

The Society of Maritime Arbitrators, Inc.  
**U.S. OPEN FORM SALVAGE AGREEMENT**  
Codename -- MARSALV®

This **SALVAGE AGREEMENT** ("The Agreement"), between \_\_\_\_\_, Master and/or Owner and/or Underwriter of the vessel \_\_\_\_\_ ("The Vessel") and \_\_\_\_\_ ("The Salvor"), is for salvage services rendered or to be rendered to the Vessel, her cargo and other property currently lying at or near \_\_\_\_\_, under the following terms and conditions:

**FIRST:** The Salvor shall use his best endeavors to save the Vessel, her cargo and other property and deliver same safely afloat, hauled or drydocked at or near \_\_\_\_\_, at which place and time the Salvor's services will terminate unless otherwise mutually agreed.

**SECOND:** The Master and crew of the Vessel agree to lend their aid and assistance to the Salvor, who shall be entitled, free of expense, to the reasonable use of the Vessel's equipment.

**THIRD:** The Salvor's services are to be performed on the following basis (check and initial):

**No Cure-No Pay** (Compensation to be conditioned upon successful salvage of the Vessel and/or her cargo and/or other property. In such case, the Salvor's compensation shall be pursuant to the criteria and other provisions of Article 13 of the 1989 International Convention on Salvage shown on the reverse of this Agreement).

**No Cure-No Pay, Fixed Fee \$** \_\_\_\_\_

**Per Diem/Hourly at \$** \_\_\_\_\_ **per day/hour pro rata**

**Other** \_\_\_\_\_

**FOURTH:** Notwithstanding the election(s) made in Paragraph **THIRD**, the Salvor shall in any event be entitled to compensation for actions he takes to prevent or minimize damage to the environment, pursuant to Articles 13 and 14 of the 1989 International Convention on Salvage shown on the reverse of this Agreement.

**FIFTH:** The Salvor shall have a lien upon the Vessel, her cargo and other property for services rendered pursuant to Paragraphs **THIRD** and **FOURTH**, and his statement for services rendered shall be submitted as promptly as possible after completion or termination of such services. In lieu of arrest or attachment of the Vessel the Salvor may demand reasonable security for such services from the Vessel and cargo interests as a condition for releasing same.

**SIXTH:** This Agreement shall be governed by and construed in accordance with the Federal Maritime Law of the United States. Any dispute arising out of this Agreement shall be referred to arbitration in the United States in accordance with the applicable Arbitration Rules of the Society of Maritime Arbitrators, Inc. The Arbitrator(s) shall be familiar with maritime salvage. Any award made hereunder may include interest, attorney's fees and costs, and shall be final and binding. For the purpose of enforcement the Award may be entered for judgment in any court of competent jurisdiction.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_

For: **SALVOR**

For: **VESSEL, CARGO and/or PROPERTY**

\_\_\_\_\_  
(authorized signature)

\_\_\_\_\_  
(authorized signature)

\_\_\_\_\_  
(print name and title)

\_\_\_\_\_  
(print name and title)

**White: Salvor; Yellow: Master/Owner; Pink: Underwriter**

# INTERNATIONAL CONVENTION ON SALVAGE, 1989

## Article 13

### **Criteria for Fixing the Reward**

1. The reward shall be fixed with a view to encouraging salvage operations, taking into account the following criteria without regard to the order in which they are presented below:

- (a) the salvaged value of the vessel and other property;
- (b) the skill and efforts of the salvors in preventing or minimizing damage to the environment;
- (c) the measure of success obtained by the salvor;
- (d) the nature and degree of the danger
- (e) the skill and efforts of the salvors in salvaging the vessel, other property and life;
- (f) the time used and expenses and losses incurred by the salvors;
- (g) the risk of liability and other risks run by the salvors or their equipment;
- (h) the promptness of the services rendered;
- (i) the availability and use of vessels or other equipment intended for salvage operations;
- (j) the state of readiness and efficiency of the salvor's equipment and the value thereof.

2. Payment of a reward fixed according to paragraph 1 shall be made by all of the vessel and other property interests in proportion to their respective salvaged values. However, a State Party may in its national law provide that the payment of a reward has to be made by one of these interests, subject to a right of recourse of this interest against the other interests for their respective shares. Nothing in this article shall prevent any right of defence.

3. The rewards, exclusive of any interest and recoverable legal costs that may be payable thereon, shall not exceed the salvaged value of the vessel and other property.

## Article 14

### **Special Compensation**

1. If the salvor has carried out salvage operations in respect of a vessel which by itself or its cargo threatened damage to the environment and has failed to earn a reward under article 13 at least equivalent to the special compensation assessable in accordance with this article, he shall be entitled to special compensation from the owner of that vessel equivalent to his expenses as herein defined.

2. If, in the circumstances set out in paragraph 1, the salvor by his salvage operations has prevented or minimized damage to the environment, the special compensation payable by the owner to the salvor under paragraph 1 may be increased up to a maximum of 30% of the expenses incurred by the salvor. However, the tribunal, if it deems it fair and just to do so and bearing in mind the relevant criteria set out in article 13, paragraph 1, may increase such special compensation further, but in no event shall the total increase be more than 100% of the expenses incurred by the salvor.

3. Salvor's expenses for the purpose of paragraphs 1 and 2 means the out-of-pocket expenses reasonably incurred by the salvor in the salvage operation and a fair rate for equipment and personnel actually and reasonably used in the salvage operation, taking into consideration the criteria set out in article 13, paragraph 1(h), (i) and (j).

4. The total special compensation under this article shall be paid only if and to the extent that such compensation is greater than any reward recoverable by the salvor under article 13.

5. If the salvor has been negligent and has thereby failed to prevent or minimize damage to the environment, he may be deprived of the whole or part of any special compensation due under this article.

6. Nothing in this article shall affect any right of recourse on the part of the owner of the vessel.