

To: All Members

Pre-Contract Enquiries

Members will be aware that one of the factors taken into consideration in determining the extent of the Association's support is the "reasonableness of a Member's conduct." As part of this review the Directors will consider the extent of enquiries that have been made by a Member prior to entering into a contract or other agreement capable of being covered by the Association including but not limited to charterparties, Memorandums of Agreement, newbuilding or supply contracts, which forms the basis of a dispute.

The level of enquiries will of course depend on whether the Member has had previous dealing with the other party and also the nature of the trade or type and terms and details of the agreement being entered into. However the Directors do consider that where the contractual party is unknown or relatively unknown to the Member, reasonable enquiries should be made prior to entering into such a contract of other operators who have had dealings with this party or brokers who are knowledgeable of them or of independent third party advisers.

Yours faithfully,
THOMAS MILLER DEFENCE LTD.
Managers