MEMORANDUM OF AGREEMENT

between the

UNITED STATES COAST GUARD

and

BUREAU VERITAS

GOVERNING THE DELEGATION OF CERTAIN SURVEY
AND CERTIFICATION SERVICES
FOR UNITED STATES OF AMERICA FLAGGED VESSELS

1. **PARTIES.**

   This Memorandum of Agreement delegates authority and sets forth guidelines for cooperation between the United States Coast Guard and Bureau Veritas, hereafter referred to as “Coast Guard” and “Bureau Veritas,” respectively.

2. **AUTHORITY.**

   The Coast Guard is statutorily authorized to administer laws and promulgate and enforce regulations for the promotion of the safety of life and property at sea and the protection of the marine environment. In accordance with the authority granted by Title 46, United States Code, Section 3316, and by Title 14, United States Code, Section 93(d), and as implemented under the regulations in Title 46, United States Code of Federal Regulations, Part 8, the Coast Guard may delegate the authority to perform plan review and approval, inspections and examinations and issuance of certain international convention certificates. The Coast Guard also has statutory authority under Title 46, United States Code, Part J - Measurement of Vessels, for the measurement and the certification of tonnage for vessels for which the application of a law of the United States depends on the vessel’s tonnage. Under Title 46, United States Code, Section 14103, the Coast Guard may delegate the authority to measure vessels to qualified persons. Title 46, United States Code, Section 5107, authorizes the Coast Guard to delegate the authority to assign load lines, survey vessels, determine that load line marks are marked correctly, and issue load line certificates to qualified organizations.

3. **PURPOSE.**

   The purpose of this Agreement is to authorize Bureau Veritas to perform specified vessel survey functions on U.S. flagged vessels on behalf of the Coast Guard.

   This Agreement defines the scope, terms and conditions and requirements of the authority delegated to Bureau Veritas.

   The term “Agreement” in this document refers to this Memorandum of Agreement and its Annex, Addendum to its Annex, or subsequent amendments, that may be agreed upon by Bureau Veritas and the Coast Guard. In this Agreement, the term “Commandant” refers to the United
States Coast Guard Assistant Commandant for Marine Safety, Security, and Environmental Protection.

This Agreement relates to the initial and subsequent surveys and periodic reinspections or examinations of “Vessels” of the United States, as that term is defined by 46 United States Code, Section 2101(46), both in the United States and in foreign countries, in the review and approval of plans, the tonnage measurement of vessels, and in associated activities. Nothing in this Agreement alters in any way the statutory or regulatory authority of the Coast Guard.

This Agreement supercedes the Agreement previously executed on April 3, 2000 between the Coast Guard and Bureau Veritas governing the delegation of certain survey and certification services for United States of America flagged vessels.

4. RESPONSIBILITIES -- GENERAL CONDITIONS.
Delegated functions performed by, and certificates issued by, Bureau Veritas will be accepted as functions performed or certificates issued by the Coast Guard, provided that Bureau Veritas remains in compliance with all provisions of this Agreement.

5. RESPONSIBILITIES -- AUTHORIZED FUNCTIONS.
5.1 The Coast Guard delegates to Bureau Veritas the authority to measure vessels, conduct the initial and subsequent surveys, periodic reinspections and examinations including drydocking examinations and the authority to issue and endorse certain certificates as provided in the Annex to this Agreement for U.S. flagged vessels, both in the United States and in foreign countries. In carrying out these functions, Bureau Veritas shall comply with any restrictions, special instructions or supplemental requirements as required by this Agreement.

5.2 The Coast Guard will accept the review and approval of vessel plans by Bureau Veritas in the same manner as if approved by the Coast Guard for those plans related to the functions authorized by this Agreement.

5.3 The Coast Guard retains the authority to revoke or suspend any certificates issued by Bureau Veritas on behalf of the Coast Guard, as such this authority is not delegated to Bureau Veritas. (See paragraph 10.3 for related reporting requirements.)
6. RESPONSIBILITIES -- DEVELOPMENT OF RULES AND/OR REGULATIONS -- INFORMATION.

