MARINE HULL INSURANCE POLICY

We, the Takaful operators, Jaiz Takaful Insurance Plc hereby agree in consideration of the payment to us by or on behalf of the Participant of a Contribution to be agreed to insure against loss damage liability or expenses in the manner hereinafter provided.

In witness, whereof on behalf of the Operators, I have hereunto set my hand in at Abuja, Nigeria.

MANAGING DIRECTOR

THE SCHEDULE MUST BEAR THE SIGNATURE OF A PERSON DULY AUTHORISED TO SIGN ON BEHALF OF THE OPERATOR.
MARINE HULL POLICY SCHEDULE

POILCY NUMBER: xxxxxxxxxxxxxxxx
DATE OF POLICY: xxxxxxxxxxxxxxxx
ADDRESS: xxxxxxxxxxxxxxxx
PERIOD OF Cover: xxxxxxxxxxxxxxxx
Participant: xxxxxxxxxxxxxxxxxxxxx
SUBJECT MATTER: AS DETAILED BELOW
ANNUAL Contribution DUE: xxxxxxxxxxxxxxxx

COVER DETAILS:

<table>
<thead>
<tr>
<th>SUBJECT MATTER</th>
<th>SUM ASSURED</th>
<th>RATE</th>
<th>PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hull &amp; Machinery</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>War &amp; Strike Extension</td>
<td></td>
<td></td>
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<td>P &amp; I Extension</td>
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Contribution DUE
SUMMARY OF COVER:

MARINE HULL:

The policy cover loss, destruction or damage as a result of the under-listed risks specified on the institute Time Clauses Hull attached to the original policy:

- Perils of the sea, lakes and rivers (e.g., running aground)
- Fire
- Explosion
- Lightning
- Protection and Indemnity (P & I)
- Strike, Riot and Civil Commotion (SRCC)
- Violent Theft occurring from outside the vessel
- Bursting of Boilers
- Earthquake, Volcanic Eruption & Lightning
- Contact with aircrafts or similar objects, land conveyance, dock of harbor equipment or similar installations
- Negligence of Masters/crew
- Collision liability

Excess: Excess: Partial loss —xxxxxx or ......% of each and every claim whichever is higher

Total loss — xx of the value.
CONDITIONS OF INSURANCE: CLAUSES, ENDORSEMENTS, SPECIAL CONDITIONS AND WARRANTIES.

SUBJECT TO:

1. INSTITUTE TIME CLAUSES - Hulls - 1/10/83
2. INSTITUTE PROTECTION & INDEMNITY CLAUSES - HULLS TIME
3. INSTITUTE WAR & STRIKE CLAUSES - HULLS TIME
4. SUBJECT TO MARINE POLLUTION EXCLUSION CLAUSE 1.5.71.
5. SUBJECT TO SAFETY MEASURES. FIRE EXTINGUISHING & MAINTENANCE WARRANTY
6. SUBJECT TO INSTITUTE RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE.
7. WARRANTED (CSA CLASSIFICATION (ABS, B, ETC)
8. EXCLUDING THEFT OF MACHINERY INCLUDING OUTBOARD MOTOR, GEAR OR EQUIPMENT IF NOT SECURELY AND PERMANENTLY LOCKED TO THE VESSEL OR BOAT BY AN ANTI-THEFT DEVICE IN ADDITION TO THE NORMAL METHOD OF ATTACHEMENT.
9. PREMIUM PAYMENT CLAUSE.
10. SUBJECT TO SURVEILLANCE/SAFETY MEASURES AND MAINTENANCE WARRANTY.
11. EXCLUDING LOSS DUE TO COMMUNAL CLASHES AND TERRORISM
12. EXCLUDING ALL LIABILITIES IN RESPECT OF CARGO & EMPLOYEES
13. WARRANTED THAT THE VESSELS BE UNDER THE COMMAND OF ADEQUATE, COMPETENT AND EXPERIENCED HANDS AT ALL TIMES.
14. WARRANTED THAT THERE SHALL ALWAYS BE SATISFACTORY INDEPENDENT SEAWORTHINESS WARRANTY
15. HULL CONDITION SURVEY AND VALUATION REPORTS AT INCEPTION OR TO BE SUBMITTED WITHIN 30 DAYS OF COMMENCEMENT OF COVER AND ANNUALLY THEREAFTER BEFORE RENEWAL IS EFFECTED.
16. WARRANTED ALL MAINTENANCE SCHEDULE BE OBSERVED AND SURVEYORS RECOMMENDATIONS BE COMPLIED WITH.
17. WARRANTED ALL WELDING ON BOARD MUST BE AUTHORISED
18. SUBJECT TO SEAWORTHINESS WARRANTY
19. THE VESSELS MUST ALWAYS COMPLY WITH THE FEDERAL MINISTRY OF TRANSPORT CERTIFICATE OF MINIMUM SAFE MANNING.
20. TRADING LIMIT: NIGERIAN TERRITORIAL WATERS
21. SUBJECT TO AVERAGE CLAUSES (PRO-RATA CONDITION)
22. SUBJECT TO AN EXCESS OF Nxxxxxxxxxxxxxxx or EACH AND EVERY CLAIM AMOUNT (EXCLUDING TOWING EXPENSES, SUE & LABOUR AND SALVAGE FEES).
This insurance is subject to English law and practice

