

MEMBERSHIP AGREEMENT
for the supply of a
SAFE SHIP MANAGEMENT SYSTEM

VESSEL NAME: MNZ NUMBER:.....

THIS MEMBERSHIP AGREEMENT is made:-

between

MARITIME MANAGEMENT SERVICES LIMITED

AND THE CLIENT:-

Name: _____

Address: _____

Phone: _____ Mobile: _____ Email: _____

In line with the MNZ Code of Practice, all commercial vessel operators are required to have a Membership Agreement with their Safe Ship Management company. This requirement is laid out within this document and separated into four parts for your convenience.

Part 1: Responsibilities of the Vessel Owner
Responsibilities of the SSM Company
Responsibilities of the Skipper

Part 2: Conditions of Membership
- Revocation of Membership
- Suspension of SSM Certificate

Part 3: Contractual Agreement

Part 4: SSM Services and Pricing

PART ONE: Responsibilities

Responsibility of the Vessel Owner

General:

The vessel owner is responsible for maintaining their vessel in a 'Fit for Purpose' condition at all times.

The vessel owner shall not consider the Safe Ship Management Certificate as proof of continued compliance. It is the responsibility of the vessel owner to work closely with his/her Safe Ship Management Company and ensure the vessel is maintained in a fit for purpose condition at all times and is compliant with all applicable maritime and marine protection rules, applicable sections of the Maritime Transport Act 1994, the Ship Registration Act 1992, and the Health and Safety in Employment Act 1992.

The vessel owner shall immediately address all complaints/corrective actions raised relating to safety matters on board the vessel.

The vessel owner shall submit his/her vessel for an audit by the MNZ when requested by the MNZ. This audit may be conducted by the MNZ or an MNZ appointed person.

Certificates

- Every vessel owner shall ensure that the vessel is in possession of a valid Safe Ship Management Certificate. A copy of this SSM Certificate shall be displayed, in accordance with maritime rule part 21, in a prominent position on the vessel at all times.
- Every vessel owner shall verify that the valid SSM Certificate has been issued with a unique certificate number.
- The vessel owner shall ensure that owner details are kept current on the SSM certificate. The vessel owner shall advise the SSM Company and MNZ about address changes and/or changes to telephone/fax/e-mail contact details.
- The SSM Certificate ceases to be valid following the sale of a vessel. This includes any transaction where the owner mentioned on the SSM Certificate is no longer the current owner of the vessel. The vessel owner and the new owner shall ensure MNZ and the SSM Company are advised immediately following any ownership changes. Previous owner shall inform new owner that the SSM certificate becomes invalid upon sale (non-transferrable) and that if he wishes to continue operating the vessel commercially, he should contact MMS to arrange.
- The owner of a vessel registered under the Ship Registration Act 1992, shall also ensure MNZ and the SSM Company is advised when the vessel has been sold or has changed its use from commercial to pleasure or vice versa.
- The vessel owner shall ensure that if the vessel undergoes any major modifications, major repairs, changes its operating limits temporarily or permanently, or increases its passenger carrying capacity the vessel is not operated until the owner has obtained—

- 1) a new Fit for Purpose document issued by a surveyor stating the particulars referred to in Maritime Rule Part 21, Section 2; and
- 2) a new New Zealand Safe Ship Management Certificate issued under the requirement of Maritime Rule Part 21, Section 2.

- A vessel owner shall ensure the SSM company is advised about all modifications and repairs. The SSM Company shall assess on a case by case basis whether this affects the fit for purpose status of the vessel.
- The owner of a vessel that intends to proceed on an overseas voyage shall obtain from MNZ a non-SOLAS certificate.
- The owner of a vessel, which has been registered under the Ship Registration Act 1992, shall ensure that if the vessel undergoes any major modifications or major repairs the SSM Company and MNZ are advised.

Designated Person (contact)

The vessel owner must nominate a designated person for managing the vessel. The responsibility and authority of the contact person shall be defined and shall include safety and pollution prevention, Maritime Rule Part 21--Safe Ship Management, all applicable maritime and marine protections rules, applicable sections of the Maritime Transport Act 1994, the Ship Registration Act 1992, the Health and Safety in Employment Act 1992. The vessel owner shall ensure the contact person is discharging his/her responsibilities as required by this clause of the Code.

Where the owner of the vessel is also the skipper and the contact person, there must also be a contact person ashore who will monitor the departure and expected time of return of the vessel. The vessel owner shall ensure written procedures are given to the contact person for initiating search and rescue. These written procedures must contain contact details of the marine duty officer. The contact person nominated under this clause of the Code is not required to undertake the safety and pollution prevention responsibilities and responsibilities for compliance with applicable legislation which are listed under 8.14 of the Code.