6.1 Bureau Veritas shall allow the Commandant to participate in the development of class rules and provide the Commandant the opportunity to comment on any proposed changes to its class rules and to respond to the disposition of those comments.

6.2 Where Bureau Veritas adopts changes to its rules for ship classification that are determined by the Coast Guard to be inconsistent with Title 46, United States Code of Federal Regulations, Chapter I, or Coast Guard policy, the Coast Guard may require Bureau Veritas to administer corrective measures or provisions to any rules or activities that affect any delegated activities on behalf of the Coast Guard.

6.3 Bureau Veritas shall submit for approval by the Coast Guard proposed changes to any supplemental requirements to Bureau Veritas rules that may affect any vessel inspection or certification activities by Bureau Veritas under this Agreement.

6.4 "Supplemental Requirements," as contained in the Addendum to the Annex to this Agreement (also know as the "Supplement"), to Bureau Veritas rules shall include all requirements applicable for the issuance of a Certificate of Inspection, which are not, in the opinion of the Commandant, adequately established by either Bureau Veritas rules or applicable international regulations.

7. RESPONSIBILITIES -- OTHER CONDITIONS.

7.1 Remuneration for delegated survey and certification services carried out by Bureau Veritas on behalf of the Coast Guard will be charged by Bureau Veritas directly to the party requesting such services.

7.2 Bureau Veritas shall provide the Commandant with a current copy of fee schedules, including changes to the schedule, for all functions delegated under this Agreement.

7.3 In issuing certificates or performing other functions on behalf of the Coast Guard under this Agreement, Bureau Veritas shall apply Coast Guard interpretations, when they exist.

7.4 Bureau Veritas shall ensure that its employees engaged in the performance of functions delegated under this Agreement are appropriately certified under the Bureau Veritas qualification scheme for certification of surveyors and are familiar with and require compliance with applicable United States laws and regulations, Coast Guard policies, interpretations, and instructions, including, but not limited to:

1. as authorized, applicable international conventions to which the United States is a party; 2. United States statutes; 3. United States federal regulations; 4. Bureau Veritas rules and regulations for the classification of ships; and 5. any restrictions, special instructions, and supplemental requirements as required by this Agreement.
7.5 Unless specifically stated otherwise, only qualified “exclusive employees” of Bureau Veritas, who are defined as persons permanently employed by Bureau Veritas rendering services exclusively on behalf of Bureau Veritas and holding Certificates of Competence within the Fields of Competence covered by the Bureau Veritas qualification scheme, are authorized to perform work pursuant to any delegated function specified under this Agreement.

7.6 Bureau Veritas shall honor any appeal decision made by the Commandant on issues related to delegated functions under this Agreement.

7.7 Bureau Veritas, in exchange for express assurances of confidentiality, will in furtherance of this agreement, provide the Coast Guard with information which is otherwise not available to private or public parties. This information is only provided to the Coast Guard due to the express assurance of confidentiality, and in the event that the confidentiality is breached, it will serve as a basis for restricting access by the Coast Guard to Bureau Veritas' confidential and proprietary information. It is further expressly agreed that the Coast Guard will promptly notify Bureau Veritas in writing upon receipt of any request for Bureau Veritas' records.

7.8 In the event the Coast Guard is found liable in a court of law for losses or damages sustained due to a negligent act or omission by Bureau Veritas, its officers, employees or others who were acting on behalf of Bureau Veritas pursuant to this Agreement, the Coast Guard is entitled to obtain compensation from Bureau Veritas up to, but not exceeding, the amount of the Coast Guard's financial liability.

7.9 While acting on behalf of the Coast Guard under this Agreement, Bureau Veritas shall be free to create contracts directly with clients and such contracts may contain Bureau Veritas' normal contractual conditions for limiting its legal liability.

7.10 The interpretation by the Coast Guard of the technical aspects of this Agreement shall be final.

7.11 Bureau Veritas shall require a U.S. flag vessel to meet all of the classification society's requirements prior to accepting the vessel into Bureau Veritas class upon transfer from another classification society.

