



Nordisk Skibsrederforening
(NORDISK DEFENCE CLUB)

ANNUAL REPORT 2015

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MANAGING DIRECTOR'S COMMENTS



Nordisk's financial strength and expert team of lawyers put us in an excellent position to assist our members, many of whom are facing extremely difficult market situations.

By Karl Even Rygh

2015 proved to be another very busy year for Nordisk, with record high numbers of units entered and new cases.

On a personal note, it has been a particularly eventful year for me, having replaced Georg Scheel as Managing Director when he retired in April. The new position involves many challenging administrative tasks which have to be combined with continuing as a lawyer and advisor for our members. However, it is first of all

inspiring to manage such a competent staff, and I am always proud to represent Nordisk with all its tradition and strong membership base.

Since Nordisk is in such good shape, there will be no revolutionary changes, but we are constantly trying to improve and modernize the organization by taking various small steps. For example, we are in the process of adopting adjustments to the premium system and redrafting Nordisk's statutes, so that these are more in line

with other clubs' practices and rules.

The timing for taking the helm has not been ideal: the market situation for most of our members is extremely difficult and we have started to see an increase in potentially expensive and time-consuming disputes for Nordisk to handle and cover. At the same time, the return on our invested reserves has decreased significantly as a result of record-low interest rates and nervous financial markets.

Luckily, as many of our members are manoeuvring in dire straits, they rely on service and support from Nordisk more than ever, resulting in a satisfactory renewal rate despite the hardship in the markets. Nordisk members have the benefit of belonging to a financially strong club, with reserves amounting to more than three times the net combined annual premium and a significant reinsurance cover.

As further discussed in the Report from the Board, the dry bulk and offshore owners are currently facing the most difficult market situations; these two segments dominate our membership base, each with about one quarter of the entered vessels. Although we clearly see the impact of the market situation in our day-to-day work, the effect is very different for these two markets.

In the offshore segment, we see a number of early termination disputes involving significant amounts when long-term charters entered into at high rates are replaced by lay up and no income overnight. Our members' customers are typically oil companies, using their strength and market power to force through savings, many times in blatant disregard of their contractual commitments.

The dispute trend in the dry bulk market is very different. The amounts involved are typically very low, and many opponents seem to operate with a strategy whereby they simply do not pay smaller undisputed amounts, speculating that the costs of enforcing the claim will be so high that they will get away with it.

Although the disputes are very different, our task and ambition as a mutual club is the same for all segments and in all markets: to ensure that the Association's resources are spent wisely, by choosing the right fights and achieving sensible settlements and cost savings in cases with weaker merits. Nordisk remains focused on keeping costs and premium/deductible levels down, while still being able to assist and support members in difficulties.



REPORT FROM THE BOARD



Suppliers anchored at Selat Pauh Anchorage (Singapore) - Date: 01-06-2015

Photo: Piet Sirke www.maasmond.nl

In last year's annual report, we pointed to the dark clouds over many of the shipping and offshore markets which Nordisk serves through its day-to-day operations. Twelve months later it seems that our cautious observations and market outlooks were less pessimistic than the realities that emerged during the course of the year.

The dry bulk sector represents one of the largest markets for Nordisk, with approximately a quarter of the entered vessels belonging in this category. The market indexes reflecting freight and earnings for dry bulk have repeatedly fallen to all-time record lows throughout the year. The

fundamental imbalance between vessel supply and demand has left owners and some disponent owners with substantial losses. This challenging situation has led to some vessels moving into layup, and to increased counterparty risks. Owners accounting for additional write-offs for ship

values, and concern by ship financiers, are clear warnings of potential restructurings to follow. The worsening situation, however, has not yet resulted in a relative increase in the number of dry bulk cases handled by Nordisk. Nonetheless, defaulting payers, and companies being unable to respond to arbitration awards against them, seem to be continuing trends.

The offshore markets are facing the toughest challenges seen for decades. The combined fleet of rigs, FPSOs and various types of offshore service vessels represents the largest segment of vessels entered with Nordisk. The continued fall in oil prices during 2015 resulted in a corresponding global plunge in activity levels for drilling rigs, seismic and support vessels. Numerous development projects are being placed on the back burner, which in due course will have a detrimental impact for crane, construction and accommodation vessels. The slowdown in Brazil has caused an exodus of non-national offshore vessels from the market due to the imposition of available restrictions schemes. The fundamental change in the demand situation is exacerbated by an expanding supply side with deliveries of newly built vessels, despite owners struggling to delay or cancel vessel deliveries from yards where at all possible. The owners have responded by moving a considerable part of the fleet into layup. Many charterers are looking to terminate offshore contracts for cause or convenience and some demand outright rate reductions, despite being subject to existing firm long-term contracts. Concentrated buying power and strong commercial pressure from charterers deter owners from pursuing legal conflicts with their charterers, and encourage owners instead to accept commercial solutions which hopefully will maintain units in operation. As a consequence of this situation Nordisk has so far seen only a limited increase in the number of substantial cases in this segment, but there is an increasing need for advice as contracts are being renegotiated on less rewarding and weaker terms.

The tanker and partly the LPG markets are among the few markets standing out as exceptions in the overall rather dismal market situation. Shipyards are eagerly embracing orders for

new and fuel-efficient tonnage in this segment, so the big question is as always whether the good times will stop again as a result of further increase on the supply side.

On April 15 last year, Georg Scheel retired from his position as Managing Director of Nordisk, having served the Association for more than 35 years. Karl Even Rygh was promoted to succeed Georg Scheel as Managing Director, while Tor Erik Andreassen took over the position of Deputy Managing Director. The Board is grateful for the very positive results and strong current standing of the Association, resulting from strong leadership and continuous meticulous efforts by Georg Scheel and his team. The Board is also confident that the new top management will continue to develop and modernize Nordisk in the best interest of its members.

The Board would also like to take this opportunity to thank Thomas Franck who stepped down from the Board at the Annual General Meeting in May, having been a member of the Board for six years.

The Statutes and Rules of Nordisk provide the Board with discretionary powers, which effectively give the Board decisive control concerning the level of cover and related deductibles offered in the most expensive cases, typically some 30 to 50 cases per annum. The most expensive cases in 2015 represented a typical mix of cases, including offshore disputes in various regions, bareboat and time-charter defaults dominated by delivery and off-hire issues, hire adjustment disputes, guarantee claims, various bunkers disputes, and newbuilding cancellations.

The Nordisk team in Singapore provides legal services to members with offices in that region, and has seen another year of increasing activity in 2015, partly resulting from an increase in the number of local members. The Singapore office has since the summer been managed by Tom Pullin. The office handles a cross-section of the case types seen in the head office, including a substantial and growing share of offshore work in the region. The office also provides extensive support to Far East operational units of Nordisk members with European headquarters.

Nordisk received 2,301 new cases in 2015, which is 3 per cent more than in 2014. At the same time the number of units entered was 2,651 at the end of 2015, representing almost a 4-per cent increase from the level at the end of 2014. The Board is pleased to note that the Association has a very high retention percentage among its longstanding members, while at the same time continuing to attract new members. We see the continuing growth as a consequence of the Association's strong legal reputation in the market, its high-quality membership base and substantial financial strength. The latter is illustrated by the fact that there is no general increase of premium for 2016, for the second consecutive year.

The Association's financial statement for 2015 shows a surplus of NOK 1,373,943 and equity of NOK 64,607,304. The Association has generated a surplus for many years and accordingly has increased its reserves. These reserves are held principally in bank equities and money market funds. The Board considers the Association's financial position to be strong. In addition to the Association's own equity, its financial

strength and liquidity are further strengthened through management and insurance agreements with Northern Shipowners Defence Club in Bermuda. The aggregate equity/retained earnings of this company and the Association were NOK 256,161,016 at the end of 2015. In addition, the reserves recorded in the Bermuda company to cover future costs were equal to NOK 60,701,370.

The Association maintains its reinsurance policy in the Lloyds Market, covering the possibility of particularly high expenditure in individual cases. The policy provides cover up to a maximum of MNOK 100.

The Board is proud to report yet another successful year for the Association, and we are confident that Nordisk will remain strong during 2016, despite the very challenging times for the shipping and offshore industry. We would like to thank the Association's management and staff for their excellent work during 2015.

Oslo, 31. desember 2015
17. mars 2016


TERJE SØRENSEN
Styreformann


JAN HÅRON PETERSEN


HANS NØREN


STAFFAN CARLSON


TRYGVE SEGLEM


HANS PETER JEBSEN


JAN FREDRIK MELING


KARL EVEN RYGH
Adm. direktør

NEWS FROM OUR SINGAPORE OFFICE



Nordisk's Singapore office reports on another successful year, and summarizes two judgments that reaffirm the Singapore Courts' reluctance to interfere with the arbitral process.