Failure of the contact person to discharge his/her responsibilities under clause 8.14 of this section of the Code in no way absolves the owner from the final responsibility for compliance.

The Designated Person for this vessel is:

Contact Phone Numbers:

Search & Rescue Contact Person:

Contact Phone Numbers:

Documentation

Where required by the rule the vessel owner shall ensure he/she obtains a document from the Naval Architect stating design approval has been completed. This document must state:

- (a) that the vessel is fit for its intended service and intended operating limits; and
- (b) complies with all applicable maritime and marine protection rules.

The vessel owner shall ensure a copy of the Fit for Purpose document is retained. The owner shall ensure the limitations and conditions on the use of the vessel, which appear in this document and in the design approval document supplied by the Naval Architect, are detailed in the Safety Management Manual and implemented.

The vessel owner shall ensure the logbook is maintained and the vessel is operated to the standard as detailed in the Safety Management Manual.

The vessel owner shall maintain the requirements in the Safety Management Manual at all times and verify, review and evaluate the effectiveness of the Safety Management System of the vessel. Records of such reviews shall be kept in the Safety Management Manual. The vessel owner shall not assume safety is a matter of merely putting right what the SSM Company surveyor/auditor or the Maritime NZ Inspector has found wrong.

The vessel owner shall ensure the Safety Management Manual is specific to the ship.

The vessel owner shall clearly define and document, in the Safety Management Manual, the master's responsibility with respect to implementing all safety management systems on board the vessel.

The vessel owner shall ensure that:

- (a) the Safety Management Manual mentions the manning levels and qualifications of skipper and crew for the operating limits of the vessel; and
- (b) the vessel is manned in accordance with these requirements at all times when operating commercially; and
- (c) the skipper/master is properly trained and qualified for command; and
- (d) the skipper/master is given the necessary support to conduct his/her duties safely.

The vessel owner shall specify in the Safety Management Manual details of how the owner will address his/her health and safety responsibilities under the Health and Safety in Employment Act 1992.

Membership

Every vessel owner shall be a member of an SSM Company. Proof of this membership shall be in the form of a document issued by the SSM Company. A copy of a valid membership document shall be placed in the Safety Management Manual on board the vessel.

When a vessel owner does not hold a current membership document with an approved SSM Company, the vessel owner shall immediately advise Maritime NZ. The Director of Maritime NZ shall assess on a case by case basis the status of the SSM Certificate and the appropriate action to be taken when a vessel owner does not hold a valid membership document.

Every vessel owner shall ensure the contractual arrangements agreed to between the SSM Company and the vessel owner for the maintenance of the membership are honoured. The vessel owner shall ensure that these contractual agreements mention the services to be provided by the SSM Company and the cost of those services.

Responsibility of the SSM Company

Membership

SSM Companies shall issue to the vessel owner some form of document stating membership within the Organisation. This document is to contain an issue date and an expiry date for the membership.

The SSM Company shall not issue the vessel owner with more than one valid membership document.

When an SSM Company has suspended or revoked a vessel owner's membership the SSM Company shall immediately advise the Director. The Director of Maritime NZ shall assess on a case by case basis the status of the SSM Certificate and the appropriate action to be taken when a vessel owner does not hold a current membership document.

An SSM Company ceases to have any responsibility or liability for managing the vessel once the membership of the vessel owner has been suspended or revoked. Liability matters related to work done during the period the vessel was in the SSM Company's system are subject to all applicable laws.

Designated Person

The SSM Company shall manage the ship in their system by ensuring that the vessel owner has nominated a designated contact person with whom the SSM Company can liaise. This designated person is responsible for ensuring the vessel complies with all applicable maritime legislation; for monitoring the safety and pollution prevention aspects of the operation of each vessel, and for ensuring adequate resources are provided.

The SSM Company shall clearly define the lines of communication between the contact person, and the SSM Company. Responsibility and authority of the SSM Company and the contact person shall be clearly documented.

The SSM Company shall take suitable steps to ensure the contact person is discharging his/her responsibilities with regard to Safe Ship Management.

The designated contact person nominated by the vessel owner shall be responsible for closing out all corrective actions given to a vessel following an SSM Company audit or an MNZ inspection or audit.

The designated contact person appointed by the owner shall be responsible for ensuring all recommendations, agreed to by the owner of the vessel, following MNZ accident investigations or Transport Accident Investigation Commission, investigations have been implemented.