1. NAVIGATION
   1.1 The Vessel is covered subject to the provisions of this insurance at all times and has leave to sail or navigate with or without pilots, to go on trial trips and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed, except as is customary or to the first safe port or place when in need of assistance, or undertake towage or salvage services under a contract previously arranged by the Assured and/or Owners and/or Managers and/or Charterers. This Clause 1.1 shall not exclude customary towage in connection with loading and discharging.
   1.2 This insurance shall not be prejudiced by reason of the Assured entering into any contract with pilots or for customary towage which limits or exempts the liability of the pilots and/or tugs and/or towboats and/or their owners when the Assured or their agents accept or are compelled to accept such contracts in accordance with established local law or practice.
   1.3 The practice of engaging helicopters for the transportation of personnel, supplies and equipment to and/or from the Vessel shall not prejudice this insurance.
   1.4 In the event of the Vessel being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being a harbour or inshore craft) no claim shall be recoverable under this insurance for loss of or damage to the Vessel or liability to any other vessel arising from such loading or discharging operations, including whilst approaching, lying alongside and leaving, unless previous notice that the Vessel is to be employed in such operations has been given to the Underwriters and any amended terms of cover and any additional premium required by them have been agreed.
   1.5 In the event of the Vessel sailing (with or without cargo) with an intention of being (a) broken up, or (b) sold for breaking up, any claim for loss of or damage to the Vessel occurring subsequent to such sailing shall be limited to the market value of the Vessel as scrap at the time when the loss or damage is sustained, unless previous notice has been given to the Underwriters and any amendments to the terms of cover, insured value and premium required by them have been agreed. Nothing in this Clause 1.5 shall affect claims under Clauses 8 and/or 10.

2. CONTINUATION
   Should the Vessel at the expiration of this insurance be at sea and in distress or missing, she shall, provided notice be given to the Underwriters prior to the expiration of this insurance, be held covered until arrival at the next port in good safety, or if in port and in distress until the Vessel is made safe, at a pro rata monthly premium.

3. BREACH OF WARRANTY
   Held covered in case of any breach of warranty as to cargo, trade, locality, towage, salvage services or date of sailing, provided notice be given to the Underwriters immediately after receipt of advices and any amended terms of cover and any additional premium required by them be agreed.

4. CLASSIFICATION
   4.1.1 The Vessel is classed with a Classification Society agreed by the Underwriters and that her class within that Society is maintained,
   4.1.2 any recommendations requirements or restrictions imposed by the Vessel's Classification Society which relate to the Vessel's seaworthiness or to her maintenance in a seaworthy condition are complied with by the dates required by that Society.
   4.2 In the event of any breach of the duties set out in Clause 4.1 above, unless the Underwriters agree to the contrary in writing, they will be discharged from liability under this insurance as from the date of the breach provided that if the Vessel is at sea at such date the Underwriters’ discharge from liability is deferred until arrival at her next port.
   4.3 Any incident condition or damage in respect of which the Vessel's Classification Society might make recommendations as to repairs or other action to be taken by the Assured, Owners or Managers must be promptly reported to the Classification Society.
   4.4 Should the Underwriters wish to approach the Classification Society directly for information and/or documents, the Assured will provide the necessary authorization.

5. TERMINATION
   This Clause 5 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.
   Unless the Underwriters agree to the contrary in writing, this insurance shall terminate automatically at the time of
   5.1 change of the Classification Society of the Vessel, or change, suspension discontinuance, withdrawal or expiry of her Class therein, or any of the Classification Society’s periodic surveys becoming overdue unless an extension of time for such survey be agreed by the Classification Society, provided that if the Vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class or where a periodic survey becoming overdue has resulted from loss or damage covered by Clause 6 of this insurance or which would be covered by an insurance of the Vessel subject to current Institute War and Strikes Clauses Hulls - Time such automatic termination shall only operate should the Vessel sail from her next port without the prior approval of the Classification Society or in the case of a periodic survey becoming overdue without the Classification Society having agreed an extension of time for such survey,
   5.2 any change, voluntary or otherwise, in the ownership or flag transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that, if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, such automatic termination shall if required be deferred, whilst the Vessel continues her planned voyage, until arrival at final port of discharge if with car or at port of destination if in ballast. However, in the event of requisition for title or use without the prior execution of a written agreement by the Assured. such automatic termination shall occur fifteen days after such requisition whether the Vessel is at sea or in port.
   A pro rata daily net return of premium shall be made provided that a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof.

