the individual insurer and/or to the individual market via a sub-broker, after first having deducted the Broker's own commission.

Any return premiums and compensations from the insurers in respect of a claims settlement shall be collected by the Broker (directly or via a sub-broker) and forwarded to the Client.

The Broker is under a duty to pass on payment of premiums, return premiums and compensations in respect of a claims settlement as soon as practically possible, or in accordance with market practice on a monthly basis.

Premiums, return premiums and compensations in respect of a claims settlement shall be deposited by the Broker without delay into a separate Client's account with a bank away from the Broker's own funds. In accordance with industry practice, the Client's funds are handled without interest being earned for the Client or the insurer and without transaction fees or costs being charged for the transfer of money.

Where desirable, and after stating this expressly in writing to the Broker, the Client may request permission to pay premiums and/or receive payment of compensation in respect of a claims settlement directly from insurers.

6. Duty of Confidentiality:

The parties shall be under a complete duty of confidentiality in respect of any and all work carried out under the Broker Agreement. An exception is made for any information which the Broker may be required to give to other brokers in the event that the Client changes broker and this information relates to actual circumstances concerning the object insured or matters relating to the risk and the assessment thereof, and where such information is not subject to confidentiality.

7. Choice of Law:

The Broker Agreement shall be governed by Norwegian law and jurisdiction, hereunder:

- The Norwegian Act of 10.06.2005 No. 41 on Insurance Mediation, in particular, chapter 5 "General rules for brokering activities".
- The Norwegian Regulation on Insurance Mediation stipulated by the Ministry of Finance 09.12.2005 pursuant to the Norwegian Act of Insurance Mediation, in particular chapter 3 "Duty of disclosure to the client".
- The Norwegian Act of 16.06.1989 No. 69 on Insurance Contracts, in particular, chapter 2 "The insurer's duty of disclosure".

8. Arbitration Clause:

In the event of a dispute on the interpretation of the Broker Agreement, the parties have agreed that an attempt shall first be made to resolve the dispute amicably through negotiations within the first 6 months after one of the parties has requested that the dispute be resolved through negotiations. Should the negotiations fail to succeed within the period stated, either party may request that the dispute be resolved by arbitration in Oslo, unless another place is agreed.

The arbitration panel shall be made up of 3 members. Each party shall appoint an arbitrator, and the two arbitrators thus appointed shall then jointly appoint the Chairman of the arbitration panel who must be a trained legal profession. After one party has requested arbitration and made his appointment of an arbitrator, the other party shall make his appointment of an arbitrator in the course of 14 days.

Should the two arbitrators appointed fail to agree on a Chairman for the arbitration panel within 14 days or any other period agreed by the parties, either party may request that the Chairman of the panel be appointed by the Head of the Scandinavian Institute of Maritime Law at the University of Oslo.

Otherwise the provisions of the Norwegian Act of 14.05.2004 No. 25 on Arbitration shall apply, unless the parties have agreed a different mode of procedure.

The parties to the arbitration shall be under a duty of confidentiality as to the arbitration proceedings and the arbitration award, unless they agree otherwise.