Vessel Surveys/Inspections/Audits

The SSM Company shall ensure the owner is advised on all requirements of the Maritime and Marine Protection rules, applicable sections of the Maritime Transport Act 1992, the Ship Registration Act 1992 and the Health and Safety in Employment Act 1992.

The SSM Company shall ensure that all surveys/inspections and audits prescribed by the maritime rules are undertaken in a timely manner.

SSM Companies must conduct a risk assessment of every vessel prior to accepting a vessel into their system, and on an ongoing basis. All ship inspections and audits shall be based upon either the risk assessment or requirement of the rule. The owner must be advised on the results of the risk assessment. The SSM Company shall ensure resources for these inspections and audits are provided in a timely manner.

SSM Companies shall specify details in their quality system of the risk assessment they intend to use for assessing the safety risk posed by a vessel in their system (e.g. SPAN).

All check sheets used by SSM companies while performing surveys/inspections and audits must be applicable to the vessel. These check sheet must verify all the applicable prescriptive requirements in the maritime and marine protection rules and applicable sections of the Ship Registration Act 1992.

The SSM Company shall ensure each vessel in its system is provided with a report following each survey/inspection and audit conducted. The report may be in the form of a check sheet. However where appropriate, short narratives or photographs must be included in the report to indicate the condition of the vessel and its level of compliance. SSM Companies are encouraged to strive to provide the report of survey/inspection and audit to a high professional standard.

The SSM Company must take reasonable steps to ensure all corrective actions raised or work lists given by the SSM Company, following a vessel audit or survey/inspection, are closed out within the agreed timeframe.

The SSM Company shall ensure that there is a process in place to monitor the out of water vessel surveys required by Maritime Rule Part 46.

Responsibility of the Skipper/Master

- 1) The skipper of a boat shall—
 - Be responsible for the safe operation of the vessel, the safety and wellbeing of all passengers and crew, and the safety of cargo carried; and
 - Have final authority to control the vessel while in command and for the maintenance of discipline by all persons on board; and
 - Be responsible for compliance with all relevant requirements of the Maritime Transport Act 1994, applicable maritime regulations and applicable maritime and marine protection rules.
- 2) The skipper shall verify there is a Safety Management Manual specific to the vessel and that he/she has read this manual. In the event the Safety Management Manual is not specific to the vessel the skipper shall bring this to the notice of the vessel owner and the SSM Company and record this in the vessel's logbook.
- 3) The skipper shall ensure all systems for health, safety and pollution prevention mentioned in the Safety Management Manual are implemented and shall seek to improve these systems.
- 4) The skipper shall verify all personnel employed on board have adequate training to conduct their duties safely.
- 5) The skipper shall ensure all personnel employed on board have seafarer qualifications as required by the applicable maritime rules and specified in the Safety Management Manual.
- 6) The skipper shall ensure the logbook is correctly maintained and all training and drills are recorded.
- 7) The skipper shall ensure all accidents and incidents are reported to Maritime NZ and the Safe Ship Management Company as soon as practicable.
- 8) The skipper shall ensure all safety drills are conducted as per the schedule mentioned in the Safety Management Manual.
- 9) The skipper shall ensure all corrective actions given to the vessel by the SSM Company or MNZ have been verified as closed out and shall bring to the attention of the Contact Person all unclosed corrective actions and record this in the vessel's logbook.

PART TWO – Conditions of Membership

Revocation of Membership

The Code states that at the time of accepting a vessel into an SSM Company's system the vessel owner shall be advised in writing about the conditions for maintaining the membership and the conditions under which membership can be suspended.

The SSM Company shall not be entitled to exercise their right to remove a vessel from their system in such a way or in such circumstances that the vessel owner may be unable to obtain the services of another SSM Company.

An SSM Company can suspend the membership of a vessel owner who does not respond to correspondence from the SSM Company. The SSM Company shall make reasonable efforts to contact the vessel owner before such a step is taken.

The Client will pay all moneys owing for services rendered on due date and failure to do so may result in the revocation of membership. Interest on overdue accounts may be charged at 15 % per annum and/or all collection costs.

When a vessel owner does not hold a valid membership document with an approved SSM Company, the vessel owner shall immediately advise Maritime NZ. The Director of Maritime NZ shall assess on a case by case basis the status of the SSM Certificate and the appropriate action to be taken when a vessel owner does not hold a valid membership document.

When an SSM Company has revoked a vessel owner's membership the SSM Company shall immediately advise the Director in writing. The Director of Maritime NZ shall assess on a case by case basis the status of the SSM Certificate and the appropriate action to be taken when a vessel owner does not hold a current membership document.