By Tom Pullin

2015 was a busy year for the Singapore office with a record 426 new cases opened for a broad range of members across the shipping and off-shore industries.

On the contentious side, we have handled a number of arbitrations in London, Singapore and Hong Kong; mediations in Singapore, China and Australia; and court proceedings in England,

Australia, China and Dubai. Our non-contentious practice has included a number of sale and purchase transactions in addition to our usual contract review and negotiation, and advisory work.

The office also saw a few personnel changes. In August 2015 Tom Pullin took over as managing director of the Singapore office and in Febru-

ary 2016 Eileen Lam joined our team from the Singapore office of Clyde & Co. Eileen is a dual qualified Singapore/English solicitor.

New SCMA Terms (3rd Edition)

The number of SCMA arbitrations increased modestly to 30 references in 2015, up from 25 in 2014, and in October 2015, the SCMA published a revised edition of the SCMA Rules. This revision represents an evolution, rather than a revolution.

Singapore Cases

Two Singapore Court judgments from 2015 will be of particular interest to the international arbitration community. In both cases, the Singapore Courts have re-affirmed their support for arbitration, and their reluctance to interfere with the arbitral process.

AKN and another v ALC and others and other appeals [2015] SGCA 63.

This decision is noteworthy for two reasons:

1. the Courts re-examined the powers of the Singapore Courts to set aside arbitral awards. In doing so, they re-affirmed the Courts' support for the arbitral process and confirmed that the Courts should intervene only in exceptional circumstances; and
2. the Courts also looked at whether an award that is set aside by the Court can be remitted to the same arbitral tribunal for re-consideration.

The case concerned an appeal from a decision of the High Court that had set aside an arbitral award, based on the High Court's finding that the arbitral tribunal had failed to consider a number of submissions put forth by one of the parties. The High Court had also found that there had been a "breach of natural justice" because the tribunal had failed to give proper consideration to relevant arguments.

The Court of Appeal re-instated parts of the award. In its judgment, the Court of Appeal re-affirmed its reluctance to interfere with the arbitral process.

The Court of Appeal took the view that

having elected to refer disputes to arbitration, the parties must live with the consequences of that election – whether positive or negative. The Courts cannot "*bail out parties who have made choices that they might come to regret, or offer them a second chance to canvass the merits of their respective cases*".

Whilst the Courts do have the power to set aside an arbitral award on the grounds of a breach of "natural justice", this will be very narrowly defined (it is suggested that the approach will be broadly analogous to that of the English Courts when considering an appeal under section 68 of the Arbitration Act for alleged procedural irregularity). The Court of Appeal confirmed that the Courts will not set aside an award on the grounds that it has been "incorrectly" decided.

The Singapore Court of Appeal also held that,



unlike the English Court, a Singapore Court that sets aside an arbitral award has no power to remit the matter back to the same arbitral tribunal.

The Court of Appeal decided that, pursuant to Art 34(4) of the Model Law, the Courts can remit a matter only before an award has been set aside. Accordingly, there is no power of remission after the court has set aside the award. The Court further held that while an arbitral award that is set aside has no legal effect, the arbitral tribunal's jurisdiction will not be revived as a result. Parties will therefore have to commence a fresh arbitration, although their ability to do so will

be subject to limitations (e.g., the doctrine of *res judicata*).

Manuchar Steel Hong Kong Ltd v Star Pacific Line Pte Ltd [2014] 4 SLR 832.

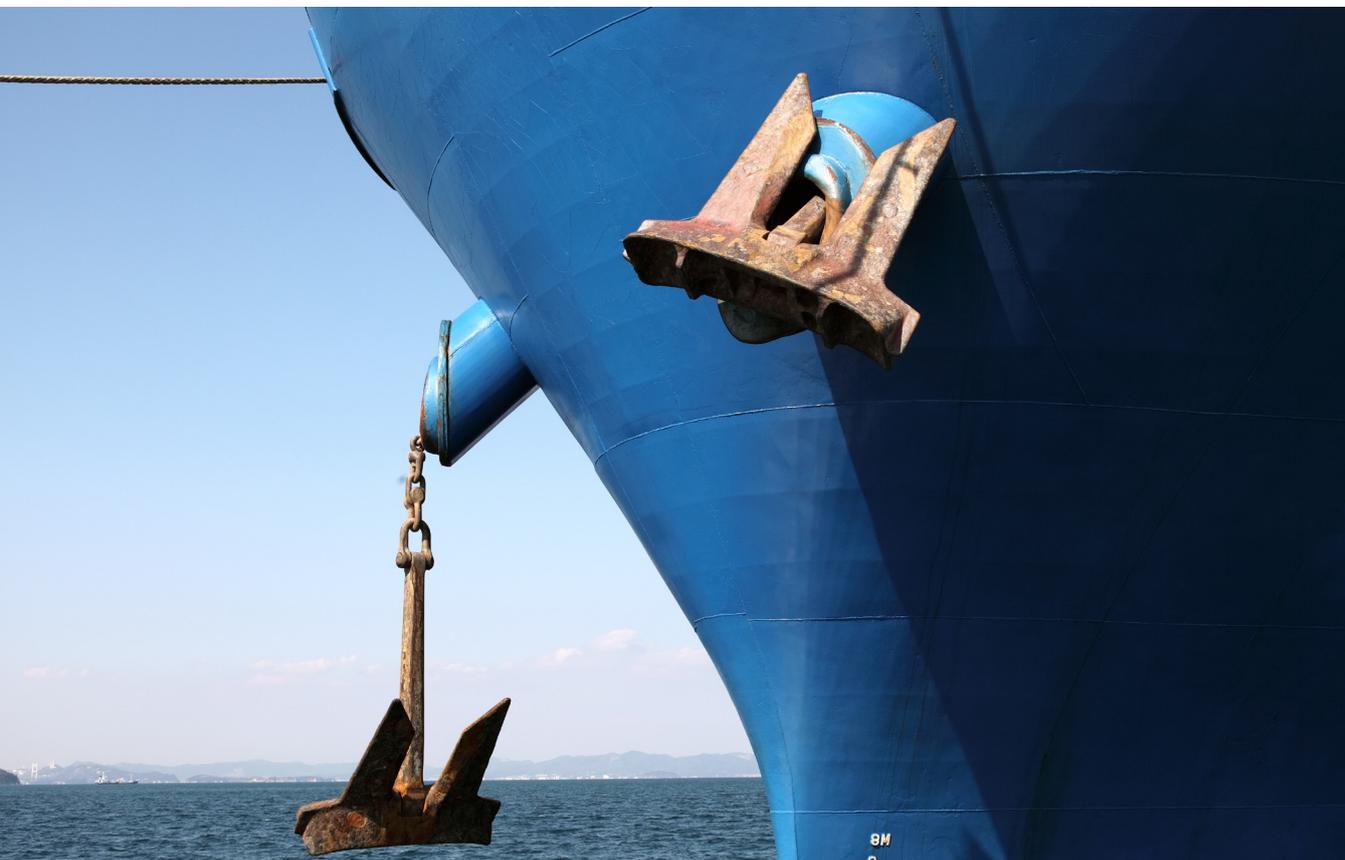
Manuchar chartered a vessel from SPL Shipping. When a dispute arose, Manuchar commenced arbitration in London. SPL Shipping failed to participate and Manuchar obtained two arbitral awards in default, which it sought to enforce in Singapore. However, enforcement was ineffectual as SPL had no assets with which to satisfy the award.

Manuchar then sought enforcement of the award against a third party, Star Pacific, on the grounds that SPL Shipping and Star Pacific were part of a “single economic entity” as both were part of the same corporate group. Manuchar applied for an order from the court for pre-action disclosure from Star Pacific to support the action. Manuchar based its arguments on the “group of companies doctrine”. This doctrine arose out of