7.12 Bureau Veritas shall suspend class for any U.S. flag vessel that is overdue for special renewal or annual survey.

8. RESPONSIBILITIES -- SPECIFICATION OF DELEGATED FUNCTIONS.

8.1 This Agreement applies to any delegated function performed by Bureau Veritas for U.S. flagged vessels that are certificated for international voyages, except as explicitly stated otherwise in the Annex to this Agreement.

8.2 Authorized functions, applicable instruments and any restrictions, special instructions or supplemental requirements for those functions performed on behalf of the Coast Guard are contained in the Annex and its Addendum to this Agreement.
8.3 Bureau Veritas shall obtain approval from the Commandant prior to granting exemptions from the requirements of international conventions, class rules, and any applicable U.S. supplemental requirements to Bureau Veritas class rules as these requirements and rules relate to any authorized functions performed on behalf of the Coast Guard under this Agreement.

8.4 Bureau Veritas shall obtain approval from the Commandant prior to granting any extensions of authorized certificates. Bureau Veritas will apply to the Coast Guard for approval as far in advance as practical with the circumstances and conditions related to the requested extension.

8.5 Bureau Veritas shall attend any U.S. flagged vessel for which it has performed any delegated function on behalf of the Coast Guard at the request of an appropriate Coast Guard official.

8.6 Bureau Veritas shall accept all requests to perform delegated services without regard to the vessel’s location, unless prohibited from doing so under the laws of the United States or under the laws of the jurisdiction in which the vessel is located.

8.7 Bureau Veritas shall allow those exclusive employees, authorized to perform delegated functions on behalf of the Coast Guard, to participate in training with the Coast Guard regarding those functions.

8.8 All documentation issued by or requested from Bureau Veritas pursuant to this Agreement shall be in the English language.

8.9 Bureau Veritas shall maintain a corporate office in the United States that has adequate resources and staff to support all delegated functions.

8.10 All records of survey, inspection, examination, review and approval related to delegated functions conducted on behalf of the Coast Guard shall be maintained in the United States in accordance with the provisions of Title 46, United States Code, Section 3316.

9. RESPONSIBILITIES -- SUPERVISION OF DELEGATED FUNCTIONS.

9.1 Bureau Veritas shall allow the Coast Guard to accompany internal and external quality audits and shall provide written results of such audits to the Commandant upon request.

9.2 Bureau Veritas shall provide the Coast Guard sufficient access necessary to oversee Bureau Veritas to ensure that it continues to comply with the minimum standards required for a recognized classification society as set forth in Title 46, United States Code of Federal Regulations, Part 8.

9.3 Bureau Veritas shall provide a copy of its regulations, rules, instructions, survey procedures, circulars and guidelines that are related to the performance of the delegated functions under this Agreement to the Commandant.
9.3.1 Bureau Veritas shall make available to the Coast Guard written documents related to the performance of the delegated functions. These include, but are not limited to, the following:
   (a) equivalency determinations,
   (b) approvals,
   (c) surveys,
   (d) certificates,
   (e) report forms,
   (f) vessel deficiencies, and
   (g) Bureau Veritas vessel recommendations.

9.4 Bureau Veritas shall grant the Coast Guard access to all plans and documents, including survey reports, on the basis of which certificates are issued or endorsed by Bureau Veritas on behalf of the Coast Guard.

9.5 Bureau Veritas shall provide information and access to the Coast Guard which may conduct oversight of those activities related to delegated functions conducted on behalf of the Coast Guard pursuant to this Agreement.

9.6 At the request of the Commandant, Bureau Veritas shall provide any information, statistics and data related to U.S. flagged vessels' compliance to Bureau Veritas rules for the classification of ships, supplemental requirements under this agreement and any appropriate Coast Guard regulations including reports of damage and/or casualties that such vessels may have incurred.

10. REPORTING AND DOCUMENTATION.

10.1 All notifications made by Bureau Veritas under this Agreement shall be made within the time frames specified herein once Bureau Veritas has become aware of the incident, infraction or deficiencies.

10.2 Bureau Veritas shall immediately notify the Commandant of any events where it finds itself unable to fulfill its responsibilities set forth in this Agreement.

