Policy of Seafarer's financial security insurance in respect of the MLC 2006:
Terms and Conditions

1. Preamble

This Policy of Seafarer's financial security insurance in respect of the MLC 2006 shall comprise these Terms and Conditions, including the Policy Schedule, the Claims Procedure in Schedule 1, together with any other schedule(s) and any endorsement(s) thereto issued by the Company in consideration for the payment of Premium by the Shipowner.

2. Insuring Clause

The Company shall indemnify the Seafarers against losses, as set out in Clause 4 below, resulting directly from a Contractual Claim and/or an Abandonment by the Shipowner occurring during the Policy Period, save as expressly provided to the contrary herein.

3. Definitions

The following words when used in the Policy shall have the meanings set out below.

An event of "Abandonment" occurs when:

(a) the Shipowner fails to repatriate the Seafarers in accordance with the terms of the Seafarers' Employment Agreements and/or Flag State requirements and in any event within 30 days of a right to Repatriation arising, provided always that (i) the Shipowner has been given notice by the Claims Handlers of the need to remedy the situation and (ii) the Shipowner has not remedied the situation within 30 days of notification by the Claims Handlers.

(b) the Shipowner fails to provide the Seafarers with the necessary maintenance and support including, inter alia, adequate food, accommodation, drinking water, essential fuel for survival on board the Ship and necessary medical care.

(c) the Shipowner unilaterally severs its ties with the Seafarers including by failing to pay Remuneration for a period of at least 2 months.

"Claims Handlers" means Thomas Miller Claims Managers Limited, who are authorised and act on behalf of the Company.

"Collective Agreement" means any written collective bargaining agreement entered into by the Shipowner and attached or endorsed to the Seafarer's Employment Agreement.

"Company" means the insurers subscribing to the Policy.

"Contractual Claim" means any claim which relates to the death or the long-term disability of a Seafarer due to an occupational injury, illness or hazard arising during the Policy Period.

"Contractual Compensation" has the meaning given to it Standard A4.2 of the MLC 2006.
"Emergency Subsistence and Evacuation Costs" means costs and expenses reasonably and necessarily incurred with the prior approval of the Claims Handlers for the maintenance and evacuation of Seafarers or their body or ashes for repatriation to their country of residence:

(a) necessitated by an outbreak of war civil war revolution rebellion insurrection or civil strife arising therefrom; and

(b) following an Abandonment at the place of such outbreak.

"Insured" means the Seafarers and/or any one of them.

"Limits of Liability" means the limits of liability specified in the Policy Schedule.

"MLC 2006" means the Maritime Labour Convention 2006 as amended by amendments of 2014 approved by the International Labour Conference at its one hundred and third session in Geneva on 11 June 2014, and as amended from time to time.

"Period of Abandonment" means the period of time from the date of Abandonment to the date a Seafarer is repatriated.

"Policy" means this Policy of Seafarer’s financial security insurance in respect of the MLC 2006 shall comprise these Terms and Conditions, including the Policy Schedule, Claims Procedure in Schedule 1, together with any other schedule(s) and any endorsement(s) thereto issued by the Company.

"Policy Period" means the period specified in the Policy Schedule.

"Premium" means the premium specified in the Policy Schedule.

"Remuneration" means the Seafarer’s remuneration to include overtime, bonuses, allowances and other additional entitlements and remuneration contractually due as per the Seafarer’s Employment Agreement and/or Collective Agreement and/or under national law in respect of the Seafarer’s employment on board the Ship during the Policy Period.

"Repatriation" means the transportation of the Seafarer from the place of Abandonment to any of the following destinations, the place at which the Seafarer agreed to enter into the Seafarer's Employment Agreement, the place stipulated by Collective Agreement, the Seafarer’s country of residence or such other place as may have been agreed at the time of engagement.
"Seafarer" means any person including the Master who is employed or engaged or working in any capacity on board the Ship under a Seafarer's Employment Agreement during the Policy Period.

"Seafarer's Employment Agreement" means any written Seafarer's employment agreement including articles of agreement, which bind(s) a Seafarer to work on board the Ship listed in the Policy Schedule during the Policy Period.

"Ship" means a ship [other than one which navigates exclusively in inland waters or waters within, or closely adjacent to, sheltered waters or areas where port regulations apply and to which the MLC applies,] as listed in the Policy Schedule.

"Shipowner" means the person or organisation identified in the Policy Schedule being the owner of the Ship or other organisation or person, who has assumed the responsibility for the operation of the Ship from the owner and who has agreed to take over the duties and responsibilities imposed on the owner in accordance with the MLC.