6. PERILS
   6.1 This insurance covers loss of or damage to the subject-matter insured caused by
6.1.1 perils of the seas rivers lakes or other navigable waters
6.1.2 fire, explosion
6.1.3 violent theft by persons from outside the Vessel
6.1.4 jettison
6.1.5 piracy
6.1.6 contact with land conveyance, dock or harbour equipment or installation
6.1.7 earthquake volcanic eruption or lightning
6.1.8 accidents in loading discharging or shifting cargo or fuel.
6.2 This insurance covers loss of or damage to the subject-matter insured caused by
6.2.1 bursting of boilers breakage of shafts or any latent defect in the machinery or hull
6.2.2 negligence of Master Officers Crew or Pilots
6.2.3 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder
6.2.4 bartry of Master Officers or Crew
6.2.5 contact with aircraft, helicopters or similar objects, or objects falling therefrom
6.3 Masters Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares
6.4 Provided always that this Clause 8 shall in no case extend to any sum which the Assured shall pay for or in respect of
6.4.1 loss of or damage to any other vessel or property on any other vessel
6.4.2 delay to or loss of use of any such other vessel or property thereon
6.4.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon, where such
6.4.4 payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel,
6.5 where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one
6.6 The indemnity provided by this Clause 8 shall be in addition to the indemnity provided by the other terms and conditions of
6.7 This insurance covers loss of or damage to the Vessel caused by any governmental authority acting under the powers vested in it to
6.8 The Underwriters agree to indemnify the Assured for three
6.8.1 loss of or damage to any other vessel or property on any other vessel
6.8.2 delay to or loss of use of any such other vessel or property thereon
6.8.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon, where such
6.8.4 payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel,
6.9 Provided always that this Clause 8 shall in no case extend to any sum which the Assured shall pay for or in respect of
6.9.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever
6.9.2 any real or personal property or thing whatsoever except other vessels or property on other vessels
6.9.3 the cargo or other property on, or the engagements of, the insured Vessel
6.9.4 loss of life, personal injury or illness
6.9.5 pollution or contamination, or threat thereof, of any real or personal property or thing whatsoever (except other vessels with
which the insured Vessel is in collision or property on such other vessels) or damage to the environment, or threat thereof,
6.10 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in
6.11.1 this Clause 8 shall in no case extend to any sum which the Assured shall pay for or in respect of
6.11.2 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever
6.11.3 any real or personal property or thing whatsoever except other vessels or property on other vessels
6.11.4 the cargo or other property on, or the engagements of, the insured Vessel
6.11.5 loss of life, personal injury or illness
6.11.6 pollution or contamination, or threat thereof, of any real or personal property or thing whatsoever (except other vessels with
which the insured Vessel is in collision or property on such other vessels) or damage to the environment, or threat thereof,
7. POLLUTION HAZARD
This insurance covers loss of or damage to the vessel caused by any governmental authority acting under the powers vested in it to
prevent or mitigate a pollution hazard or damage to the environment, or threat thereof, resulting directly from damage to the Vessel for
which the Underwriters are liable under this insurance, provided that such act of governmental authority has not resulted from want of
due diligence by the Assured, Owners or Managers to prevent or mitigate such hazard or damage, or threat thereof. Master Officers
Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares
in the Vessel.
8. 3/4THS COLLISION LIABILITY
8.1 The Underwriters agree to indemnify the Assured for three-fourths of any sum or sums paid by the Assured to any
other person or persons by reason of the Assured becoming legally liable by way of damages for
8.1.1 loss of or damage to any other vessel or property on any other vessel
8.1.2 delay to or loss of use of any such other vessel or property thereon
8.1.3 general average of, salvage of, or salvage under contract of, any such other vessel or property thereon, where such
8.1.4 payment by the Assured is in consequence of the Vessel hereby insured coming into collision with any other vessel,
8.2 The indemnity provided by this Clause 8 shall be in addition to the indemnity provided by the other terms and conditions of
this insurance and shall be subject to the following provisions:
8.2.1 where the insured Vessel is in collision with another vessel and both vessels are to blame then, unless the liability of one
8.2.2 in no case shall the Underwriter's total liability under Clauses 8.1 and 8.2 exceed their proportionate part of three-fourths
of the insured value of the Vessel hereby insured in respect of any one collision.
8.3 The Underwriters will also pay three-fourths of the legal costs incurred by the Assured or which the Assured may be compelled to
pay in contesting liability or taking proceedings to limit liability, with the prior written consent of the Underwriters.
EXCLUSIONS
8.4 Provided always that this Clause 8 shall in no case extend to any sum which the Assured shall pay for or in respect of
8.4.1 removal or disposal of obstructions, wrecks, cargoes or any other thing whatsoever
8.4.2 any real or personal property or thing whatsoever except other vessels or property on other vessels
8.4.3 the cargo or other property on, or the engagements of, the insured Vessel
8.4.4 loss of life, personal injury or illness
8.4.5 pollution or contamination, or threat thereof, of any real or personal property or thing whatsoever (except other vessels with
which the insured Vessel is in collision or property on such other vessels) or damage to the environment, or threat thereof,
9. SISTERSHIP
Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part
to the same Owners or under the same management, the Assured shall have the same rights under this insurance as they would have
were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the
collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the
Underwriters and the Assured.
10. GENERAL AVERAGE AND SALVAGE
10.1 This insurance covers the Vessel's proportion of salvage, salvage charges and/or general average, reduced in
respect of any under-insurance, but in case of general average sacrifice of the Vessel the Assured may recover in
respect of the whole loss without first enforcing their right of contribution from other parties.
10.2 Adjustment to be according to the law and practice obtaining at the place where the adventure ends, as if the contract of affreightment contained no special terms upon the subject; but where the contract of affreightment so provides the adjustment shall be according to the York-Antwerp Rules.

