

## LODESTAR CORRESPONDENTS TERMS OF ENGAGEMENT

### TO ALL LODESTAR CORRESPONDENTS

Lodestar would like to thank you for continuing to be a Lodestar listed Correspondent and for your support since our launch in September 2012. We fully appreciate the value of our Correspondents' prompt intervention in order to control and manage the impact of claims. For our mutual benefit, and in order to satisfy UK regulations, we would like to outline the following:

### INSTRUCTIONS TO CORRESPONDENTS

Lodestar will provide you with clear instructions as to the scope of the services required. Correspondents are requested to promptly acknowledge receipt of these instructions and confirm their attendance. Instructions may come directly from an Assured, but in such circumstances you should seek Lodestar's confirmation as to whether your attendance is on behalf of Lodestar or directly on behalf of the Assured.

### APPOINTMENT OF LAWYERS AND EXPERTS

Correspondents must not appoint any Lawyers or Experts without Lodestar's prior agreement. When Lawyers or Experts are appointed Lodestar will remain in direct control of the claim and will provide instructions and directions to the appointed Lawyer or Experts.

### CONDUCT OF CLAIMS

Lodestar fully appreciates your local knowledge, expertise and assistance in handling and mitigating claims. Notwithstanding this, Correspondents have no authority to agree or negotiate any settlement without Lodestar's prior approval.

### CORRESPONDENT FEES

Unless clearly advised to the contrary at the time of the instruction, all approved fees will be directly for Lodestar's account. Where instructions are received directly from an Assured, any fees incurred will be directly for the Assureds' account until such time as Lodestar confirm they support the Assureds' instruction. When Lodestar advise that any fees and expenses incurred are for the Assureds' account, the onus is on you to secure settlement of any fees and expenses incurred.

### SURVEY REPORTS

When a surveyor is appointed, Lodestar require a preliminary report as soon as practicably possible. Regular updates are subsequently required during the duration of the incident. A final report should be promptly provided once the incident is concluded. In most cases Lodestar do not require a hard copy of the survey report unless specifically requested by the Assured or Lodestar.

**CORRESPONDENT INVOICES**

Unless otherwise agreed, all invoices are to be in accordance with your current schedule of fees. Invoices should be promptly remitted to the instructing party and no later than three months after completion of the intervention. For any prolonged assignments, invoices should be remitted on a regular basis throughout the attendance and no less than on a quarterly basis. Unless specifically requested by Lodestar or the Assured, hard copies of the invoice are not required. Fees for Lodestar's account should be addressed to the Assured c/o Lodestar Marine Limited. The invoice must provide a clear breakdown of all fees and disbursements and clearly demonstrate the basis on which the fees are calculated. Lodestar will arrange prompt settlement of all correctly presented and approved invoices.

**LOSS PREVENTION SURVEYS**

Unless otherwise agreed, fees for Loss Prevention Surveys are for the Assureds' account. You should therefore secure settlement of your and the appointed surveyors fees prior to undertaking the assignment, or failing this, prior to releasing the Loss Prevention Survey report. The Loss Prevention Survey should be conducted in accordance with the Lodestar Loss Prevention Survey Form, (which may be downloaded from Lodestar Marine's website: <http://www.lodestar-marine.com/claims-loss-prevention>) and any other specific instructions provided by Lodestar at the time of appointment. A preliminary report, including any defect list, and a selection of photographs should be provided to Lodestar as soon as practicably possible.

**ANTI BRIBERY**

Lodestar Marine takes a zero tolerance approach towards bribery and corruption. Our approach extends to all Correspondents and third parties engaged by Lodestar or engaged directly by a Lodestar Assured. Correspondents are required to adopt adequate procedures to prevent bribery and corruption, and not to commit, authorise or permit any action which would contravene any bribery or other anti-corruption laws or regulations. Any suspicion that any improper activity has, or may take place must be reported to us immediately. A copy of our policy is available on request.

**SANCTIONS**

Please be aware that in some countries economic sanctions and regulations are imposed by the United Nations, European Union, the United Kingdom and the United States of America. These sanctions may affect your ability to deal directly or indirectly with some countries. Sanctions are constantly changing so please contact us should you be in any doubt as to whether you are permitted to carry out an activity.

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