

**THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED
RULES FOR ESTABLISHMENT OF FINANCIAL RESPONSIBILITY**

Each Operator shall submit to The Offshore Pollution Liability Association Limited (hereinafter referred to as 'the Association') evidence acceptable to the Association of financial responsibility to meet obligations to Claimants assumed under Clause IV of the Offshore Pollution Liability Agreement dated 4th September 1974 as amended from time to time (hereinafter referred to as 'OPOL').

Evidence of financial responsibility may be provided by any one or a combination of (i) insurance; (ii) guarantee; or (iii) self-insurance, as described below.

Evidence of financial responsibility (including the Forms referred to below and any notices to be given to the Association in connection therewith) shall be sent by email (as a pdf, tif or similar uneditable attachment) to info@opol.org.uk.

Submission by the Operator to the Association of the relevant Form specified below will constitute a confirmation and undertaking on the part of the Operator that it has verified evidence of financial responsibility in respect of all other interests, if any, in a venture.

Evidence acceptable to the Association of financial responsibility shall be submitted by the Operator to the Association before OPOL applies to any Offshore Facility in respect of which that Party is the Operator, and where the financial responsibility is limited in time or is terminated, further evidence acceptable to the Association shall be submitted prior to such expiry or termination to the extent the Operator is obliged to provide the same pursuant to OPOL.

(1) Insurance (Form FR-1 or FR-2)

Verification of insurance from an insurance company (Form FR-1) or an insurance broker or agent (Form FR-2), in each case being an insurance company, insurance broker or agent acceptable to the Association, for an amount of not less than U.S.\$250,000,000 any one incident and U.S.\$500,000,000 in the annual aggregate (subject to any reduction permitted by the Association to take account of any

additional evidence of financial responsibility provided by the Operator to the satisfaction of the Association); provided however that such annual insurance aggregate shall not operate as a limitation of liability under OPOL. A maximum deductible of U.S.\$10,000,000 in respect of any one occurrence will be permitted by the Association. The Operator shall:

- (a) notify the Association promptly in writing if it becomes aware that its insurer(s) no longer satisfy(ies) the credit or financial strength rating requirement set out in the Form FR-1 or FR-2, as relevant;
- (b) promptly after becoming so aware either (i) procure that such insurer is replaced with an insurer which satisfies such credit or financial strength rating requirement or (ii) procure that replacement financial responsibility is effected in accordance with OPOL and these Rules; and
- (c) promptly provide evidence of the same in writing to the Association by submitting a new Form FR-1 or FR-2, as relevant, or other evidence of replacement financial responsibility to the Association in accordance with OPOL and these Rules.

(2) Guarantee (Form FR-3)

Verification of a guarantee (Form FR-3) from a guarantor acceptable to the Association. At the request of the Association, the Operator shall promptly provide such information and other documents as the Association may reasonably require from time to time regarding the existence, enforceability and validity of such guarantee. In addition, the Operator shall:

- (a) notify the Association promptly in writing if it becomes aware that such guarantor no longer satisfies the credit or financial strength rating requirement set out in the Form FR-3;
- (b) promptly after becoming so aware either (i) procure that such guarantor is replaced with a guarantor which satisfies such credit or financial strength

rating requirement or (ii) procure that replacement financial responsibility is effected in accordance with OPOL and these Rules; and

- (c) promptly provide evidence of the same in writing to the Association by submitting a new Form FR-3 or other evidence of replacement financial responsibility to the Association in accordance with OPOL and these Rules.

(3) Qualification as a Self-Insurer (Form FR-4)

To qualify as a Self-Insurer an Operator must demonstrate financial responsibility by:

- (i) having one or more of the following credit or financial strength ratings: “A-” or higher from Standard & Poor’s; “A-” or higher from A. M. Best; “A3” or higher from Moody’s; “A” or higher from Fitch; and/or the equivalent from another internationally recognised credit rating agency acceptable to the Association: and
- (ii) submitting verification to the Association of the same in the form of Form FR-4.

At the request of the Association, the Operator shall promptly provide such supporting evidence as the Association may reasonably require from time to time regarding such credit or financial strength rating. In addition, the Operator shall:

- (a) notify the Association promptly in writing if it becomes aware that it no longer satisfies the credit or financial strength rating requirement set out in the Form FR-4;
- (b) promptly after becoming so aware procure that replacement financial responsibility is effected in accordance with OPOL and these Rules; and
- (c) promptly provide evidence of the same in writing to the Association by submitting evidence of replacement financial responsibility to the Association in accordance with OPOL and these Rules.