10.3 When the Vessel sails in ballast, not under charter, the provisions of the York-Antwerp Rules, 1994 (excluding Rules XI(d), XX and XXI) shall be applicable, and the voyage for this purpose shall be deemed to continue from the port of place of departure until the arrival of the Vessel at the first port or place thereafter other than a port or place of refuge or a port or place of call for bunkering only. If at any such intermediate port or place there is an abandonment of the adventure originally contemplated the voyage shall thereupon be deemed to be terminated.

10.4 No claim under this Clause 10 shall in any case be allowed where the loss was not incurred to avoid or in connection with the avoidance of a peril insured against.

10.5 No claim under this Clause 10 shall in any case be allowed for or in respect of

10.5.1 special compensation payable to a salvor under Article 14 of the International Convention on Salvage, 1989 or under any other provision in any statute, rule, law or contract which is similar in substance

10.5.2 expenses or liabilities incurred in respect of damage to the environment, or the threat of such damage, or as a consequence of the escape or release of pollutant substances from the Vessel, or the threat of such escape or release.

10.6 Clause 10.5 shall not however exclude any sum which the Assured shall pay to salvors for or in respect of salvage remuneration in which the skill and efforts of the salvors in preventing or minimising damage to the environment as is referred to in Article 13 paragraph 1(b) of the International Convention on Salvage, 1989 have been taken into account.

11. DUTY OF ASSURED (SUE AND LABOUR)

11.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

11.2 Subject to the provisions below and to Clause 12 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures. General average, salvage charges (except as provided for in Clause 11.5), special compensation and expenses as referred to in Clause 10.5 and collision defence or attack costs are not recoverable under this Clause 11.

11.3 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

11.4 When expenses are incurred pursuant to this Clause 11 the liability under this insurance shall not exceed the proportion of such expenses that the amount insured hereunder bears to the value of the Vessel as stated herein, or to the sound value of the Vessel at the time of the occurrence giving rise to the expenditure if the sound value exceeds that value. Where the Underwriters have admitted a claim for total loss and property insured by this insurance is saved, the foregoing provisions shall not apply unless the expenses of suing and labouring exceed the value of such property saved and then shall apply only to the amount of the expenses which is in excess of such value.

11.5 When a claim for total loss of the Vessel is admitted under this insurance and expenses have been reasonably incurred in saving or attempting to save the Vessel and other property and there are no proceeds, or the expenses exceed the proceeds, then this insurance shall bear its pro rata share of such proportion of the expenses, or of the expenses in excess of the proceeds, as the case may be, as may reasonably be regarded as having been incurred in respect of the Vessel, excluding all special compensation and expenses as referred to in Clause 10.5; but if the Vessel be insured for less than its sound value at the time of the occurrence giving rise to the expenditure, the amount recoverable under this clause shall be reduced in proportion to the under-insurance.

11.6 The sum recoverable under this Clause 11 shall be in addition to the loss otherwise recoverable under this insurance but shall in no circumstances exceed the amount insured under this insurance in respect of the Vessel.

12. DEDUCTIBLE

12.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 8, 10 and 11) exceeds the deductible amount agreed in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This Clause 12.1 shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 11 arising from the same accident or occurrence.