4. Scope of Cover

4.1 Losses covered in respect of Abandonment

In the event of Abandonment the Company will indemnify the Seafarers for the following losses:

(a) Medical expenses

The Claims Handlers shall arrange and the Company shall pay for the reasonable costs of medical care incurred from the date of Abandonment until 90 days after the Repatriation of a Seafarer or 12 months from the date of Abandonment, whichever is the earlier, but only in respect of reasonable and customary costs necessarily incurred in the continuing treatment of an accident or illness for which the Seafarer was receiving medical treatment paid for by the Shipowner or the Shipowner's agent at the date of Abandonment.

In addition, the Claims Handlers shall arrange and the Company shall pay for the reasonable costs of medical care as may be required by the airline or other designated carrier to facilitate the Repatriation of a Seafarer by the agreed means of transport.

The Company's liability for medical expenses shall be limited to the Limit of Liability per Seafarer set out in the Policy Schedule.
(b) **Personal accident**

The Claims Handlers shall arrange and the Company shall pay up to 48 months Remuneration, subject always to the Limit of Liability per Seafarer set out in the Policy Schedule, whichever is the less, for the accidental death, dismemberment or permanent disablement of a Seafarer arising from the Seafarer’s employment on board the Ship as the direct result of an accident occurring during the 30 day period immediately following the date of Abandonment.

(c) **Unpaid remuneration**

The Company shall pay to each Seafarer up to 4 months outstanding Remuneration in respect of their employment on board the Ship calculated to the date when the Repatriation of the Seafarer is complete subject always to the Limit of Liability per Seafarer set out in the Policy Schedule.

(d) **Subsistence and repatriation Costs**

The Claims Handlers shall arrange and the Company shall pay for the essential needs of the Seafarers during the Period of Abandonment, which shall include the cost of adequate food, clothing where necessary, accommodation, drinking water, essential fuel for survival on board, necessary medical care and any other reasonable costs and expenses arising out of the Abandonment.

The Claims Handlers shall arrange and the Company shall pay for the reasonable costs and expenses of Repatriation provided that such reasonable costs and expenses are limited to the cost of standard class travel by the most appropriate and expeditious means (normally by air), such costs to include the additional transportation costs of 30kgs of personal effects per Seafarer.

The Company’s liability for subsistence and repatriation costs shall be limited to the Limit of Liability per Seafarer set out in the Policy Schedule.

(e) **Emergency subsistence and evacuation costs**

The Claims Handlers shall arrange and the Company shall pay for emergency subsistence and evacuation costs.

The Company’s liability for emergency subsistence and evacuation costs shall be limited to the Limit of Liability per Seafarer set out in the Policy Schedule.

4.2 **Losses covered in respect of a Contractual Claim**

In the event of a Contractual Claim, the Company will pay, subject to the Claims Procedure as set out in Schedule 1, any Contractual Compensation due following the death or long-term disability of a Seafarer due to an occupational injury, illness or hazard, arising during the Policy Period, as set out in national law, the Seafarer’s Employment Agreement or Collective Agreement.

The Company’s liability for such Contractual Compensation shall be limited to the Limit of Liability per Seafarer set out in the Policy Schedule.

4.3 **Claims handling and legal fees and expenses**

The Company shall pay for all claims handling expenses in relation to a claim under the Policy and/or pay on behalf of the Seafarers and/or reimburse the legal costs necessarily incurred by the Seafarers.
after the event giving rise to the Contractual Claim or the event of Abandonment to mitigate any claim under the Policy and protect their rights (and the rights of the Company in subrogation or otherwise) of recovery against the Shipowner or other third party, provided that such legal costs have been incurred with the prior approval of the Claims Handlers less any amount recoverable from any source in settlement of any amount owing to the Seafarers for Repatriation, Remuneration, Maintenance, Medical, Contractual Claim or Legal Costs.

4.4 Special provision in respect of claims under clause 4.2

In the event that a valid claim arises under both Clause 4.1(b) and Clause 4.2, a claim can only be made under Clause 4.2.

5. General Conditions

5.1 Claims Handling

This shall be carried out by Thomas Miller Claims as per attached Explanatory Note.

5.2 Payment of Premium

It shall be a condition precedent to cover under the Policy that the premium shall have been received by the Company. Premium shall be deemed fully earned upon receipt by the Company and shall be non-refundable. On receipt of the premium a certificate of Seafarer financial security insurance (in the form set out in Schedule 2) will be issued by the Company to the Shipowner. Save as aforesaid, no rights or benefits of any nature whatsoever whether under the Contracts (Rights of Third Parties) Act 1999 or otherwise shall accrue to any third party (including the Shipowner) paying premium on behalf of the Seafarers.

