

**CODE OF PRACTICE BETWEEN INTERNATIONAL GROUP OF P&I CLUBS
AND LONDON PROPERTY UNDERWRITERS REGARDING THE PAYMENT OF THE FEES
AND EXPENSES OF THE SCR UNDER SCOPIC.**

The following understanding has been reached between the International Group of P&I Clubs (hereinafter called "Liability Underwriters") and members of the Lloyd's Underwriters' Association and the International Underwriters Association of London (hereinafter called "Property Underwriters") in relation to all future salvage services under Lloyd's Form where the Special Compensation P&I Clubs (SCOPIC) Clause has been invoked by the Contractor.

1. Whereas the primary liability for paying the fees and disbursements of the Shipowner's Casualty Representative ("SCR") rests upon the owner of the vessel, it is agreed that the owner of the vessel shall be reimbursed such fees and disbursements, subject always to the Club Rules and the terms and conditions of Club cover and the terms of any insurance policy or policies covering the salvaged property, in the following proportions:-
 - 50% by Liability Underwriters;
 - 50% by Property Underwriters (subject to Clause 2 hereof).
2. (a) Property Underwriters shall pay for 50% of the SCR's fees and disbursements in proportion to the salvaged value of the subject matter insured.

(b) Should 50% of the SCR's fees and disbursements exceed the salvaged value of the ship and cargo less the Article 13 award, Liability Underwriters agree to reimburse such excess proportion of the said SCR's fees and disbursements to the owners of the vessel.
3. This is a Code of Practice which Liability Underwriters and Property Underwriters shall recommend to their Members and it is not intended that it should have any legal effect.