

RUSSIAN MARITIME REGISTER OF SHIPPING



APPROVED
GENERAL DIRECTOR

_____ N.A. RESHETOV
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General Conditions for Rendering Services by Russian Maritime Register of Shipping ND No 2-040101-002-E

DATE OF IMPLEMENTATION:
01.09.2009

DEPARTMENT RESPONSIBLE FOR
DEVELOPMENT: 023

**St-Petersburg
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1 Scope of application

1.1 RS is the Federal State Institute registered in accordance with the legislation of the Russian Federation. Objectives of the RS activity are set forth in its Charter. General Conditions for rendering services (hereinafter referred to as "General Conditions") is a document defining the standard conditions of rendering services by Russian Maritime Register of Shipping (hereinafter referred to as "RS, Register"), rights and responsibilities of RS and a Customer arising from the process and as a result of rendering services. If there is a need to omit some provisions of General Conditions, it shall be explicitly stipulated in the agreement or request between RS and the Customer.

1.2 General Conditions is a normative document for 000, 100, 200.

1.3 The control copy of the present General Conditions is managed in accordance with the requirements established in ND №2-060203-019 "Process procedure for document control in RS".

2 Normative references

Present General Conditions worked out on the basis of the following documents:

- 1) The Civil Code of the RF;
- 2) The Merchant Shipping Code of the RF;
- 3) [ND №1-0502-010-R](#) Charter of the Federal State Institute "Russian Maritime Register of Shipping";
- 4) [ND №2-060101-001](#) Quality Manual;
- 5) [ND №2-060203-019](#) Process Procedure for Document Control in RS;
- 6) [ND №2-060203-018](#) Process Procedure for Developing and Maintaining Internal Normative Documents of RS;
- 7) [ND №2-060203-027](#) Process Procedure for Review of Contracts, Requests and Issue of Authorisations to Other Classification Societies and RS locations for RS Services;

3 Terms. Definitions. Abbreviations

- 1) RS, Register – Russian Maritime Register of Shipping;
- 2) ND – normative document;
- 3) RS Branch Office is the RHO, RS Branch Office, Representation, subsidiaries. Has Regulation of Status approved in accordance with an established procedure to define its legal status, region of its activities, its objectives and functions, as well as duties, rights and responsibilities of its Head.

4 General Conditions

4.1 Russian Maritime Register of Shipping renders all services on the basis of agreements or requests submitted in written form. The agreement or request may be concluded with the Customer of the Register services both by means of drawing up a single document (by using the forms provided by the Register or in arbitrary form) signed by the authorized representatives of the parties as well as by means of exchange of documents including a request in written form provided by RS or in arbitrary form. It is allowed to exchange documents by mail, telegraph, teletype, electronic or other communication facilities permitting to establish that the document originates from the party to the agreement.

4.2 The volume of data contained in the agreement or request as well as the procedure for their receiving and reviewing should be settled by the RS normative documents. A reference in the text of a request/agreement that the Customer is familiar with and agrees with General Conditions is an essential condition while signing a request/agreement for rendering services.

4.3 Rules, instructions, procedures, circulars, information services and other documents pertinent to the rendering of services issued by RS or other bodies issuing authorizations to RS or accreditation are always constituent and integral part of the Agreement (requests) for Rendering Services. Customers should be acquainted by the RS (on their demand) with the List of Documents concerning services rendered.

4.4 Upon completion of the rendering services, the authorized representatives of RS and the Customer should sign the Certificate on acceptance-delivery. The Certificate indicates the basis (request, agreement), time, place of rendering services, whether the rendered services fully comply with the agreement (request) provisions, whether there are the claims of the parties to each other, whether payment conditions for services are settled and other facts in accordance with the practice accepted by RS or the Customer. The procedure for dealing with claims should be settled in accordance with the current legislation of the Russian Federation and normative documents of RS.

5 Payment for RS Services

5.1 The cost of service is determined in accordance with duly approved "Time Rates for Main Services Provided by Russian Maritime Register of Shipping" (hereinafter – Time Rates) and "Fees for Services Rendered by Federal State Institute "Russian Maritime Register of Shipping" (hereinafter – Fees) or in accordance with agreements concluded between non interdependent bodies. Upon receipt of a request, RS shall inform the Customer on the following effective costs in place of a service rendering:

- the cost of the normative hour (NH);
- the cost of an hour of actually consumed time (AT) when rendering services not included in the Time Rates;
- the cost of an hour above normative actually consumed time (ANH);
- work procedure and the cost of the normative hour while rendering services outside regular hours on the request of the Customer;
- procedure for recording and the cost of an hour of time spent by RS experts en route;
- the list of supplemented expenses, which RS may incur while carrying-out requested services and of which the Customer should pay in compliance with paragraph 5.3 of these General Conditions.

While rendering services, the cost of which determined in percents from the cost of item or process of supervision, the Register informs about the rate in percents, established by Normative for definition of the cost of this service. In this case the Customer is liable for providing proper information about the cost of items or processes of supervision or processes.

The currency expressing the fee is an accounting currency. RS Branch Offices may draw an invoice to the Customer in any currency in compliance with the current legislation and indicating, where necessary, the procedure of conversion the accounting currency into the currency of payment. When the cost of the normative hour is given in foreign currency, the invoice for the services rendered to the tax resident of the Russian Federation by the RS Branch Office – RF tax resident is to be paid in rubles at the rate of the Central Bank of the Russian Federation on the maturity date.

