



Operational Procedures

in using CMS Agency Service of Contracting with Approved SPROs

What the ship operators should do when they choose the service rendered by CMS? A detailed pre-contracting operation procedure is as follows.

Step 1 : **Decide** to choose CMS as the agency to arrange agreement with SPROs in China, and **Issue** LOA to CMS in the form recommended by IG as attached. According to the requirement by Head MSA, the LOA should be filed in their Head office with the original copy. Please issue two sets of hard copies and send them by courier to following address:

China Marine Services Co., Ltd.

Room A907 Century Square, No. 99 Wangfujing Avenue, Beijing 100006, PRC

Step 2: **Choose** service/tariff model (see Schedule A and Schedule B in attached CMS service contract). CMS will charge the agency service fee, and the retainer fee to be charged by SPRO is separate, depending on the result of the negotiation with the SPRO on the Client's behalf.

Step 3: **Conclude** the Agency Service Agreement with CMS as attached, the wording of which has been reviewed by IG. The signed agreement is acceptable in digital format.

Step 4: **Pay** the service fee to CMS in accordance with the chosen tariff model. The fee under the Schedule A should be paid right after the conclusion of the agreement with CMS. The fee under Schedule B should be paid when an instruction is given to CMS for arranging a contract with a particular SPRO.

Step 5 : **Notify** CMS the details of the fleet as well as their destination ports in China as early as possible. (For those choosing Schedule A, notification of the details to be given two months before the end of each calendar year will be appreciated. For the ships which schedule could not be fixed earlier (hereinafter refer to "in case of emergency"), please provide the details in writing to CMS at least 4 working days before her arrival.

Step 6 : **Choose/confirm** SPRO(s) from the candidates presented by CMS and the terms of the agreement for ship pollution response in writing. IG sample agreement attached is recommended. If SPRO requests any variation of the terms, please check with your Club to ensure that such variations do not cause the contract to fall outside the scope



of the IG Guidelines

In case of emergency, the confirmation should be given within 24 hours after receiving the candidate list by CMS. In the confirmation, the owner should nominate a *CONTACT PERSON* (required by the Sample Agreement Article 4). According to our understanding, the *CONTACT PERSON* could be a PIC in the Client's company. If CMS is required to be the *CONTACT PERSON* on the Client's behalf, such service will be additionally charged.

Step 7: CMS **concluded** agreement for ship pollution response with selected SPRO on behalf of the Client.

If Schedule A applies, the annual agreement will be concluded at the beginning of a year with the local SPROs of those possible calling ports, the information of which shall be provided by client. In case that the ports other than the anticipated ones are to be called by occasion, no additional agency service fee would be charged by CMS. But CMS recommend our clients to include as more ports as possible when they choose Schedule A.

If Schedule B applies, the agreement will be concluded before the ship's arrival to the destination port.

Step 8: If Schedule A applies, the original agreement with SPRO (in N+3 copies, N being the number of ships under one agreement, and the three are for Owner, SPRO and Local MSA) will be **passed** to the designed address at the client's cost.

If Schedule B applies, the original agreement with SPRO, one of 3 copies (as explained above) will be **passed** to the ship's master emergently by CMS and/or with SPRO's assistance for meeting the requirement holding hard copy on board. At the same time, one of 3 copies will be **passed** to the designated address at the Client's costs.

Step 9: During the port calling, the *CONTACT PERSON* of our client listed in the agreement is obligated to **inform** the contracted SPRO the movement of the ship in accordance with the agreement concluded with the SPRO.

Step 10: **Pay** retainer fee to SPRO in the form agreed in the agreement with SPRO. Direct paying or paying via ship agent to SPRO is recommended. Any payment via CMS will be billed to the Client at cost plus 10%.