

Innocent Owners/Lessors Additional Perils (Pollution)

Amount: Assured's financial interest each vessel(s) per attached schedule. The indemnity hereunder is limited to a maximum payment by Underwriters of the scheduled amount in all in the aggregate.

Conditions: This insurance is to indemnify the Assured against the Net loss of its financial interest / equity in any of the vessels listed in the attached schedule as a direct consequence of any of the vessels listed therein causing a discharge of oil or other hazardous substances during the policy period for which the total liability amounts payable in compensation for pollution damage, clean-up and fines imposed exceed USD1,000,000,000 or such lower amount as agreed by the Contract Leader.

The insurance to pay where subsequent thereto:

- a) Uninsured liabilities arising from any pollution incident irretrievably diminish or extinguish the Assured's financial interest/equity in any of the owning companies of the vessels listed in the attached schedule, whether as a consequence of:
 - (i) the sale or re-financing of the listed vessels by its owning company or any enforced sale thereof by a third party, in each case to meet such uninsured liabilities; or
 - (ii) the liquidation or dissolution of any such owning company resulting from the accrual of such liabilities; and/or
- b) Any vessel listed in the attached schedule is expropriated, sequestered or confiscated or the proceeds of sale of any vessel are expropriated, sequestered or confiscated; and/or
- c) Indemnity and/or war policies of the Lessee/Demise Charterer of the vessels listed in the attached schedule are expropriated, sequestered or confiscated other than any claims proceeds paid under this policy.

Following the happening of a peril insured under (a)(b) or(c) arising out of an insured event the Assured hereunder shall advise underwriters and present their claim accordingly and payment shall be made by underwriters of the sum insured within 6 calendar months of the date of the aforementioned happening of a peril insured under(a)(b) or(c) or at such earlier time as the Assured can demonstrate to the satisfaction of Underwriters hereon that there is no reasonable prospect of recovery.

Excluding any loss arising directly or indirectly from the insolvency or financial default of the insurers of the Lessee's/ Demise Charterer's Policies and Club Entries including Excess Liability Insurance if any,

Definitions:

Net Loss – Means at the option of the Assured either:

- i) The Assured's loss under the Lease Agreement to the extent secured on the Responsible Vessel net of any amounts recovered and deemed recoverable under all security arrangements contained in or collateral to the Lease including but not limited to any floating and fixed liens, security interests, guarantees, insurance policies and pledges, or

The amount of the Assured's Net Loss may be established by an opinion from a firm of lawyers as agreed by the Assured and Insurers hereon detailing the security arrangements, the amounts realised and realisable from such security and why any such security is not realisable and/or why the estimated cost of attempting to realise any such security is such as to render realisation uneconomic. Any lawyer's fees shall be borne by the Assured, or,

- ii) The Assured's outstanding indebtedness or interest (including inter alia, principle, interest, costs, commissions and expenses) hereon in respect of the Responsible Vessel at the time of the establishment of the proof of claim.

Responsible Vessel – Means:

A vessel which causes and / or is found responsible for a pollution incident.

Excluding loss, damage, liability or expense arising directly or indirectly from:

any of the Lessee's/Demise Charterer's Hull Policies or Lessee's/Demise Charterer's Club Entries having been lawfully terminated by the Underwriters thereof due to non-payment of premium or call,

inability of any party to transmit funds unless such inability arises from expropriation, sequestration or confiscation of funds as covered by insuring agreements(b) and (c)herein,

the operation of any franchise, deductible or provision for self-insurance.

Excluding any loss in the event that any Vessel declared in the attached schedule which causes a discharge of oil, is not equipped or accredited with any required trading documentation and/or authorisations necessary to legitimise the entry of the Declared Vessel into a jurisdiction that such vessel comes to enter, Such trading documentation and authorisations to include, inter alia, valid certification under the International Convention on Civil Liability for Oil Pollution Damage as amended, a valid US Coast Guard Certificate of Financial Responsibility (Water Pollution) or certification from the Mineral Management Service as applicable, valid and full certification from any US state requiring a state equivalent of a Certificate of Financial Responsibility, vessel classification and such credentials as are required at the time of such trading/entry.

Excluding any liability of the Assured including but not limited to liability for clean-up costs, penalties, damages or expenses.

War etc. Risks subject Institute Notice of Cancellation, Automatic Termination of Cover and War and Nuclear Exclusions Clause-Hulls, etc (Cl.359) 1.1.95.

Seaworthiness admitted.

Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause (Cl. 370) 1.10.90.

Several Liability Notice.

Subject to English Law and Practice and London Jurisdiction.

Warranted Protection and Indemnity entry(ies) to be maintained throughout period of this insurance.

If during the policy period the vessel is transferred to another Lessee/Demise Charterer with the Assured's written approval then, in absence of agreement to the contrary, this policy shall automatically terminate. However, this insurance shall continue after the change of Lessee/Demise Charterer if the Assured remains lessor/ innocent owner of the vessel.