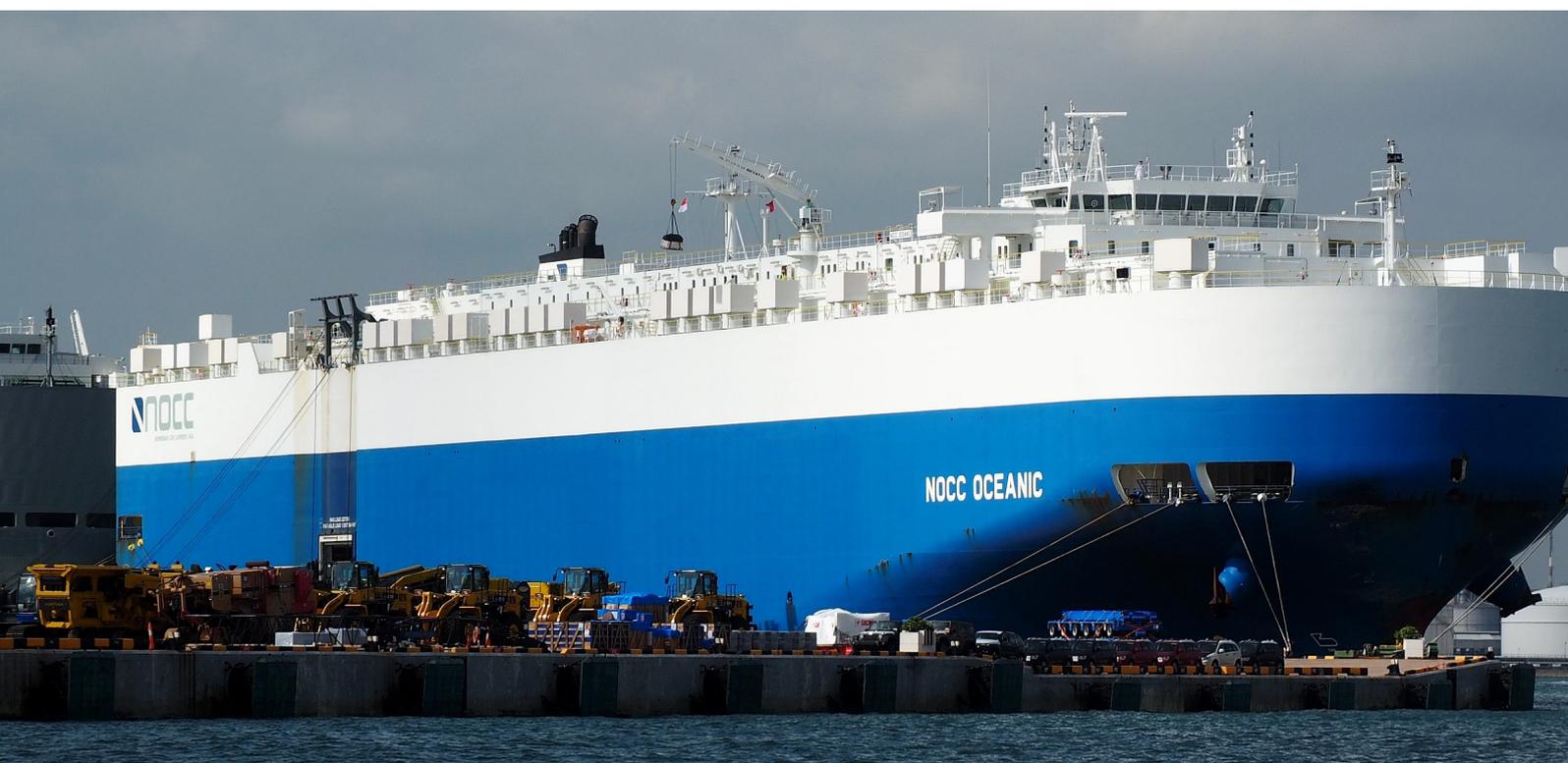
the 1982 French case of *Dow Chemical Group v Isover-Saint-Gobain (ICC Case No. 4131)*. The doctrine, which is of limited application outside France, provides that an arbitration agreement signed by one company in a group of companies may bind other companies in the group if certain criteria are met.

The Court dismissed Manuchar’s application. The Court declined to follow the Dow Chemicals case, preferring the English High Court decision in *Peterson Farms Inc v C&M Farming Ltd [2004] 1 Lloyd’s Rep 603*, which held that an arbitral tribunal has no jurisdiction to make orders binding on parties that have not entered into binding arbitration agreements.

The Singapore Court found that Manuchar’s position was conceptually very difficult to reconcile with the established doctrine of separate legal personality and the narrow exceptions for the piercing of the corporate veil.



CLEARER RULES ON OWNERS' DAMAGES



A recent Norwegian arbitration provided welcome guidance on the calculation of owners' damages following termination of bareboat charters for non-payment of hire, while also highlighting differences in approach between Norwegian and English law.

By Magne Andersen

In 2015 we assisted the owners of four vessels with their claims for hire and damages against charterers under bareboat charter parties that were terminated by reason of charterers' failure to pay hire.

The key issue was: *What damages may an owner recover when he terminates a charter party because the charterer has failed to pay hire?* At the

outset it should be mentioned that a positive, but complicating, factor in this case was a rising tanker market.

The vessels in question were delivered into four 10-year bareboat charter parties in 2007. On 15 November 2012 the charterers indicated that going forward they would only be able to pay part of the hire due. Despite the ensu-

ing commotion, the parties managed to agree on a standstill agreement which survived until December 2013, when the owners terminated all four charter parties.

Following termination of the charter parties, the owners advanced claims as follows:

a) Balance of hire during the standstill period

During the standstill period, the charterers had

b) Claim for damages from termination until the arbitration hearing (the “post-termination period”)

The owners’ principal claim was based on a calculation of loss at the date of termination without deduction of income derived from mitigation efforts (i.e., charter hire less market hire). If the charter parties had been subject to English law, damages would have been calculated in this fash-



paid only a portion of the hire due. The owners claimed the accrued but unpaid hire. The claim was accepted in full by the arbitration tribunal on the basis of the following wording in the Standstill Agreement:

“For the avoidance of doubt, if no final agreement has been reached within the Standstill Period, the Bareboat Charters and Management Agreements payment terms shall again resume, such that amounts shall be payable in full going forward and on a retroactive basis.”

It is worth noting that without this express provision in the Standstill Agreement, the claim would have been deemed to be a claim for damages instead of a claim for accrued hire. In that case, there is reason to believe that the owners’ high mitigation earnings following termination of the charter parties would have prevented them from recovering the accrued balance of the hire.

ion (“date of breach rule”), but under Norwegian law there is no clear authority in support of this approach. The arbitration tribunal rejected this method of calculation:

“[Owners’] compensation entitlement cannot be based upon a general application of its “Without mitigation” model, but must be assessed upon a specific assessment of each of [Owners’] claims in relation to general Norwegian contract law, including an evaluation of possible deduction for subsequent earnings after the breach of contract.”

The owners’ alternative claim was that they were entitled to damages in the amount of their actual loss, i.e., bareboat charter hire (plus OPEX) less actual income earned by way of mitigation. The tribunal adopted this method of calculating the claim. However, the owners were able to establish an actual loss for only one of the vessels (fixed on time charter). The three other

vessels (fixed on voyage charters) had incurred no loss during this period due to continued improvement of the tanker market.

c) Claim for damages for the balance period “post-arbitration period”

Insofar as the charter parties' duration extended for two years beyond the arbitration hearing, brokers' experts opined on the future tanker market. The arbitration tribunal concluded that USD 25,000 per day was a realistic level of earnings for a two-year charter party. This notional level of earnings added significant further gains for owners, in effect “eradicating” all losses suffered under three of the charter parties from November 2012 until expiry of the contracts in 2017.

d) Claim for drydocking costs

Because the vessels were fixed on bareboat charter parties, the charterers were obliged to drydock the vessels during the charter period (prior to redelivery), at a cost of about USD 1.75 million per vessel. Following the termination these costs would inevitably be borne by the owners, who therefore presented a claim for damages.

The arbitration tribunal held that this claim was also “netted out” by the surplus mitigation earnings. The tribunal did not accept arguments that this extraordinary expense should be unaffected by mitigation.

e) Increased finance costs

One of the owners had incurred increased interest costs on the vessel financing due to the charterer's default and consequent standstill period (this was viewed as a material adverse change under the loan agreements). This owner presented a claim for damages in the amount of those increased costs.

The arbitration tribunal accepted this claim, stating that this finance cost was unaffected by the mitigation earnings.