12.2 Claims for damage by heavy weather occurring during a single sea passage between two successive ports shall be treated as being due to one accident. In the case of such heavy weather extending over a period not wholly covered by this insurance the deductible to be applied to the claim recoverable hereunder shall be the proportion of the above deductible that the number of days of such heavy weather falling within the period of this insurance bears to the number of days of heavy weather during the single sea passage. The expression “heavy weather” in this Clause 12.2 shall be deemed to include contact with floating ice.

12.3 Excluding any interest comprised therein, recoveries against any claim which is subject to the above deductible shall be credited to the Underwriters in full to the extent of the sum by which the aggregate of the claim unreduced by any recoveries exceeds the above deductible.

12.4 Interest comprised in recoveries shall be apportioned between the Assured and the Underwriters, taking into account the sums paid by the Underwriters and the dates when such payments were made, notwithstanding that by the addition of interest the Underwriters may receive a larger sum than they have paid.

13. NOTICE OF CLAIM AND TENDERS

13.1 In the event of accident whereby loss or damage may result in a claim under this insurance, notice must be given to the Underwriters promptly after the date on which the Assured, Owners or Managers become or should have become aware of the loss or damage and prior to survey so that a surveyor may be appointed if the Underwriters so desire.

If notice is not given to the Underwriters within twelve months of that date unless the Underwriters agree to the contrary in
writing, the Underwriters will be automatically discharged from liability for any claim under this insurance in respect of or arising out of such accident or the loss or damage.

13.2 The Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with the Underwriters' requirements being refunded to the Assured) and shall have a right of veto concerning a place of repair or a repairing firm.

13.3 The Underwriters may also take tenders or may require further tenders to be taken for the repair of the Vessel. Where such a tender has been taken and a tender is accepted with the approval of the Underwriters, an allowance shall be made at the rate of 30% per annum on the insured value for time lost between the despatch of the invitations to tender required by the Underwriters and the acceptance of a tender to the extent that such time is lost solely as the result of tenders having been taken and provided that the tender is accepted without delay after receipt of the Underwriters' approval. Due credit shall be given against the allowance as above for any amounts recovered in respect of fuel and stores and wages and maintenance of the Master Officers and Crew or any member thereof, including amounts allowed in general average, and for any amounts recovered from third parties in respect of damages for detention and/or loss of profit and/or running expenses, for the period covered by the tender allowance or any part thereof.

Where a part of the cost of the repair of damage other than a fixed deductible is not recoverable from the Underwriters the allowance shall be reduced by a similar proportion.

13.4 In the event of failure by the Assured to comply with the conditions of Clauses 13.2 and/or 13.3 a deduction of 15% shall be made from the amount of the ascertained claim.

14. NEW FOR OLD
Claims payable without deduction new for old.

15. BOTTOM TREATMENT
In no case shall a claim be allowed in respect of scraping gritblasting and/or other surface preparation or painting of the Vessel's bottom except that:

15.1 gritblasting and/or other surface preparation of new bottom plates ashore and supplying and applying any "shop" primer thereto.

15.2 gritblasting and/or other surface preparation of:
- the butts or area of plating immediately adjacent to any renewed or refitted plating damaged during the course of welding and/or repairs,
- areas of plating damaged during the course of fairing, either in place or ashore,

15.3 supplying and applying the first coat of primer/anti-corrosive to those particular areas mentioned in 15.1 and 15.2 above, shall be allowed as part of the reasonable cost of repairs in respect of bottom plating damaged by an insured peril.

16. WAGES AND MAINTENANCE
No claim shall be allowed, other than in general average, for wages and maintenance of the Master Officers and Crew or any member thereof, except when incurred solely for the necessary removal of the Vessel from one port to another for the repair of damage covered by the Underwriters, or for trial trips for such repairs, and then only for such wages and maintenance as are incurred whilst the Vessel is under way.

17. AGENCY COMMISSION
In no case shall any sum be allowed under this insurance either by way of remuneration of the Assured for time and trouble taken to obtain and supply information or documents or in respect of the commission or charges of any manager, agent, managing or agency company or the like, appointed by or on behalf of the Assured to perform such services.

16. UNREPAIRED DAMAGE
In no case shall the Underwriters be liable for unrepaired damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the per

18.1 The measure of indemnity in respect of claims for unrepaired damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaired damage, but not exceeding the reasonable cost of repairs.

18.2 In no case shall the Underwriters be liable for unrepaired damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.

18.3 The Underwriters shall not be liable in respect of unrepaired damage for more than the insured value at the time this insurance terminates.

19. CONSTRUCTIVE TOTAL LOSS
In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

19.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequencing of damages arising from the same accident shall be taken into account.

20. FREIGHT WAIVER
In the event of total or constructive total loss no claim to be made by the Underwriters for freight whether notice of abandonment has been given or not.