5.3 Recoveries and Subrogation

Where the Company have made a payment to or on behalf of Seafarers in respect of a claim under the Policy, and the Seafarers, or any person on a Seafarer’s behalf, obtains the recovery or reimbursement of any sum representing all or part of the liability, loss, cost or expense which was the subject of the claim so paid, such sum shall be returned to the Company forthwith.

The Company shall be subrogated to and/or acquire all rights which the Seafarers may have against the Shipowner and/or any other third party and/or the Ship in respect of any payment made under the Policy, to the extent of such payment, and it is a condition of cover that the Seafarers shall, at the request of the Company, execute forthwith any document required by the Company for the purpose of enforcing such rights.

5.4 Extent of Liability

It is a condition precedent to liability under the Policy that the Company shall not be bound by, be liable under or assume the obligations of the Shipowner under any Seafarer’s employment agreement.

5.5 Law and exclusive Jurisdiction
The existence, construction, validity and performance of the Policy shall be governed by the laws of England and Wales and be subject to the exclusive jurisdiction of the Courts of England and Wales.

5.6 Notification

(a) As soon as possible after the discovery of a possible claim, such claim shall be notified to the Claims Handlers in accordance with the Claims Procedure;

(b) In the event of an Abandonment the Seafarers must, subject to Clause 5.6(a) above, give notice of the claim within 30 days after the end of the Policy Period.

5.7 Fraud

If a claim is made knowing the same to be false or fraudulent, as regards amount or otherwise, the Policy shall be void as against that Seafarer and all claims under the Policy by in respect of such Seafarer shall be forfeited.

6. Exclusions Restrictions and Limitations

The Policy does not cover the following:

6.1 Any loss either directly or indirectly resulting from Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons, Nuclear reaction, nuclear radiation or radioactive contamination, or the dispersal or application of pathogenic, toxic, or poisonous biological or chemical elements under any circumstance, including but not limited to:

(a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;

(b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

(c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;

(d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;

(e) any chemical, biological, bio-chemical, or electromagnetic weapon.

This clause shall be paramount and shall override anything contained in the Policy inconsistent therewith.

6.3 Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY:

(a) upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 6.1 wheresoever or whensoever such detonation may occur and whether or not the Ship may be involved;
(b) upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries: United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China;

(c) in the event of the Ship being requisitioned, either for title or use;

(d) any change, voluntary or otherwise, in the Shipowner (as defined in the Clause 3 above), or, without approval of the Company, the transfer of the Ship to new management or charter on a bareboat basis.

6.4 Return of premium upon automatic cancellation pursuant to Clause 6.2:

(a) pro rata gross daily return of premium shall be made subject to Clause 6.3(b);

(b) in the event that automatic termination occurs as a result of the operation of Clause 6.2(d), no return premium shall be payable.

6.5 Any losses set out in Clause 4.1 above incurred prior to the event of Abandonment, save as expressly provided herein to the contrary.

6.6 There shall be no payment under Clause 2 above if and to the extent that the liability, cost or expense is insured or covered by or would, but for the existence of this Policy, be insured or covered by, any other existing policy or policies, social security scheme, insurance fund or other similar arrangement at the time when such loss is discovered, except in respect of any excess (not exceeding the Limits of this Policy) beyond the amount which would have been payable under such other policy or policies including any deductible applicable thereunder had this Policy not been effected.

6.8 No payment shall be made under this policy to the extent of any damages resulting from any other claim made by the Seafarer against the Shipowner and arising from the same incident.

6.9 Any loss either directly or indirectly resulting from piracy.
This explanatory note seeks to provide a full explanation of the claims process from first notice to settlement/rejection of claims arising under the Policy. It forms part of the Policy and is to be read in conjunction with the other terms and conditions of the Policy.

1. Abbreviations

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<td>Claims Withdrawal Notice</td>
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<td>NOC</td>
<td>Notice of Claim</td>
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<td>NOAC</td>
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<td>NOT</td>
<td>Notice of Termination</td>
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<tr>
<td>SRR</td>
<td>Seafarer Receipt and Release (in the form set out in Schedule 3)</td>
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2. Certification

The Ship covered by the Policy will be provided with an ILO/IMO approved certificate of Seafarer financial security insurance (in the form set out in Schedule 2), a copy of which is to be displayed in a prominent location on-board the Ship.

3. Notification

Notification of a claim under this Policy may be provided by a Seafarer, a seafarer welfare organisation including a Mission to Seamen, seafarer representative, immigration/port state control officer or a next of kin or, in the event of a Contractual Claim, a designated beneficiary (the "Notifying Party").

Notification may be provided by:

- Fax/e-mail/mail;
- Via the telephone claims helpline to dedicated claims support service; or
- Via the online claims notification facility.