The charterers advanced some arguments designed to limit the owners' claims:

a) The charterers argued that the value of three option periods (2+2+1) at the end of the fixed charter period should be deducted from the owners' claims, but did not succeed with this argument. The arbitration tribunal held as follows:

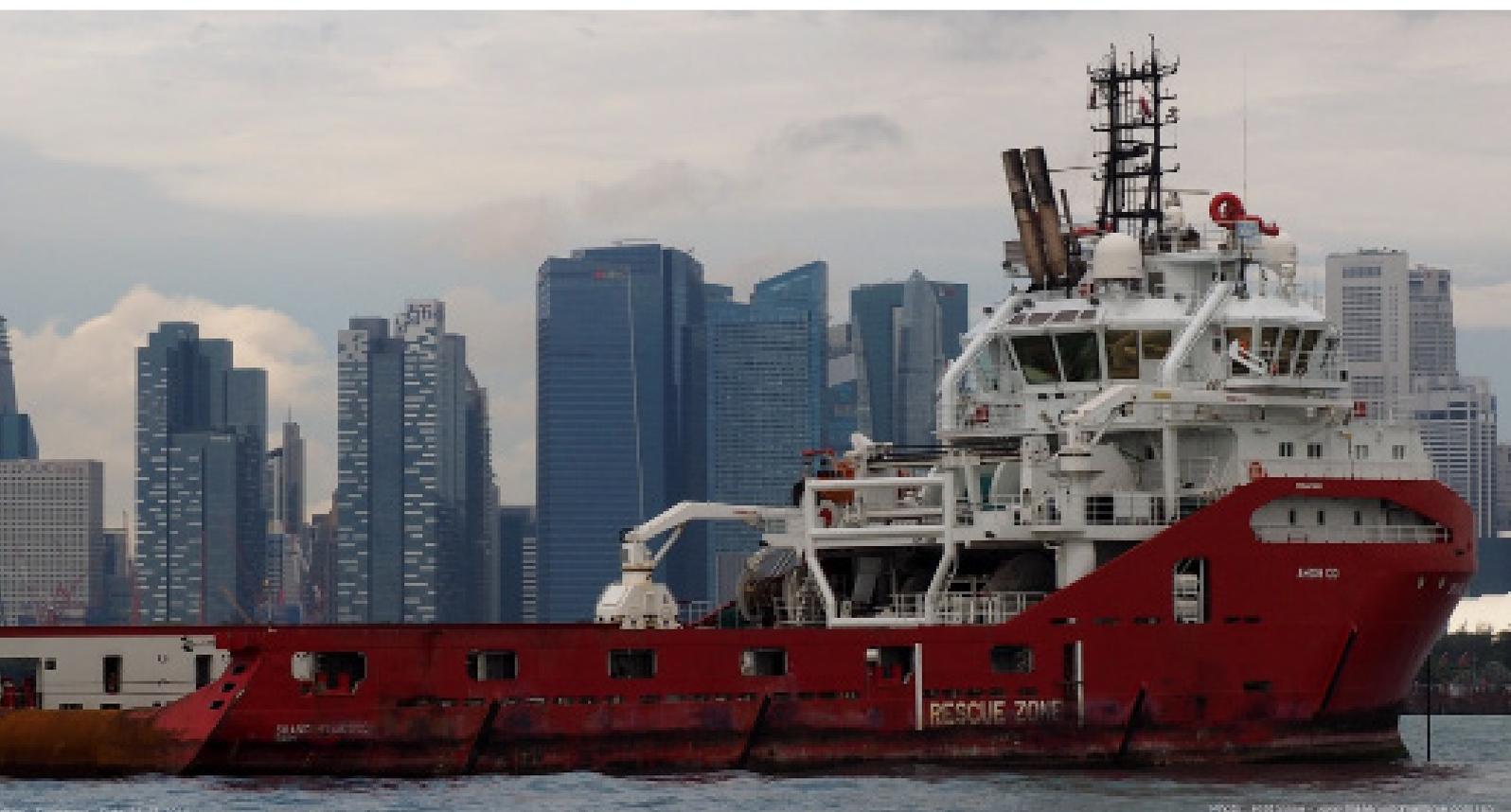
“Options of contract extensions can in principle have a value. However, in order to have the right to exercise an option, the party must have complied with all its obligations under the agreement. In the present case the price of the option can be seen as the contractual payment of the daily bareboat hire throughout the duration of the Charter Parties. As [the charterers] have not fulfilled this obligation, the Arbitral Tribunal is of the opinion that no value can be attached to the options.”

b) Finally, the charterers argued that gains under one charter should be used to set off losses on the other charter. The charterers pointed to the fact that the two vessels in question were owned by the same entity and were chartered out to the same entity, and that the contracts were identical, and were entered into on the same date as part of the same project financing. The owners of course objected to such a set-off, and succeeded, with the tribunal finding as follows:

“There is [...] in the view of the arbitral tribunal no legal basis to set off the financial effects of the breach under one of the contracts against the other. Even if the contract parties are the same, the contracts are close to identical and the vessels have been financed under the same loan, it remains the fact that the parties elected to enter into separate contracts for each vessel. The legal effects of breach of contract must be determined on a contract-by-contract basis.”

The award provides guidance on quite a few issues under Norwegian law as to which there was previously no or little authority available. Aside from the above-mentioned issues, the arbitration tribunal also had to deal with applicable interest rates and discount rates (including WACC). Last but not least, the arbitration award illustrates some material differences between English and Norwegian law with regard to the principles to be applied in calculating damages.

2015 – ANOTHER CHALLENGING YEAR IN THE OFFSHORE SECTOR



With the fall in oil prices leading to lay-ups, charter terminations, renegotiations and bankruptcies, owners have displayed resilience in seeking new kinds of employment for their vessels. Meanwhile Brazil's charter authorization regime has continued to cause problems for foreign owners.

By Knut Erling Øyehaug, Camilla Bråfelt and Anders Evje

In last year's annual report we commented upon the dramatic change in market conditions for our offshore members due to the drop in oil prices and reduced level of activity. As our

members will be well aware, this development continued in 2015, which turned out to be an even more challenging year for our members in the offshore sector. In this article we provide

certain observations based on the cases we have received over the last year or so.

1) Lay-Up

Lay-up has been high on the agenda in 2015. In time charter parties of some duration the charterers will most often have a right to lay-up the vessel during the time-charter period. See for example *Supplytime 2005*, Clause 6 (d). When the parties have not agreed on a lay-up rate in advance upon entering into the charter party, discussions will often arise. In this scenario the typical solution is that the charter hire rate during the lay-up period is reduced by the amount which the owners should reasonably have saved as a result of the lay-up. Typical issues are (i) whether the lay-up clause provides for cold or warm lay-up; (ii) to what extent owners must reduce the manning level; (iii) maintenance costs during the lay-up period; (iv) the timeframe within which the owners are obliged to present the vessel ready for trading after the lay-up period; and (v) the due date for payment of costs incurred in making the vessel ready to trade again. For further comments on this topic we refer to the article “Lay-Up – Time Charter Parties” in Nordisk Circular, December 2015.

2) Termination for convenience

Often charter parties include a provision entitling the charterers to terminate the charter party for convenience, i.e. without cause. Due to the downturn in the offshore sector and reduced activity level there has been an increase in cases where charterers have terminated for convenience. In our experience, owners in most cases are entitled to early termination compensation, typically calculated on the basis of the remaining firm charter period, and charterers are obliged to give notice a reasonable time in advance prior to termination. The notice period and the level of compensation vary considerably.

Whilst the basis for charterers’ right to terminate for convenience may be sufficiently clear, these clauses may nonetheless raise various issues. Calculating the early termination fee is straightforward where the charter period is well defined,

but this is more problematic where the charter period is more vaguely defined, e.g. the charter party is for a number of wells without any guarantee. Another recurring issue concerns the due date for payment of the early termination fee. Finally, termination for convenience clauses often include mitigation provisions, requiring owners to exercise due diligence or exercise their best efforts during the remainder of the firm charter period to find alternative employment to reduce the early termination fee. How this mechanism is meant to operate where the charterers have already provided an (often significant) early termination fee is not always clear.

The following termination for convenience clause illustrates these points:

“Without prejudice to charterers’ other rights under this charter party, charterers may terminate this charter party at any time by giving not less than X days written notice to owners. In the event of such notice being served by charterers, then charterers shall pay to owners X % of the hire payable for the remainder of the firm charter period calculated from the date of termination specified in the written notice. Further owners will exercise due diligence to find alternative work for the vessel during the remainder of the period in which the vessel is terminated, in order to mitigate the early termination fee.”

3) Termination for cause

Due to the market conditions there has been a similar increase in cases concerning termination for cause.

A distinction can be made between (i) cases where charterers terminate for owners’ breach of contract or other reasons within owners’ control and (ii) cases where charterers terminate for causes which are entirely outside owners’ control. Whilst the latter category is rather close to termination for convenience (at least seen from an owner’s perspective) many time charter parties entitle charterers to terminate for such reasons, for example where the drilling campaign for any reason comes to an end or otherwise where there is a reduction in activity level, without payment of early termination compensation.

The following termination for cause clause illustrates this point:

“Charterers shall have the right to terminate the charter party at any time at their sole discretion without cost to Charterers, by giving not less than X days written notice to owners provided that charterers shall only be entitled to exercise this right in the event of lack of governmental approvals and / or cessation or gap in the drilling campaign.”

There is no doubt that a number of charterers in today’s market conditions are a lot more “trigger happy” than we have been used to for many years, and termination for cause clauses are being scrutinized to find a way to get out of contracts. Unfortunately, we have therefore seen several contracts being terminated on very uncertain contractual bases, and often this is accepted by owners without proper compensation because they are keen to maintain good relationships with what they hope will be future customers.

