



CIRCULAR

TO ALL FD&D OWNERS AND MEMBERS

13 September 2023

CHECK BEFORE FIXING – SEPTEMBER 2023

We would like to draw Owners'/Members' attention to the importance of obtaining adequate information as to the financial standing of the companies to whom Owners/Members charter their vessels. Unfortunately, NorthStandard continues to experience cases where Owners/Members have failed to make proper enquiries before fixing and where, as a consequence, they have sustained severe losses. Fluctuations in the freight markets can adversely affect the financial standing of previously reputable charterers and it is therefore important that Owners/Members obtain as up to date information as possible about the credit worthiness of charterers prior to fixing.

IMB Membership

NorthStandard subscribes to a "Block Membership Agreement" with the International Maritime Bureau (the "IMB") in London which grants our FD&D Owners/Members direct access to the IMB Chartering Experience Database. Under the terms of the Block Membership Agreement, Owners and Members wishing to check on the background of any particular charterer can contact the IMB directly with the full style of the chartering company, requesting to know whether the IMB have any information related to that company which would be relevant when considering whether or not to charter a vessel to that company. Further information may be found at:

<https://www.icc-ccs.org/index.php/icc/imb/products/chartering-experience-programme>

The full style of the IMB is as follows:

ICC International Maritime Bureau
Cinnabar Wharf
26 Wapping High Street
London E1W 1NG

Email: imb@icc-ccs.org

Phone: +44 (0)20 7423 6960

Fax: +44 (0)20 7423 6961

Website: <http://www.icc-ccs.org>

Owners/Members are encouraged to take full advantage of this service from the IMB, which is free to all of our FD&D Owners/Members, and it is hoped this will assist Owners/Members in reducing the risk of fixing to charterers who are likely to fail to honour their charterparty



obligations. Please submit all chartering inquiries via email to David Cuckney (dcuckney@icc-ccs.org) and imb@icc-ccs.org. Owners/Members will then be given access to the IMB secure portal.

NorthStandard recognises that whilst the IMB Chartering Experience Database is a reliable source of information about the reputation and performance of chartering companies, the relevance of the database is very much dependent upon the quality of the information which is fed in. Owners/Members are encouraged to report back to the IMB any factual information about the charterers' performance of their obligations which may be of relevance to other IMB members. References can be submitted via email to David Cuckney or anonymously via the web portal:

<https://icc-ccs.org/chartering-experience-programme>

Please note the source of any information provided to the IMB will be treated by them as strictly confidential and never disclosed to third parties.

The Discretionary Nature of FD&D Cover

We would also like to remind Owners/Members that FD&D insurance is discretionary and one of the factors which will be taken into consideration when assessing whether an Owner or Member is entitled to the support of the FD&D Class in pursuing a claim against a charterer, or defending a claim brought against an Owner or Member by a charterer, is whether the Owner/Member has taken sufficient care only to fix to a charterer of good reputation and financial standing. Owners/Members should obtain up to date references from the owners of other vessels previously fixed by the charterer, as well as brokers' references, in addition to checking with the IMB. Owners/Members considering fixing to a new chartering company should exercise particular caution and should try to insist on the provision of a performance guarantee either by a first-class international bank, reputable guarantor or other reliable security.

Yours faithfully

David Roberts
Managing Director

The Standard Club Asia Ltd

Email: david.roberts@standardclub.com