21. ASSIGNMENT
No assignment of or interest in this insurance or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.
22. DISBURSEMENTS WARRANTY
22.1 Additional insurances as follows are permitted:
22.1.1 Disbursements, Managers' Commissions, Profits or Excess or Increased Value of Hull and Machinery. A sum not exceeding 25% of the value stated herein.
22.1.2 Freight, Chartered Freight or Anticipated Freight, insured for time. A sum not exceeding 25% of the value as stated.
22.1.3 Freight or Hire, under contracts for voyage. A sum not exceeding the gross freight or hire for the current cargo passage and next succeeding cargo passage (such insurance to include, if required, a preliminary and an intermediate ballast passage) plus the charges of insurance. In the case of a voyage charter where payment is made on a time basis, the sum permitted for insurance shall be calculated on the estimated duration of the voyage, subject to the limitation of two cargo passages as laid down herein. Any sum insured under 22.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the freight or hire is advanced or earned by the gross amount so advanced or earned.
22.1.4 Anticipated Freight if the Vessel sails in ballast and not under Charter. A sum not exceeding the anticipated gross freight on next cargo passage, such sum to be reasonably estimated on the basis of the current rate of freight at time of insurance plus the charges of insurance. Any sum insured under 22.1.2 to be taken into account and only the excess thereof may be insured.
22.1.5 Time Charter Hire or Charter Hire for Series of Voyages. A sum not exceeding 50% of the gross hire which is to be earned under the charter in a period not exceeding 18 months. Any sum insured under 22.1.2 to be taken into account and only the excess thereof may be insured, which excess shall be reduced as the hire is advanced or earned under the charter by 50% of the gross amount so advanced or earned or the sum insured need not be reduced while the total of the sums insured under 22.1.2 and 22.1 does not exceed 50% of the gross hire still to be earned under the charter.
22.1.6 Premiums. A sum not exceeding the actual premiums of all interests insured for a period not exceeding 12 months (excluding premiums insured under the foregoing sections but including, if required, the premium or estimated calls on any Club or War etc. Risk insurance) reducing pro rata monthly.
22.1.7 Returns of Premium. A sum not exceeding the actual returns which are allowable under any insurance but which would not be recoverable thereunder in the event of a total loss of the Vessel whether by insured perils or otherwise.
22.1.8 Insurance irrespective of amount against. Any risks excluded by Clauses 24, 25, 26 and 27 below.
22.2 Warranted that no insurance on any interests enumerated in the foregoing 22.1.1 to 22.1.7 in excess of the amounts permitted therein and no other insurance which includes total loss of the Vessel P.P.I., F.I.A., or subject to any other like term, is or shall be effected to operate during the currency of this insurance by or for account of the Assured, Owners, Managers or Mortgagees. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by a Mortgagee who has accepted this insurance without knowledge of such breach.

23. RETURNS FOR LAY-UP AND CANCELLATION
23.1 To return as follows:
23.1.1 pro rata monthly net for each uncommenced month if this insurance be cancelled by agreement.
23.1.2 for each period of 30 consecutive days the Vessel may be laid up in a port or in a lay-up area provided such port or lay-up area is approved by the Underwriters
(a) ............................................. per cent net not under repair
(b) ............................................. per cent net under repair
23.1.3 The Vessel shall not be considered to be under repair when work is undertaken in respect of ordinary wear and tear of the Vessel and/or following recommendations in the Vessel's Classification Society survey, but any repairs following loss or damage to the Vessel or involving structural alterations, whether covered by this insurance or otherwise shall be considered as under repair.
23.1.4 If the Vessel is under repair during part only of a period for which a return is claimable, the return shall be calculated pro rata to the number of days under 23.1.2(a) and (b) respectively.
23.2 PROVIDED ALWAYS THAT
23.2.1 a total loss of the Vessel, whether by insured perils or otherwise, has not occurred during the period covered by this insurance or any extension thereof
23.2.2 in no case shall a return be allowed when the Vessel is lying in exposed or unprotected waters, or in a port or lay-up area not approved by the Underwriters
23.2.3 loading or discharging operations or the presence of cargo on board shall not debar returns but no return shall be allowed for any period during which the Vessel is being used for the storage of cargo or for lighter purposes
23.2.4 in the event of any amendment of the annual rate, the above rates shall be adjusted accordingly
23.2.5 In the event of any return recoverable under this Clause 23 being based on 30 consecutive days which fall on successive insurances effected for the same Assured, this insurance shall only be liable for an amount calculated at pro rata of the period rates 23.1.2(a) and/or (b) above for the number of days which come within the period of this insurance and to which a return is actually applicable. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under 23.1.2(a) or (b) above.

The following clauses shall be paramount and shall override anything contained in this insurance inconsistent therewith.