On receipt of the notification, the Claims Handlers, with the assistance of the Notifying Party, will complete the standard Notice of Claim (NOC) form. The NOC form will include a unique identifier of the Notifying Party for verification purposes and specific questions designed to check if the particular set of circumstances notified fall within the scope of the Policy.

4. Investigation in the event of a claim following Abandonment

On completion of the NOC, initial checks will be made by the Claims Handlers to ensure the notification is authentic. Standard investigative procedures will be deployed to investigate the situation on-board the Ship via a local representative/correspondent.

The Claims Handlers will send a copy of the NOC to the Shipowner and the Shipowner will be asked to accept or deny the NOC.
Acceptance – if the NOC is accepted by the Shipowner the date of Abandonment will be agreed and
the Shipowner will be given the opportunity to rectify the problem within a strict timeframe subject to
the terms of a Notice of Rectification (NOR). The timeframe and terms of the NOR will be subject to
the special circumstances of the case and be at the discretion of the Company. Failure to comply with
the NOR will lead to the issuance of a Notice of Acceptance of Claim (NOAC).

Alternatively the Shipowner may accept the Seafarers' claims and a Notice of Acceptance of Claim
(NOAC) will be sent to the Shipowner by fax/email and registered post.

Rejection – in the event the Shipowner rejects the NOC, the Shipowner will be required to provide
strict proof to the Company's reasonable satisfaction that support the rejection including, for example,
proof of payment of Remuneration and/or the provision of food and water to the Ship.

If a full investigation of the NOC reveals that the initial allegations of Abandonment were not well
founded and the Shipowner has rightly rejected the NOC the Shipowner and Ship will be issued with a
Claims Withdrawal Notice (CWN) thereby confirming that claim(s) under the Policy relating to the
relevant NOC has been rejected.

5. Treatment of Contractual Claims

On completion of the NOC, a copy will be immediately sent to the Shipowner and at the same time
checks will be carried out by the Claims Handlers to ensure the notification is authentic. Standard
investigative procedures will be deployed to investigate the claim, including, where necessary, by
contacting the Shipowner and/or via a local representative/correspondent. Based on the investigation,
the Claims Handlers will make a determination of whether the Contractual Compensation is due to the
Seafarer.

Where, following the above investigation, Contractual Compensation is found to be due to the
Seafarer, an NOR will be issued to the Shipowner and the Shipowner will be required to immediately
settle the Contractual Claim in accordance with the NOC. Should the Shipowner fail to do so within 7
calendar days from the date of the NOR, the Company will settle the Seafarer's Contractual Claim.

Where, following the above investigation, no Contractual Compensation is found to be due to the
Seafarer, the Shipowner will be sent a CWN thereby confirming that claim(s) under the Policy relating to
the relevant NOC has been rejected.

The Claims Handlers shall make every effort to make expedite the investigations process and, where
applicable, the payment of the Contractual Claim.

6. Settlement/Repatriation

The issuance of an NOAC will entitle Seafarers to bring an immediate claim under the Policy. Claims
will be immediately settled and, in the cases of Abandonment, repatriation procedures immediately
triggered. Recoveries will be pursued including against the Shipowner and/or the proceeds of sale of
the Ship thereafter.

An assessment of the individual Seafarer claims will be made in accordance with the terms of the
Policy. Individual Seafarers will be required to sign a Seafarer Receipt and Release (SRR) (in the form
set out in Schedule 3) in respect of all claims they may have arising under the Policy. Thereafter,
payment will be effected on the submission of the SRR to the Company's local representative at the
location of the individual Seafarer. In the event of an Abandonment, SRR will include in addition to the settlement of the Seafarer’s claims an undertaking from the Company to repatriate the Seafarer to the agreed place of repatriation as per the terms of the Policy.

In the event that the Seafarer is deceased, any claims will be payable to a designated beneficiary. In the absence of a designated beneficiary, any claims will be payable to that Seafarer’s estate or, where available, to his next of kin, at the sole discretion of the Claims Handlers.

7. **Recoveries**

[Holman Fenwick Willan LLP] are authorised to pursue any recovery action in respect of any claim settled under the Policy.

The Company may make a recovery in respect of claims paid following an Abandonment and/or a Contractual Claim from social security schemes, other insurances in place at the time, the Shipowner, employers of the Seafarer (where different to the Shipowner) and/or the from the proceeds of the sale of the Ship.

8. **Cancellation of Certification as a consequence of Abandonment**

On payment/settlement of all claims arising as a consequence of the Abandonment, a Notice of Termination (NOT) will be issued to the Shipowner and Flag State Administration and the Policy will terminate following the [30 day period specified therein]. The Company’s local representative will be instructed to remove the Ship’s certificate of Seafarer financial security insurance (in the form set out in Schedule 2) and stamp the same with details of the Notice of Termination.