Furthermore, charterers may try to limit the duration of charter parties where possible. For example, we have seen charterers calculate the duration of a well in charterparties, where the duration is based on a specified number of wells, in a different manner than when the market was more favourable for owners. In one particular matter, a charterer under a well-based charter party argued that a “plug and abandon” operation counted as a well, while the owners argued that a “well” meant an exploration well or similar. The charter party in question was made on *Supplytime 2005*, which contains a definition of a well as “*the time required to drill, test, complete and/or abandon a single borehole including any side-track thereof*”. The charterparty included a drilling program, which specified which wells were to be drilled and the estimated duration of each well.

In our view, the definition of the term well and the drilling program supported owners’ argument. In the end the case was settled amicably.

4) Reduction of costs and renegotiation of rates

In charter parties of some duration, charterers have often requested owners to look at ways of reducing costs. Such general requests have often been followed up by requests for rate reductions. Such requests may form part of a general cost-saving exercise, which has been initiated by many oil companies and charterers. However, such requests may also be due to charterers’ being in financial difficulties.

Owners would often prefer to maintain the charter party entered into. More often than not it is our experience that the parties are able to reach agreement. In the event that the parties agree on reduction of hire, introduction of an “idle” rate (a reduced rate where there is no work for the vessel) or deferral of hire due, owners are often obtaining some benefit in return, e.g. an extension of the charter period or increased security for due performance.

5) Bankruptcy

As mentioned above there has been an increase in cases where charterers have ended up in financial difficulties. In the worst cases, bankruptcy proceedings are commenced. There have been quite a few cases in 2015 where this has been the outcome. The main points to be borne in mind are (i) to clarify as soon as possible whether the charter party has come to an end or not; (ii) to clarify, if possible, whether the vessel is exposed to arrest due to outstanding claims against charterers; (iii) to clarify, typically with charterers’



financing banks, what to do with the equipment placed on board by charterers; and (iv) filing claims with the bankruptcy estate timely and in the prescribed manner. For further comments on this topic we also refer to our article in last year's annual report.

6) Brazil

Over the last year or two we have seen further challenges in Brazil. In addition to the general market downturn, several members have faced difficulties relating to the "ANTAQ" (National Authority for Waterway Transportation) requirement for a Charter Authorisation Certificate ("CAA") for all non-Brazilian vessels. The CAAs must be renewed annually, and prior to such renewal the vessel in question must be "circularized" in the Brazilian market. If a local vessel with basically the same specification is available, that vessel may "block" the foreign vessel and effectively "take over" the charter party in question. Several of our members' vessels have become victims of this arrangement, and what was considered as secure, long-term income under a charter party has turned out not to be so. Although in many cases there may be little an owner can do to prevent this, this may not always be the case. There are indications that the local vessels offered to take over the contracts may not always have similar specifications to the foreign vessel in question, and in other cases it may not be clear whether a local vessel is actually chartered in as replacement, or whether it is only being used as a means to get rid of an expensive charter party or to reduce the number of chartered-in vessels. In such situations there may be a possibility to challenge the "blocking", but the prospects of pursuing this before Brazilian courts, in proceed-

ings that may last for years, may not be particularly attractive.

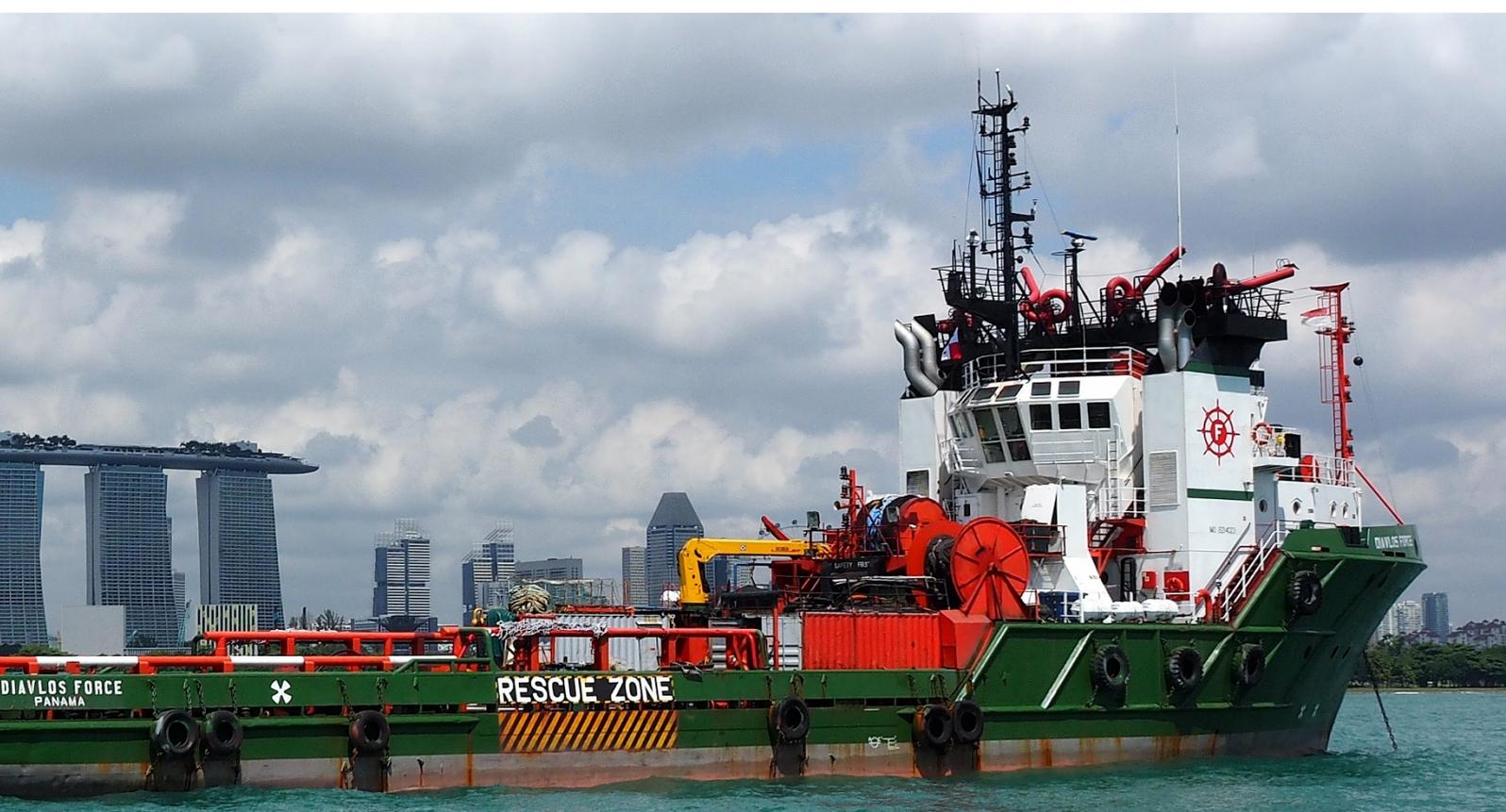
Finally, we mention the widespread corruption cases that have come to light in Brazil over the last few years, which potentially could extend to additional marine service providers in the future, and which in such case might have serious consequences for those affected, by way of fines and other criminal law remedies, as well as contractual consequences.

7) New contracts and projects

Notwithstanding the above, the situation is not all doom and gloom. It seems to us that our members in the offshore sector are exploring all available options in a difficult market and have taken a pro-active and constructive approach to the challenging market. There has been an increase in queries involving "new" geographical areas and also work that differs from traditional offshore work. Examples of such non-traditional work include a vessel in lay-up being chartered out for accommodation purposes and an increasing number of members engaging in wind-farm activities, both with existing tonnage and with new purpose-built vessels.

Hopefully the downturn will not last for a prolonged period. It does, however, seem inevitable that a significant number of disputes are likely to end up in lengthy and expensive legal proceedings over the next few years. In any event, whether times are good or bad, members are as always free to contact Nordisk if legal assistance should be required.

IN THE AFTERMATH OF THE OW BANKRUPTCY



The collapse of OW Bunker in 2014 continues to cause significant problems for owners, who in many cases are still at risk of paying twice for the same bunkers. In addition, high interest rates imposed by OW Bunker's terms and conditions mean that interest exposure is fast approaching the principal amount of the claims.

By Egil André Berglund and Lasse Brautaset

Many of our members will be familiar with the turmoil following the bankruptcy of OW Bunker and its subsidiaries throughout the world.

Nordisk has been involved on behalf of

members and clients from the day the bankruptcy was declared in Copenhagen, actually experiencing an arrest on that very first day. We immediately decided to establish an OW case

team with back-up staff to facilitate our handling of the expected surge of cases. We also engaged experts on bankruptcy law and lien issues in the jurisdictions where vessels were typically exposed to arrest. As it turned out, numerous arrests were threatened and pursued by OW and ING, as well as by physical suppliers. The looming dilemma for owners was, and is, the risk of having to pay twice for the same bunkers. After having navigated through this minefield for more than a year, there are some noteworthy developments to report.