24. WAR EXCLUSION
In no case shall this insurance cover loss damage liability or expense caused by
24.1 war civil war revolution insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
24.2 capture seizure arrest restraint detention (barratry and piracy excepted), and the consequences thereof or any attempt thereat
24.3 derelict mines torpedoes bombs or other derelict weapons of war.

25. STRIKES EXCLUSION
In no case shall this insurance cover loss damage liability or expense caused by
25.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
25.2 any terrorist or any person acting from a political motive.

26. MALICIOUS ACTS EXCLUSION
In no case shall this insurance cover loss damage liability or expense arising from

26.1 the detonation of an explosive
26.2 any weapon of war
and caused by any person acting maliciously or from a political motive.

27. RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE
In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

27.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
27.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
27.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
INSTITUTE RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

This clause shall be paramount and shall override anything contained in this Insurance inconsistent therewith

In no case shall this insurance cover loss, damage, liability or expenses directly or indirectly caused by or contributed to by or arising from

1.1 Ionising radiation’s from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.

1.2 The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

1.3 Any weapon of war employing atomic or nuclear fission and/ or fusion and/ or fusion or other like reaction or radioactive force or matter.

MARINE POLLUTION EXCLUSION CLAUSE 1.5.71

Notwithstanding anything to the contrary contained in this policy, this policy does not insure against any loss, cost liability expense, fine or penalty, of any kind or nature whatsoever incurred by the Insured, directly or indirectly, in consequence of, or with respect to, the actual or potential discharge, emission, spillage or leakage upon or into the seas, waters, land or air anywhere in the world, of any pollutant, including but not limited to oil, petroleum products, chemicals or other substances of any kind or nature whatsoever.

All terms and conditions of this policy shall be deemed amended to the extent necessary to give full force and effect to this exclusion.

JURISDICTION CLAUSE

Notwithstanding anything contained herein to the contrary it is agreed that the indemnity provided herein shall not apply to:

a) Compensation for damages in respect of judgments delivered or obtained in the first instance in a court of competent jurisdiction outside the geographical area.

b) Costs and expenses of all litigation recovered by any claimant from the insured which are not incurred in and recoverable in the geographical area.

For purposes of this clause the geographical area shall mean the Federal Republic of Nigeria.

SEAWORTHINESS WARRANTY

It is warranted that the seaworthiness of the insured vessel(s) shall continuously be maintained and that documentary evidence(s) such as seaworthiness certificates, engine log records, maintenance records e.t.c. shall be properly maintained and safely kept for inspection at all times.
MAINTENANCE WARRANTY

It is warranted that the insured shall maintain in proper working order the vessels referred to in this policy and shall ensure that all maintenance schedule in respect of such vessels are effectively and efficiently implemented.

The due observance of this warranty shall be a condition precedent to any liability of the insurers under this policy.

FULL SURVEY CONDITION

Notwithstanding anything contained herein to the contrary, it is a condition that the insured shall give full co-operation to the insurers to carry out full survey of the risk within two [2] weeks of inception of this policy.

POLITICAL RISK EXCLUSION CLAUSE

This policy does not cover any loss or damage occasioned directly or indirectly by or through, or in consequence of communal and/or religious disturbances as stated hereunder;

1. Communal disturbances shall mean any act of public disorder directed at, or in retaliation against any ethnic or tribal group committed by any organization. Communal disturbance shall include intra ethnic/tribal conflicts.

2. Religious disturbance shall mean any act committed by any religious group or groups in pursuance of certain belief or faith, resulting in any loss, damage to or destruction of the property insured.

AVERAGE CLAUSE (PRO-RATA CONDITION)

Notwithstanding anything contained herein to the contrary it is declared and agreed that if the property covered by this policy shall at the commencement of any destruction of or damage to such property by the peril hereby insured against be of greater value than such sum insured, the insured shall be considered as being his own insurer for the difference and shall bear a rateable share of the loss accordingly. CL301

DEPRECIATION & TOTAL LOSS CLAUSE

It is declared and agreed that notwithstanding anything herein contained to the contrary, in the event of loss or damage to the insured vessel caused by perils covered by the policy, where estimate of repairs exceeds 60% of the sum insured the Company may at its options regard the loss or damage to the vessel as "Constructive Total Loss".

In which case, the Company shall pay the insured the sum less depreciation at the rate of 10% per annum and the damaged vessel become the property of the Company and may be disposed off at its discretion.
EXCHANGE RATE CLAUSE

The dollar exchange rate prevailing as at the time of premium computation (N 158.00 to US$1) shall be the basis for determining the Naira equivalent of any dollar denominated amount.

All other terms, exception and conditions of this policy remain otherwise unaltered.

TERRORISM EXCLUSION CLAUSE

The insurance provided under this agreement shall not apply to the following:

Any loss, cost or expense arising out of or related to, either directly or indirectly, any Terrorist Activity', as defined herein. This exclusion applies regardless of any other cause or event that in any way contributes concurrently or in any sequence to loss, cost or expense.