5.2 Where sufficient information is available, the Customer may be notified in advance of an estimated minimum normative labour input required to render the service. RS shall not provide the Customer with any other calculations on the cost of service before it has been completed.

When confirming payment for RS service, the Customer shall be informed that the time rates have been developed based on the following conditions:

- single surveying of fully prepared items of proper quality, or parts thereof, manufactured or operated under the technical documentation approved by RS;
- no delay in submitting an item for surveying due to its being unprepared, ready access to all parts of the item, full compliance with occupational safety requirements on item;
- no unjustified requests, recurring or additional surveys and trials, consideration of technical documentation or additional time consumed in connection with the service rendered.

Non-fulfillment of the conditions mentioned above can result in the time actually consumed (AT) exceeding the time rates established in normative hours, and to a relevant increase in the cost of the service.

5.3 The following additional charges intended to reimburse expenses incurred by RS in connection with the rendering of the services are also included in the cost of service:

- daily allowance paid to the RS experts according to the legislation;
- transport expenses connected with the rendering of the service;

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- actual expenses for accommodation incurred during the period of rendering of the service;
 - communications expenses and other actual expenses as were necessary, which shall be proved by documents;
 - value added tax or other payments (where they are applicable under the legislation of RF, of the country where RS offices rendering the service are located, or the country where the service is rendered).

5.4 The basic and additional payment shall also be fully charged in cases when the results the Customer is interested to achieve are found unfeasible due to non-compliance of an item with the specified requirements, irrespective of the time when such unfeasibility is detected.

5.5 RS invoices shall be paid by the Customer within ~~30 (thirty)~~ 60 (sixty) days from the date of invoice, unless otherwise specifically agreed by the parties in writing or stated in the invoice.

5.6 In case of non-performance or improper performance of obligations to RS (including the obligation to pay the fee or the interest for its services under the present agreement or under any other agreement), RS has the right to refuse to render any service requested by the Customer, or to suspend rendering of service, or not to issue documents on the basis of the results of the services rendered, or not to assign class, or if class has been assigned, to suspend class or withdraw class of a sea-going ship in respect of which an obligation before RS has not been performed or has been performed improperly, or to withdraw documents issued by RS (making an entry of their invalidity). RS may exercise its rights set forth in this paragraph without prior notice to the Customer.

5.7 RS Branch Office has a right to refuse to render a service till the offset of debts and receipt of prepayment, when the customer of RS service:

- had an overdue repayment of debts against RS in the period of previous 18 months;
- the procedure of the customer's bankruptcy started or an external manager was appointed;
- the property of the customer or its part was seized.

RS Branch Office has a right to refuse to render the service till the receipt of prepayment in case when the customer:

- orders RS services for the first time;
- there is no confidence in timely payment of RS services by the customer.

5.8 Bank's commission fee (payment for the fulfillment of banking transactions/activities) is paying by the Register.

6 Responsibility of RS

6.1 RS shall entrust the rendering of services to appropriate, adequately qualified experts who perform their duties with proper diligence.

6.2 RS shall not bear responsibility for non-performance or improper performance of its obligations unless such non-performance or improper performance is due to its deliberate or negligent actions.

6.3 RS shall pay compensation to the persons who are a party to an Agreement with RS for RS services, who suffer loss due to the negligent non-performance or improper performance of contractual obligations by RS, up to, but not exceeding, the amount of fee under the Agreement in accordance with the Scales of Fees and (or) the RS invoice (invoices) paid or issued, only provided that the loss is proved to have been caused by the non-performance or improper performance of the contractual obligations by RS.

6.4 RS shall not be liable for any loss arising in connection with RS exercising its rights as specified in paragraph 5.6 [and 5.7](#) of the present General Conditions.

7 Arbitration Clause and Application of Substantive Law

7.1 Unless otherwise specifically agreed in writing by the parties, any disagreement or dispute arising out of or in connection with an Agreement between RS and a Customer whose commercial enterprise is located outside Russian Federation, shall be settled by the Arbitration Court by the Chamber of Commerce and Industry of Saint-Petersburg in accordance with the Rules for procedure of the said court.

7.2 Unless otherwise specifically agreed in writing by the parties, all disputes and disagreements arising out of the Agreement, and all the matters which are not regulated by the Agreement, shall be governed by the Russian Federation substantive law, with the exception of those provisions of the Russian Federation legislation which determine the application of law in the absence of an Agreement between the parties.

8 Validity

8.1 The present General Conditions are a constituent and integral part of all agreements and requests from Customers for RS services, unless otherwise specifically indicated in the Agreement (request).

8.2 If any part of these General Conditions is found void, it will not affect the validity of the balance of the General Conditions.

8.3 Should any dispute arise with regard to the interpretation of the present General Conditions, the text of the General Conditions in Russian will be authoritative.

Record of amendments

No	Identification number of amendment/ date of approval	Items amended
1	ND № 2-040101-002-E-A1 dated 25.03.09	Paragraph 3.4 completed
2	ND № 2-040101-002-E-A2 dated 01.09.09	Paragraph 5.5 changed