An SSM Company ceases to have any responsibility or liability for managing the vessel once the membership of the vessel owner has been suspended. Liability matters related to work done during the period the vessel was in the SSM Company's system are subject to all applicable laws.

Suspension of an SSM Certificate

The SSM Company shall suspend a certificate only in accordance with maritime rule part 21.13(17).

The SSM Company shall suspend a certificate under 21.13(17)(e) only when there is a safety related issue. This safety related issue is to be documented.

The SSM Company shall ensure the guidelines issued by MNZ with respect to suspension of SSM Certificates are adhered to.

The SSM Company shall not suspend an SSM certificate for non-payment of dues, but may revoke membership.

PART THREE – Contractual Agreement

Agreement Conditions

1. The Client's vessel must hold a current safe ship management certificate, or a fitness for purpose certificate or will obtain one.
2. The Client or Client's employees or agents agree to comply with all current rules, regulations and legislation issued by the New Zealand Government - Maritime NZ, and the Supplier in particular the New Zealand Safe Ship Management Code.
3. The Client will install a safe ship management system that complies with the New Zealand Safe Ship Management Code capable of withstanding independent audit, at the Client's expense.
4. The Supplier and the Supplier's employees, agents or invitees may at all times enter upon the Client's vessel to view the condition thereof. The Supplier may give notice to the Client of all defects and wants of repair and the client will with all reasonable dispatch, after such notice, repair according to such notice so far as the Client is liable so to do under the terms of this agreement.
5. The Supplier or the Supplier's employees or agents will exercise all due care and diligence in the execution of their duties and the Client will provide an indemnity against failures or breaches of regulatory requirements not apparent at the time of audit or inspection of the Client's vessel or management system. The owner recognises that any survey is a 'snapshot' in time and accepts responsibility for the requirement to maintain the vessel in accordance with Maritime Rules. The SSM certificate is not transferrable and must not be provided as a pre-purchase survey.
6. The Client will pay all moneys owing for services rendered on due date and failure to do so will be considered a breach of this membership agreement and may result in the suspension of the SSM certificate. The Supplier shall be entitled to recover the dues and damages for such breach. Interest on overdue accounts may be charged at 15 % per annum and/or all collection costs.
7. All disputes and differences which may arise between the parties concerning this agreement shall be submitted to the arbitration of a single arbitrator if the parties can agree upon one but otherwise two arbitrators (one to be appointed by each party) and an umpire (who shall be appointed prior to entering into arbitration) such arbitration to be carried out in accordance with the Arbitration Act 1996 or any then subsisting statutory provisions relating to arbitration. This clause shall not prevent the Supplier recovering any arrears of payment due to the Supplier.

PART FOUR – SSM Services & Pricing
& Membership Agreement amendment
Effective 1st September 2006

SSM Services and Pricing

Annual Management Fee: **\$350.00 + GST**

Surveyor & Auditor Services **\$135.00 per hour**

- 4 Year surveys
- Shaft Crack Tests
- Damage Surveys
- Insurance Assessments
- New Build Surveys
- Systems Audits
- Change of Limits/Vessel use

Travel & Disbursements **\$1 per km + \$75 p/h**

All travel as charged at cost by Surveyor

MMS Ships Log Book **\$47.50**

MMS Ships Log Book Insert only **\$29.50**

MNZ Number Decals **\$45.00**

Garbage Disposal & Pollution Control Labels **\$ 5.00**

Other items such as Charts, Nautical Almanacs etc, refer separate order form on our website or request details from our office.

Non Solas, Voyage Permits & MSCD Application & Certification **\$130.00**

Exemption Applications (this does not include the survey costs)

For vessels first entering SSM - SSM Manuals, Plan Approvals etc. **\$200.00**

Effective from 1st of September 2006. Prices are exclusive of GST and consumable items are subject to postage and packaging costs. All Prices are subject to review.

Yes I would like to change to the 2-year visit system

If you would like to remain on the annual visit system you do not need to tick the above.

Vessel Name(s):.....

.....

MNZ Number(s):.....

Owner Name:.....

When the anniversary month for each vessel falls due, we will send out an invoice for \$350.00 + GST (Management Fee). This can be paid by Credit Card, Direct Credit or Cheque and a form with these options will be sent out to you at the time of invoicing.

SIGNED FOR MARITIME MANAGEMENT SERVICES LIMITED:

Signature: _____

Name: _____

SIGNED FOR (VESSEL OWNER):-

Signature: _____

Name: _____

Commencement Date: _____

Expiry Date: _____
(this will be the date of
your vessels 4 year anniversary)

This agreement may roll over unless changes are notified in writing 3 months prior to expiry date