For the purpose of this exclusion,

a. 'Terrorist Activity' shall mean any deliberate, unlawful act that:
   1. Is declared by any authorized government official to be or to involve terrorism, terrorist activity or acts of terrorism, or
   2. Includes, involves, or is associated with the use of or threatened use of force, violence or harm against any person, tangible or intangible property, the environment, or any natural resources, where the act or threatened act is intended, in whole or in part, to

   A Promote or further any political ideology, philosophical, ethnic, social or religious cause or objective of the perpetrator or any organization, association or group affiliated with the perpetrator;

   B. influence, disrupt or interfere with any government related operations, activities or policies;

   C. intimidate, coerce or frighten the general public or any government related operations, activities or policies;

   D. disrupt or interfere with a national economy or any segment of a national economy or

3. Includes, involves, or is associated with, in whole or in part, of the following activities, or the threat thereof:

   a. high jacking or sabotage of any form of transportation or conveyance, including but not limited to spacecraft, satellite, aircraft, train, sea/ocean vessel.
   b. Hostage taking or kidnapping
   c. The use of any biological, chemical, radioactive or nuclear agent, material, device or weapon;
   d. The use of bomb, incendiary device, explosive or firearm;
   e. The interference with or disruption of basic public or commercial services or systems: electricity, natural gas, power, poster, communications, telecommunications, information, public transportation, water, fuel, sewage or waste disposal;
   f. The injuring or assassination of any elected or appointed government official or any government employee;
g. The seizure, blockage, interference with, disruption of or damage to any government building, institute, functions, events, tangible or intangible property or other assets;

h. The seizure, blockage, interference with disruption of, or damage to tunnels, roads, streets, highways, or other places of public transportation or conveyance.

OTHER EXCLUSIONS

- Single handed navigation
- Charterer's Liability
- Ocean towage risks
- Ocean going hull (i.e. vessels trading beyond the territorial limits mentioned under geographical scope)

INSTRUCTIONS FOR SURVEY

IN THE EVENT OF LOSS OR DAMAGE WHICH MAY INVOLVE A CLAIM UNDER THIS INSURANCE, IMMEDIATE NOTICE OF SUCH LOSS OR DAMAGE SHOULD BE GIVEN TO LEADWAY ASSURANCE COMPANY LIMITED, 121/123. WESTERN AVENUE, IPONRI, LAGOS AND/OR ANY OF THE COMPANY'S RECOGNISED MARINE HULL SURVEYOR AND A SURVEY REPORT OBTAINED FROM THE AGENT NAMED HEREIN:

CLAIMS

IN CASE OF ANY LAWFUL CLAIM HERETO IT IS AGREED THAT THE SAME SHALL BE SETTLED BY THE COMPANY NAMED HEREIN UPON SURRENDER OF THE ORIGINAL POLICY DULY ENDORSED. THIS INSURANCE SHALL BE SUBJECT TO ENGLISH LAW AND PRACTICE.

SIGNED ON BEHALF OF THE Operators
IMPORTANT
THE ASSURED SHOULD FOR THEIR OWN PROTECTION EXAMINE THE POLICY TO
ESTABLISH THAT IT IS IN ACCORDANCE WITH THEIR REQUIREMENTS. IF NOT KINDLY
RETURN IMMEDIATELY FOR ALTERATION.

DOCUMENTATION OF CLAIMS
TO ENABLE CLAIMS TO BE DEALT WITH PROMPTLY, THE ASSURED OR THEIR AGENTS
ARE ADVISED TO SUBMIT ALL AVAILABLE SUPPORTING DOCUMENTS WITHOUT DELAY,
INCLUDING WHEN APPLICABLE:-

1. ORIGINAL POLICY OF INSURANCE.
2. THE LOG BOOK,
3. PROTEST AND/OR EXTENDED PROTEST.
4. PARTICULARS OF TENDERS FOR REPAIRS WHICH MUST BE APPROVED BY THE
   COMPANY.
5. SURVEYORS REPORT OR OTHER DOCUMENTARY EVIDENCE TO CONFIRM
   LOSS AND/OR DAMAGE.
6. RECEIPT FOR DISBURSEMENTS.
7. PARTICULARS OF AMOUNT REALISED ON SALE OF "OLD" FOR NEW.
8. STATEMENT OF TIME OCCUPIED IN REPAIRS FOR OWNERS ACCOUNT.
9. AVERAGE STATEMENT SHOWING EXTRACT FROM LOG BOOK.
10. CORRESPONDENCE EXCHANGED WITH OTHER PARTIES REGARDING
    THEIR LIABILITY FOR LOSS OR DAMAGE.