Simultaneously with our efforts, a pilot test case was initiated by another FD&D club in London arbitration to establish whether the OW bankruptcy estate and ING Bank, as assignee, could claim full payment from the debtor even though the physical supplier had not been paid.

OW/ING have so far been successful in arbitration, the High Court and the Court of Appeal. On 22 and 23 March 2016, however, the matter was heard by the Supreme Court. The judgment is awaited with great interest because it will likely have a significant impact on bunker deliveries, insofar as English law is the governing law in most of the OW Group's terms and conditions. The seemingly simple yet very complicated issue is whether the supply of bunkers amounts to a sale of goods under the English Sale of Goods Act.

Courts in other maritime jurisdictions have also had to deal with their fair share of OW-related legal issues. Owners have sought to deposit (or interplead) funds with local courts in an effort to leave a single sum of money for the competing creditors to fight over. Despite the obvious



The critical legal issue was whether the English Sale of Goods Act was applicable to the transaction, which in turn would mean that the buyer (the shipowner) would not have to pay for goods in which the seller had no title nor the power to convey ownership. Unfortunately for owners,

attraction for owners, this strategy has not proved as straightforward as one would have thought. Questions about the availability of such mechanisms have been tested in Singapore, the United States and a number of other countries.

In addition, courts in Australia, Canada, the

United States, Belgium and India to mention a few have had to decide whether the OW estate, ING or the physical supplier should be entitled to payment from the debtor, or whether the unfortunate shipowner really is obliged to pay more than one creditor. Not surprisingly, the judgments have varied and in some cases have left owners and creditors with continued uncer-

sions have collapsed because the OW trustee has not been willing to forego interest.

In an effort to safeguard the interests of members who purchased bunkers via Bergen Bunkers (an OW subsidiary), Nordisk has negotiated a framework agreement with the Bergen Bunkers trustee in Norway. Many of our members have now taken advantage of the terms agreed



tainty and risk.

As if the potential double exposure were not bad enough, an additional feature is an extremely high interest rate in the OW terms and conditions – as high as 3% per month. This galloping interest rate has in most cases been allowed to accrue for nearly 18 months. Thus the interest exposure in itself is approaching the principal amount of the claims. This awkward situation has convinced many debtors to enter into agreements with ING and the OW trustee to pay the principal amount subject to the proviso that ING and/or the relevant OW estate forfeit interest and legal costs. Quite a few cases have been settled on this basis, while in some cases discus-

sions have collapsed because the OW trustee has not been willing to forego interest. In an effort to safeguard the interests of members who purchased bunkers via Bergen Bunkers (an OW subsidiary), Nordisk has negotiated a framework agreement with the Bergen Bunkers trustee in Norway. Many of our members have now taken advantage of the terms agreed with the trustee. Consequently, in exchange for payment of the principal amount, the estate has agreed that no interest will be payable. The trustee has further agreed to repay the amount to the debtor if a third party is held to be the correct creditor pursuant to a final court order. The trustee will also repay the amount in the event the debtor's assets are arrested, typically by a physical supplier. However, if the funds are repaid in the latter context, the trustee has reserved the right to claim interest from the time the funds are remitted to the debtor or to the Nordisk client account. The trustee is also obliged to assist in efforts to convince any court issuing an arrest order that the claim has already been satisfied and paid

to the correct creditor.

Even though the terms agreed with the Bergen Bunkers trustee are beneficial in the sense that they remove the risk of having to pay interest to one of the parties claiming title to the funds, the position vis-à-vis ING and the physical supplier has not been dealt with directly. With respect to the former there is ongoing litigation in Norway between the Bergen Bunkers estate and ING, where the alleged security interest of ING is being challenged. With respect to the supplier, some of the exposure is addressed by way of the right to have the funds repaid. In short, the interest aspect of these claims is not fully resolved, but there will no doubt be arguments available from owners' side if and when accrued interest claims are presented. Insofar as ING is concerned, we are aware that the Bergen Bunkers estate will hold them liable if they pursue the claims or funds that the Bergen Bunkers trustee considers assets of the estate. For this reason, ING had until recently ceased pursuing claims considered to fall within the portfolio of

the Bergen Bunkers estate. Due to the nature of the relationship between Bergen Bunkers and ING as assignee, we are of the opinion that ING will have difficulty claiming interest even if the Bergen Bunkers estate is not found to be the correct creditor in the ongoing litigation in the Norwegian courts.

As readers will understand, it is critical for court rulings to be issued in relation to the above matters in London, Oslo and Copenhagen. The impending ruling of the UK Supreme Court is likely to be the most immediate and significant development in the near term. In the meantime, shipowners must continue to keep their guard up and be in a state of readiness to deal with unexpected arrests. If the Supreme Court fails to provide relief to shipowners, we expect yet another round of belligerent action from ING in particular.



KEY FIGURES AT THE END OF 2015

Another year of continued growth for Nordisk

By Tor Erik Andreassen

At the end of 2015, Nordisk again set a new membership record, with 2,651 vessels entered. In net terms this means that the entered fleet has grown by some 101 vessels over the past 12 months, corresponding to growth of 4.0 per cent.

As can be seen from the graph opposite, the growth in 2015 continues the steady expansion seen over the past five years. Since 2010 the membership in the Association has grown by 20 per cent. The growth experienced in 2015 came from a combination of organic growth, that is, more business from existing members, and some new members joining in both the European and Far East markets.

The entered fleet represents tonnage of some 69 million GT, corresponding to the same percentage growth over the year as for the number of units entered.

The distribution of the entered fleet by vessel type is shown in the pie chart opposite, based on the number of vessels. The diagram illustrates that each of the three groups

- dry bulk
- offshore vessels and rigs
- tankers, product tankers and gas vessels

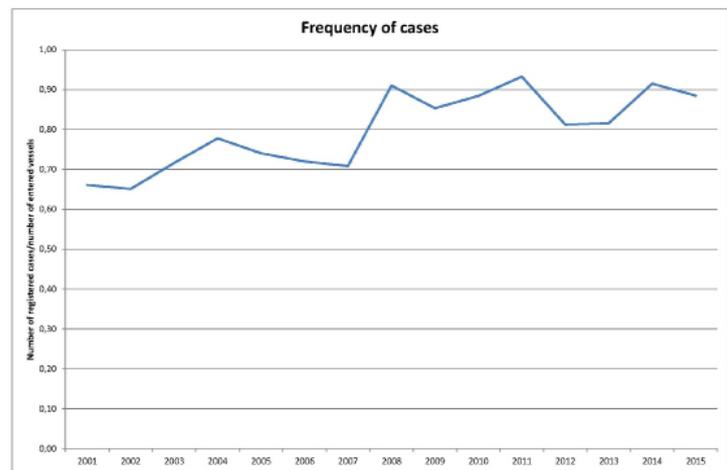
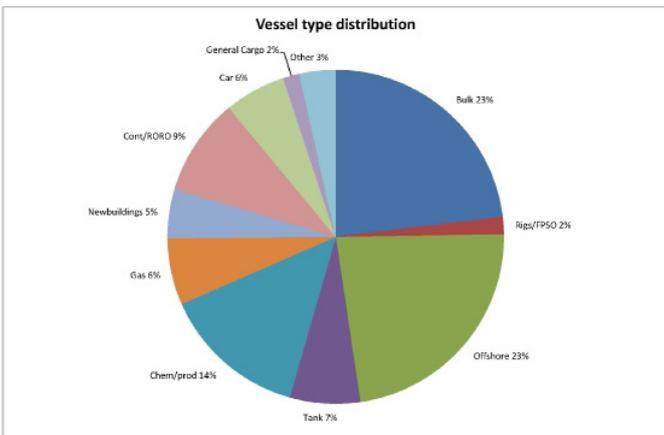
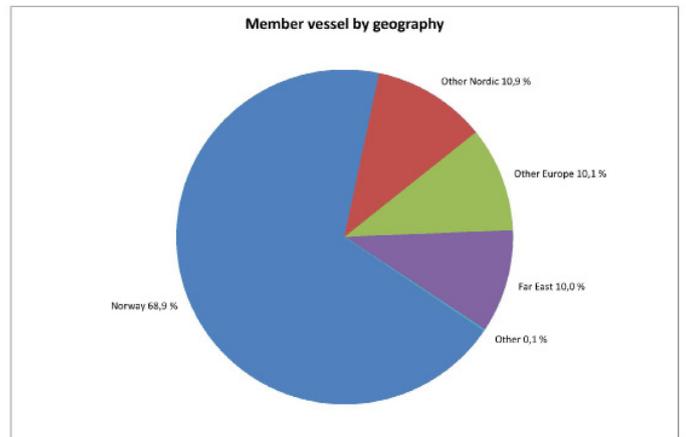
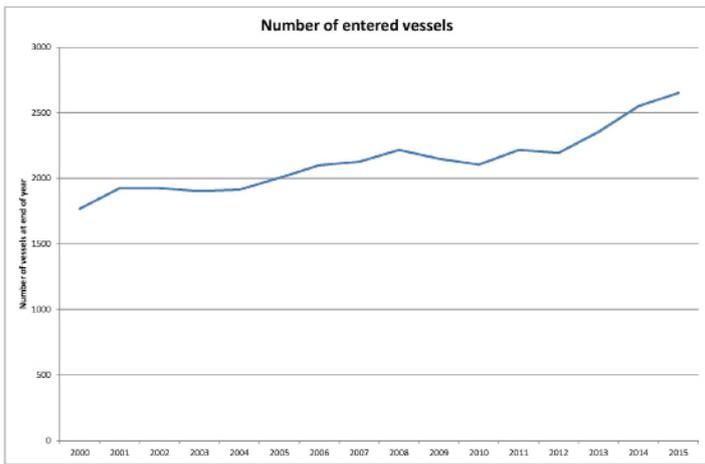
still represents roughly one quarter of the total fleet. The relative share of these various vessel segments has remained fairly stable over the past decade for most categories.

