

MORTGAGEES' ADDITIONAL PERILS (POLLUTION)

1. INSURING CLAUSE

- 1.1 Whereas the Assured has entered into a Load Agreement, dated 20..., commensurate with which the Assured holds 'inter alia' a first mortgage on the Mortgaged Vessel(s) and endorsements of its interests on the Owners' Policies and Club Entries as collateral security.
- 1.2 Now this Policy will indemnify the Assured in accordance with Clause 1.3 below against an Insured Peril directly resulting from an Event during the currency of this policy which results in Legal Liabilities of the Owner for amounts in excess of the limits of liability under the Owner's Policies and Club Entries, as warranted herein.
- 1.3 The indemnity payable hereunder shall be the amount of the Assured's Net Loss, not exceeding the sum insured on the Responsible Vessel. The indemnity shall be payable from the date that both Proof of Claim and the amount of the Net Loss are established.
- 1.4 All the above is subject to the Definitions, Exclusions, Conditions and Warranties below.

2. DEFINITIONS

2.1 Insured Perils - Means:

- 2.1.1 Expropriation or confiscation of the Responsible Vessel, or
- 2.1.2 Sequestration of all the sale proceeds of the Responsible Vessel following judicial sale, or
- 2.1.3 The recognition of a lien, or encumbrance of any kind, on the Responsible Vessel as having priority to the mortgage, or
- 2.1.4 Expropriation or sequestration of claim settlements for loss or damage under the Owners' Policies and Club Entries in respect of the Responsible Vessel and/or the imposition of a 'Mareva' injunction, or other equivalent legal restraint, on such claim settlements otherwise payable to the Assured.

By a competent court or by a recognised authority under or by operation of any law, statute, government order or decree.

- 2.2 **Event** - Means discharge of oil from or caused by a Responsible Vessel liability for which is covered by Owner's Policies and Club Entries.
- 2.3 **Owners' Policies and Club Entries** - Means hull and machinery policies on terms equivalent to Institute Time Clauses Hull or American Institute Hull Clauses and where applicable Increased Value Policies equivalent to Institute Time Clauses - Hulls Disbursements and Increased Value (Total Clauses - Hulls Disbursements and Increased Value (Total Loss Only including Excess Liabilities) or American Institute Increased Value and Excess Liabilities Clauses, also War Risks - Time and full Protection and Indemnity Insurance including cover for liability for damages, cleanup, costs, expenses, and penalties arising from an Event wherever the Mortgaged Vessel may be situated.
- 2.4 **Legal Liabilities of the Owner** - Means the liability of the owners, charterers managers, and operators, of the Responsible Vessel or their servants for oil pollution damages and cleanup costs, including fines and penalties covered by the Owners' Policies and Club Entries.