10.3 When Bureau Veritas makes a determination that a U.S. flagged vessel receiving certificates under this Agreement is not in compliance with class rules, applicable international conventions, or supplemental requirements under which its reports or certificates were issued and corrective action is either insufficient to ensure compliance or is not taken or are beyond any extensions allowable under the appropriate instruments, Bureau Veritas immediately shall report the determination to the Coast Guard. The report shall contain the vessel name and official number, if applicable, and a description of the circumstances and deficiencies.

10.4 Bureau Veritas shall report to the Commandant in writing the names and official numbers, if applicable, of any vessels removed from Bureau Veritas class for which Bureau Veritas has performed any function delegated under this Agreement on behalf of the Coast Guard. The written notification shall be made within thirty days, and shall include a description of the reason for the removal from class.
10.5 Bureau Veritas shall, upon notification of such events, inform the Commandant immediately of all cases where U.S. flagged vessels, subject to, or having surveys performed under this Agreement, have been detained under port state control proceedings, or have otherwise been found unfit to proceed to sea without endangering the ship, persons on board or presenting an unreasonable threat or harm to the environment. The report shall contain a description of the circumstances and deficiencies.

10.6 If while performing the delegated functions of this Agreement, an employee of Bureau Veritas discovers any deficiency that directly or indirectly affects the validity of any aspect of a certificate issued by another classification society, Bureau Veritas shall notify as soon as practicable, but no later than fifteen days following discovery, the cognizant office of that classification society both verbally and in writing. A copy of the written notice shall be simultaneously provided to the Commandant.

10.7 Bureau Veritas shall provide to the Commandant within sixty days of publication the Bureau Veritas Register Book and periodic Supplements.

10.8 Bureau Veritas shall report to the Commandant all information specified in this agreement at the specified frequency.

11. **POINTS OF CONTACT**

Bureau Veritas shall designate appropriate persons employed exclusively by Bureau Veritas to serve as points of contact with the appropriate Coast Guard personnel on matters of interpretation, policy, and the working relationship. The points of contact for matters related to this Agreement are listed below.

<table>
<thead>
<tr>
<th>Commandant (G-MOC)</th>
<th>Bureau Veritas</th>
</tr>
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<tbody>
<tr>
<td>U.S. Coast Guard</td>
<td>North America</td>
</tr>
<tr>
<td>Office of Compliance, Domestic Vessels</td>
<td>Vice President Marine Services,</td>
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<tr>
<td>2100 Second Street, S.W.</td>
<td>1850 Eller Drive, Suite 201, P O Box 13127</td>
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<td>Washington DC 20593-0001</td>
<td>Port Everglades, FL</td>
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<td>Tel: (202) 267-2978</td>
<td>Tel: (954) 525-4114</td>
</tr>
<tr>
<td>Fax: (202) 267-4394</td>
<td>Fax: (954) 763-9718</td>
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12. **MODIFICATION.**

Amendments to this Agreement or the acceptance of revised annexes shall become effective only after consultation and written agreement between the Coast Guard and Bureau Veritas. Amendments and revised annexes shall go into effect upon authorized signature of both parties.

13. **EFFECTIVE DATE.**

This Agreement becomes effective upon authorized signature of both the Coast Guard and Bureau Veritas.
14. **TERMINATION.**

14.1 Termination of this Agreement, any delegated functions under this Agreement and any amendments to this Agreement will occur sixty days after written notice has been given by either party.

14.2 Revocation and termination of this Agreement, any delegated functions under this Agreement and any amendments to this Agreement may be made under the following conditions:

14.2.1 Failure of Bureau Veritas to maintain the minimum standards of a recognized classification society, set forth in Title 46, United States Code of Federal Regulations, Part 8, Subpart B, may be cause for termination of Bureau Veritas as a recognized classification society.

14.2.2 Termination of Bureau Veritas as a recognized classification society by the Coast Guard will terminate this Agreement.

14.2.3 Breach of any terms or conditions of this Agreement may be cause for termination of the Agreement.

14.2.4 Lack of reciprocal authority delegated to the American Bureau of Shipping by the Direction des Affaires Maritimes et des Gens der Mer.