The number of vessels under construction covered as newbuildings in the Association has been reduced by some 30 units in the course of 2015. This reduction naturally reflects the scheduled delivery of completed vessels from respective shipyards and the entry of these vessels as trading vessels, which are counted within the appropriate vessel groups. However, the substantial net reduction also reflects the change from the very

buoyant market for newbuildings some two-to-three years back, followed by a period of very limited orders as a result of challenging conditions and an imbalance of supply versus demand in many main shipping markets.

The geographical spread of our membership is illustrated in the diagram opposite, which reflects the geographical base of the members as recorded in our membership register. The diagram shows that some 20 per cent of our members are currently based outside the Nordic countries, with equal shares of this volume in non-Nordic European countries and in the Far East. The slow trend continues whereby the membership in Nordic countries grows less than in continental Europe and our Far East markets, resulting in a small relative reduction for the Nordic markets.

Some 2,301 new cases were registered during 2015. On a net basis, we experienced a net growth of 2.5 per cent in the number of cases compared to the previous year. This figure should be contrasted with the fleet growth discussed above, which grew at a net rate of 4.0 per cent, somewhat higher than the net growth rate for the number of cases. In other words, the frequency of cases (number of cases/average number of vessels entered) has come down slightly from the previous year. This is illustrated in the graph opposite. Bearing in mind the spike in the number of cases seen at the end of 2014 as a result of the OW Bunkers bankruptcy, the graph also illustrates that the incidence of cases in 2015 was well within the band seen in recent years.



MANAGEMENT AND LEGAL STAFF

OSLO OFFICE

Karl Even Rygh

Managing Director, advokat

Born 1975, graduated from the University of Oslo in 2000. Mr. Rygh also holds an LLM in maritime law from the University of London. After seven years in the shipping group of the Bergen office of leading Norwegian law firm Thommessen, he joined Nordisk in 2007. He was appointed Deputy Managing Director in 2014 and Managing Director in 2015. Mr. Rygh has considerable experience in newbuilding contracts, offshore contracts, sale & purchase and bareboat transactions.



Tor Erik Andreassen

Deputy Managing Director

Born 1960, graduated from the Norwegian Institute of Technology (NTH) in 1985. He joined Skuld in 2000 and became Chief Operating Officer in 2003 with overall responsibility for the insurance result of the Club. Mr. Andreassen has over two periods spent a total of 12 years with various Fred. Olsen companies, last heading the establishment of Fred. Olsen Windcarrier. He joined Nordisk in November 2014 and was appointed Deputy Managing Director in April 2015.



Knut Erling Øyehaug

Advokat, lic. jur.

Born 1959, graduated from the University of Oslo in 1985. He holds a Licentiatius Juris degree for his thesis on legal issues pertaining to drilling rigs. Mr. Øyehaug is an experienced litigator who has handled large-scale offshore and shipping disputes, and provides legal advice related to offshore projects, shipbuilding, sale and purchase, charterparties, pool- and joint-venture agreements etc. He joined Nordisk in 1986, serving as a deputy judge from 1988 to 1989. He has also been a partner at a major Oslo law firm.



Lasse Brautaset

Attorney, USA

Born 1957, graduated from Princeton University in 1980 and the University of Oregon School of Law in 1985. After completing the Washington State bar examination he moved back to Norway and took up an assistant professorship at the Scandinavian Institute of Maritime Law, later becoming an in-house lawyer at Den norske Creditbank. Mr. Brautaset joined Nordisk in 1989. In 2002 he obtained a Norwegian law degree. He is co-author of the standard textbook "Scandinavian Maritime Law 3rd edition (2011)".



Susan Clark,

Attorney, USA

Born 1957, graduated from the George Washington University in 1984. She also holds a BA in Political Science from Pennsylvania State University. Ms Clark is admitted to the bar in Washington, D.C. and New York and worked as a litigation attorney before accepting a research fellowship at the Max Planck Institute in Germany. In 1992 Ms Clark moved to Norway, joining Nordisk the same year. Ms Clark is an experienced litigator, has lectured at the University of Oslo in contracts law and has served on a BIMCO documentary committee concerning U.S. security measures.



Egil André Berglund

Advokat

Born 1970, graduated from the University of Oslo in 1996, where he has since served as an external examiner and lectured in tort/contract law. Mr. Berglund joined Nordisk in 1997. Mr. Berglund has extensive litigation experience and his field of expertise includes the negotiation and litigation of repair and conversion contracts, marine insurance, ship brokerage and CoAs. In January 2007 he became head of Nordisk's new Singapore office. After two successful years in Singapore, he moved back to the Oslo office in January 2009.

Michael Brooks

Solicitor, England

Born 1956, graduated from the University of Bristol in 1978. In 1981 he joined Sinclair Roche & Temperley in London and in 1989 moved to their Hong Kong office, where he became Head of Litigation. Mr. Brooks is a Fellow of the Chartered Institute of Arbitrators, is on its panel of approved arbitrators in London and on that of the Hong Kong International Arbitration Centre. He is visiting professor at Dalian Maritime University and an external examiner for the University of Oslo. He joined Nordisk in 1999.



Magne Andersen

Advokat

Born 1973, graduated from the University of Oslo in 2000. He held a research assistant post at the Scandinavian Institute of Maritime Law during the final year of his studies. In 2001 he joined the law firm BA-HR as an assistant attorney, before joining Nordisk in 2002. Mr. Andersen has considerable experience drafting and negotiating contracts, as well as in litigation in several jurisdictions. He is also co-editor of Nordiske Domme (the Scandinavian transport law report journal) and he is a member of the board of the Norwegian Maritime Law Association. In 2009 he moved to Nordisk's Singapore office, which he headed 2011 – 2013.



Joanna Evje

Barrister, England

Born 1978, graduated from the University of Cambridge in 2001 and was called to the Bar of England and Wales in 2004. After a year at 20 Essex Street chambers, she joined Nordisk in 2006. Ms Evje offers assistance in all areas of the maritime and offshore industry, specialising in queries and disputes arising out of charterparties and bills of lading as well as drilling contracts and contracts for the conversion and operation of FPSOs. As a barrister, she has extensive expertise in English law litigation work as well as providing English law advice on non-contentious matters.



Joanne Conway-Petersen

Solicitor, England

Born 1978, graduated in 2001 from the University of Bristol, winning the Sinclair, Roche & Temperley Prize for Best Performance in Shipping Law in her final year. After completing her legal studies at Cardiff Law School, Ms Conway joined Stephenson Harwood as a trainee solicitor, qualifying into the Shipping Litigation department in 2006. She has significant experience of both High Court litigation and London arbitration and specialises in dry shipping and offshore contracts, including charterparty, bill of lading, saleform and shipbuilding contract disputes. Ms Conway joined Nordisk in 2009.



Camilla Bråfelt

Advokatfullmektig, dr. juris

Born 1976, graduated from the University of Oslo in 2002. Ms Bråfelt holds a PhD degree (doctor juris) from the University of Oslo for her thesis entitled "Flexibility in time charterparties". After two years in the shipping and offshore group of the Oslo office of leading Norwegian law firm Thommessen, Ms Bråfelt joined Nordisk in 2009. Ms Bråfelt's expertise includes oil and gas related charterparties and contracts as well as contract law in general.



Paige Young

Attorney, USA, solicitor, England

Born 1982, Ms Young received her BA from SOAS in 2004, her JD from Northeastern in 2010 and her LLM in Admiralty from Tulane in 2011. Prior to joining Nordisk, Ms Young gained work experience in the maritime practices of Frilot LLC in New Orleans and Ehlermann Rindfleisch Gadov in Hamburg. Ms Young is qualified as both a solicitor (England & Wales) and a U.S. attorney (New York).

OSLO OFFICE

Ylva MacDowall Hayler

Advokat

Born 1973, graduated from the University of Uppsala with a LLM in 1997, including studies in maritime law at the University of Oslo in 1996. Ms Hayler supplemented her legal education by studying micro- and macro-economics and financial reporting and analysis at the Norwegian Business School BI. Before joining Nordisk in 2012, Ms Hayler worked for five years at the Norwegian law firm Schjødt and thereafter for six years as an in-house lawyer at Nordea Bank Norge ASA, where her responsibilities included the provision of legal services to the shipping department.



Anders Evje

Advokat

Born 1980, graduated from the University of Oslo in 2007. During the last year of his studies he held a research assistant post at the Scandinavian Institute of Maritime Law. After working as a trainee at the Norwegian law firm Thommessen and at the Office of the Attorney General, Mr. Evje joined Nordisk in 2007. In 2010 he left Nordisk to join the law firm BA-HR, but returned to Nordisk in 2012. His areas of expertise include the negotiation of shipping and offshore contracts, dispute resolution and sale and purchase.



Mats E. Sæther

Advokat

Mr. Sæther joined Nordisk in 2013, after working for 10 years as a shipping lawyer at leading Norwegian law firms Wikborg Rein and BA-HR. Mr. Sæther's experience covers both maritime and commercial law, and he has extensive experience in arbitration and litigation. Mr Sæther also teaches maritime law at the Scandinavian Institute of Maritime Law at the University of Oslo, and is a member of the Norwegian Bar Association's specialist committee on transportation, maritime law and marine insurance.



Caroline Whalley

Solicitor, England

Born 1984, graduated from the University of Newcastle Upon Tyne with a law degree in 2007. Ms Whalley qualified as a solicitor at Thomas Cooper in London in 2010 and thereafter worked at Thomas Cooper's Piraeus office where she handled predominantly dry shipping litigation on behalf of Greek owners, with a particular focus on charterparty and bill of lading disputes. She also has experience of LMAA / ICC arbitration, mediation and High Court proceedings. Ms Whalley joined Nordisk in January 2014.



Ola Granhus Mediås

Advokatfullmektig

Born 1990, graduated from the University of Oslo in 2014. Mr Mediås held a research assistant position at the Scandinavian Institute of Maritime Law during the final year of his studies, where he wrote his master's thesis on crude oil pollution liability. Mr. Mediås joined Nordisk after graduating in 2014, and is also a participant in the Norwegian Shipowners' Association's "Maritime Trainee" program.



Heidi Fredly

Advokatfullmektig

Born 1987, graduated from the University of Oslo in 2013. During the final year of her studies, Ms Fredly held a position as a research assistant at the Scandinavian Institute of Maritime Law. Ms Fredly also holds an LLM degree from University of Pennsylvania Law School, where she was a Fulbright scholar.

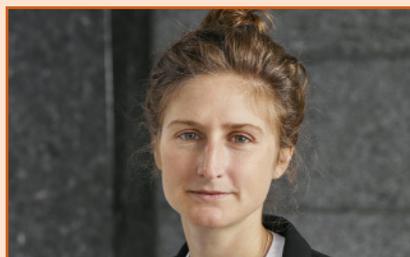
OSLO OFFICE

SINGAPORE OFFICE

Vicki Tarbet

Solicitor, England

Graduated in 2007 from the University of Southampton with a degree in law. After completing her legal studies at the College of Law in London, she joined Holman Fenwick Willan as a trainee solicitor. Ms Tarbet qualified into Holman Fenwick Willan's shipping litigation department in 2013 and moved to their Piraeus office. During her time at Holman Fenwick Willan, Ms Tarbet handled a mixed caseload of admiralty and dry work, both in arbitration and the High Court. Ms Tarbet joined Nordisk in February 2016.



Tom Pullin

Managing director, solicitor, England

Born 1982, graduated 2001 from the University of Westminster. Mr. Pullin was called to the Bar as a non-practising barrister in 2006. He went on to spend six years at London law firm Stephenson Harwood. Mr. Pullin qualified as a solicitor in 2009. He has experience of both contentious and non-contentious work in the shipping, shipbuilding and offshore industries with particular expertise in charterparty and shipbuilding disputes both in arbitration and in the High Court. Mr. Pullin spent six months at Nordisk in 2011 and joined the Singapore office in 2012. In August 2015 he took over as managing director of the Singapore office.



Norman Hansen Meyer

Advokat

Born 1980, he graduated from the University of Oslo in 2006 and held a research assistant post during the final year of his studies. Mr. Meyer also holds an MJUR (LLM) degree from the University of Oxford. Before joining Nordisk in 2011, he held positions at Wallenius Wilhelmsen and Wilhelmsen Investments in Australia and worked as an associate in the Norwegian law firm Thommessen. He has also served as a deputy judge. His areas of expertise include the drafting and negotiation of various offshore and shipping contracts as well as transactional work but he has also experience of charter party disputes including LMAA and SCMA arbitrations.



Jude McWilliams

Solicitor, England

Graduated in 2004 from the University of Manchester with a BA (Hons) degree in law. She completed the Legal Practice Course at BPP School of Law, Manchester in 2006. Ms McWilliams has particular expertise in LMAA, SIAC and ICC arbitration/litigation having been involved in several major international trade disputes in various jurisdictions. Specialising in commercial dispute resolution with a focus on charterparties, bills of lading and contracts of affreightment, before joining Nordisk she was employed as an associate solicitor at Holman Fenwick Willan Singapore.



Eileen Lam

Solicitor, England

Graduated from the National University of Singapore in 2005 where she read law. Eileen was admitted to the Singapore Bar in 2006 and qualified as a solicitor in 2009. Prior to joining Nordisk, she was based in the Singapore office of Clyde & Co where her focus was on contentious shipping work. Eileen is experienced in dispute resolution within the marine and offshore sectors and has been involved in multi-jurisdictional proceedings, including ad hoc and institutional arbitrations under rules such as LMAA, LCIA and SIAC. She joined Nordisk in February 2016.

FINANCIAL STATEMENT 2015

Summary of Audited Accounts

All amounts in 1000 NOK

	2015	2014
PROFIT AND LOSS ACCOUNT		
OPERATING REVENUES AND EXPENSES		
Total operating revenues	122 691	112 064
OPERATING EXPENSES		
Legal fees	22 212	2 983
Personnel expenses	84 303	83 895
Depreciation of fixed assets	1 803	2 193
Other operating expenses	14 137	14 719
Total operating expenses	122 455	103 790
OPERATING PROFIT	236	8 273
Net financial income	2 226	4 172
PROFIT BEFORE TAX	2 462	12 446
Tax expense	1 088	3 338
Profit for the year	1 374	9 108
BALANCE SHEET		
ASSETS		
Intangible assets	3 236	2 441
Fixed assets	17 225	17 729
Financial assets	964	1 805
Total non-current assets	21 425	21 976
CURRENT ASSETS		
Debtors	8 412	12 784
Shares in money market and mutual funds	58 218	92 997
Deposits	13 364	14 725
Total current assets	79 994	120 506
Total assets	101 419	142 482
EQUITY AND LIABILITIES		
Total equity	64 607	62 923
LIABILITIES		
Total long-term provisions	14 043	12 738
Current liabilities		
Outstanding legal fees	-9 277	-3 536
Northern Shipowners' Defence Club Ltd.	4 045	37 240
Other current liabilities	28 000	33 117
Total current liabilities	22 768	66 821
Total equity and liabilities	101 419	142 482

Beginning with this Annual Report 2015, the consolidated accounts are presented, inclusive of the Singapore subsidiary. The 2014 columns also represent the consolidated accounts.

CASH FLOW STATEMENT

All amounts in 1000 NOK	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit before tax	2 462	12 446
Tax paid	-3 802	-2 325
Depreciation	1 803	2 193
Profit/loss from sale of assets	-12	262
Difference between pensions expense and premiums and pensions paid	2 039	3 425
Changes in debtors	5 433	-3 100
Changes in liabilities	-43 050	12 059
Net cash from operating activities	-35 128	24 959
CASH FLOW FROM INVESTMENT ACTIVITIES		
Investments in fixed assets	-2 273	-1 111
Proceeds from sales of fixed assets	1 008	440
Changes in other investments	34 863	-32 262
Total cash flow from investment activities	33 598	-32 933
Currency gain/loss on cash and bank deposits	168	145
NET CHANGE IN CASH	-1 361	-7 829
Cash and bank deposits 01.01	14 725	22 554
Cash and bank deposits 31.12	13 364	14 725

Beginning with this Annual Report 2015, the consolidated accounts are presented, inclusive of the Singapore subsidiary. The 2014 columns also represent the consolidated accounts.

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