14.2.5 This Agreement shall be governed by and conducted in accordance with United States law.

For the United States Coast Guard

T.H. Gilmour  
Rear Admiral, United States Coast Guard  
Assistant Commandant for Marine Safety  
Security, and Environmental Protection  

September 8, 2003

For Bureau Veritas

B. Anne  
Senior Vice President  
Managing Director, Marine Division  
Bureau Veritas  

on September 8, 2003
ANNEX

To the MEMORANDUM OF AGREEMENT
between the
UNITED STATES COAST GUARD
and
BUREAU VERITAS
GOVERNING DELEGATION OF CERTAIN SURVEY
AND CERTIFICATION SERVICES
FOR UNITED STATES OF AMERICA FLAGGED VESSELS

APPLICABLE INSTRUMENTS AND AUTHORIZATIONS

1. Tonnage

A. The following instruments apply:

- Title 46, United States Code of Federal Regulations, Part 69, Subpart C - Standard Measurement System

B. Bureau Veritas is authorized to issue Tonnage certificates and perform all related functions in accordance with the International Convention on Tonnage Measurement of Ships, 1969, or in accordance with the Standard or Dual Measurement Systems under Title 46, United States Code, Chapter 145 for U.S. flag vessels. This authorization may be performed for U.S. flag vessels certificated, or to be certificated, for international and domestic voyages.

C. In addition to the conditions set forth in the Agreement and the requirements set forth in the applicable instruments, the following conditions will be adhered to in execution of this authorized function on behalf of the Coast Guard:

1.1 Bureau Veritas may use part-time employees or independent contractors in lieu of exclusive employees to provide measurement services, provided such individuals have been specifically designated by Bureau Veritas to perform this function.

1.2 Bureau Veritas shall not use an employee or contractor to measure and certify the tonnage of a
vessel if that employee or contractor is acting or has acted as a tonnage consultant for the same vessel.

1.3 Bureau Veritas shall physically conduct a compliance inspection before issuing each tonnage certificate.

1.4 Bureau Veritas will notify the Coast Guard of scheduled meetings that may take place between Bureau Veritas and other vessel tonnage measurement organizations pertaining to tonnage measurement of U.S. flagged vessels or to systems under which U.S. flagged vessels are measured.

1.5 Bureau Veritas shall, in addition to any requirements of class rules and applicable instruments, apply the supplemental requirements contained within the Addendum to this Annex when performing any authorized function on behalf of the Coast Guard pertaining to the Tonnage certification and survey of U.S. flagged vessels.

2. **Load Line**

A. The following instruments apply:

- International Convention on Load Lines, 1966
- Supplement relating to the International Convention on Load Lines, 1966

B. Bureau Veritas is authorized to issue International Load Line certificates and perform all related functions in accordance with the International Convention on Load Lines for U.S. flag vessels. International Load Line certificates issued under the provisions of this agreement may be endorsed as being issued on behalf of the “United States of America.”

C. In addition to the conditions set forth in the Agreement and the requirements set forth in the applicable instruments, the following conditions will be adhered to in execution of this authorized function on behalf of the Coast Guard:

2.1 All requests for exemptions, equivalencies, and experimental purposes (per International Convention on Load Lines Articles 6, 8, and 9, respectively), or other special considerations allowed under the International Convention on Load Lines at the discretion of the Flag Administration, must be forwarded to the Commandant for approval. Such requests must include supporting information and a recommendation from Bureau Veritas concerning approval. Upon approval by the Commandant, Bureau Veritas may issue the appropriately annotated International Load Line Certificate.

2.2 Bureau Veritas shall, in addition to the requirements of class rules and applicable conventions, apply the supplemental requirements contained within the Addendum to this Annex when performing any authorized function on behalf of the Coast Guard pertaining to the survey and certification of U.S. flagged vessels for the International Load Line certificate.
This Annex to the Agreement between the United States Coast Guard and Bureau Veritas becomes effective as provided in the Agreement.

For the United States Coast Guard

J.J. Angelo
Director of Standards,
Marine Safety, Security,
and Environmental Protection
United States Coast Guard

Sep 9, 2003

For Bureau Veritas

F. Teissier
Vice President, Marine Services
Bureau Veritas North America

Sep 10, 2003