

RISK DETAILS

UNIQUE MARKET REFERENCE: B1257H085718000

TYPE: Marine Hull Insurance

INSURED: KMG Shipping and/or Subsidiary and/or Affiliated and/or Associated Companies and/or respectively for account of whom it may concern.

INSURED'S ADDRESS: Alexandria – Egypt
No. 74 Fawzi Moaaz Street – Azhar El Sarayah Towers
Passent Tower – 6th floor – Office Number 603

PERIOD: From 12:00 hours Greenwich Mean Time on 3rd May, 2018 to 11:59 hours Greenwich Mean Time on 3rd May, 2019 at the address of the Insured as stated above.

VESSEL: “LADY NABIHA”
IMO: 9038373
Type: GC
Built: 1992
GRT: 3,585
DWT: 4,166
Flag: Panama
Class: DNV GL

INTEREST: Hulls, Machinery, Materials Outfit and everything connected therewith. Nothing excluded.

SUM INSURED: Hull and Machinery value: USD 1,500,000
For 100% Deductible: USD 50,000

TRADING: Institute Warranties dated 1/7/76 (CL26) and/or held covered at terms to be agreed.

CONDITIONS: Institute Time Clauses Hulls dated 1/10/83 (CL284) excluding Running Down Clause
Clause 1.2 deleted
Cancelling Returns Only
Small General Average Clause (M0030) limit USD 150,000, as attached
Full contributory Value clause
Lightening Clause (D) (as attached).
Recoveries clause, as attached
Radio and Aids to Navigation Clause (M0028), as attached
Pilots Non Liability Clause (Amended) (M0026), as attached
Leased and Passenger Equipment Clause (M0018), as attached
Helicopter Clause (M0012), as attached
Parts Removed Clause (M0025), as attached
Affiliated Companies Clause (M0001), as attached
Guarantee Clause, as attached

Classification clause, as attached (M0007)
Recommissioning clause, as attached
N.A.A.B.S.A. clause, as attached
TRIA 2002 Exclusion Clause (M0034), as attached
Violent Theft, Piracy and Barratry Exclusion for use with Institute Time Clauses
Hulls dated 1/10/83 (CL280) JH2005/046
Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and
Electromagnetic Weapons Exclusion Clause dated 10/11/03 (CL370)
Institute Cyber Attack Exclusion Clause dated 10/11/03 (CL380)
The following independent surveyors on the underwriters behalf in respect of any
claim on the policy: Bremar / LOC/Azimut (Dubai) / China Maritime Technical
Services (Singapore/ Shanghai)
Electronic Date Recognition Clause (M0008 – as attached).
Premium Payment Clause (LSW3001 – amended)
Sanctions Limitation and Exclusion Clause (JH2010/004)

No Claims Bonus

10% NCB at expiry also subject minimum expiring order

Follow Clause

Underwriters agree heron to follow claims settlements of Italian Lead
Underwriters AML 2001 in every respect but excluding ex-gratia payments.

**CHOICE OF LAW
AND JURISDICTION:**

This insurance shall be governed by and construed in accordance with the law of
England and Wales and each party agrees to submit to the exclusive jurisdiction of
the courts of England and Wales.

**PREMIUM:
For 100%**

As per the attached Schedule.

PAYMENT TERMS:

Premium payable in four instalments:
1st Instalment – 3rd June 2018
2nd Instalment – 3rd September 2018
3rd Instalment - 3rd December 2018
4th Instalment - 3rd March 2019

**TAXES PAYABLE BY
INSURED AND
ADMINISTERED BY
INSURERS:**

None.

**RECORDING
TRANSMITTING AND
STORING
INFORMATION:**

Where CR MAG Srl maintains risk and claim data/information/documents CR
MAG Srl may hold data/information/documents electronically.

**INSURER
CONTRACT
DOCUMENTATION:**

This document details the contract terms entered into by the insurer(s) and constitutes the contract document.

**PREMIUM
COLLECTION
CLAUSE:**

Not Applicable.

**LOSS PAYEES AND/OR
MORTGAGEES AND/OR
ADDITIONAL NAMED
INSUREDS CLAUSE:**

Loss Payees and/or Mortgagees and/or Additional Named Insureds are automatically agreed hereon as kept on file by CR MAG Srl without prior advice to Underwriters.

INFORMATION

Vessel Details – As detailed on the attached Schedule.

SECURITY DETAILS

(RE)INSURERS LIABILITY CLAUSE

(Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a Schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the Schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

LMA3333

ORDER HEREON: 100.00% of 100%

BASIS OF WRITTEN LINES: Percentage of whole.

SIGNING PROVISIONS: In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the Insurers.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the Insured and all Insurers whose lines are to be varied. The variation to the contracts will take effect only when all such Insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

WRITTEN LINES: In a co-insurance placement, following (re)insurers may, but are not obliged to, follow the premium charged by the lead (re)insurer.

(Re)insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.

Hull & Machinery

SHARE	SECURITY
15.00%	Al Dhafra Insurance Co P.S.C.
20.00%	Ingosstrakh Insurance Company
10.00%	Starstone Italy
25.00%	Amlin (AML 2001 – Lloyds Syndicate)
20.00%	Argo Global (Dubai) Underwriting Ltd
10.00%	Baloise

London, 16th May 2018



Federico Marsano
Head of Marine

1 Minster Court, Mincing Lane
London EC3R 7AA

As follows: "General Average, Salvage Charges as per York-Antwerp Rules 1924, 1950, 1974, as amended 1990 or 1994 (or other amendments thereof) at Owners' option.

It is agreed that in cases where cargo's proportion of General Average (sacrifices and/or Expenses) or Salvage does not exceed USD 150,000 or equivalent currency, the Insured has the option of deciding whether or not they will claim the whole of the General Average or Salvage under this policy without application of the policy deductible.

Adjusters' fee and costs not be deemed part of the USD 150,000

M0030

HELICOPTER CLAUSE

It is noted and agreed that the practice of using helicopter for transfer of pilots, stores and the like shall not prejudice this insurance.

M0012

LEASED AND PASSENGER EQUIPMENT CLAUSE

This insurance is extended to cover equipment and apparatus, not owned by the Insured, but installed for use on the insured vessel, and for which the Insured has assumed liability, whether such equipment or apparatus be in the nature of aids to navigation or communication or otherwise, subject to all other terms and conditions of this policy; but in no event shall the liability of Underwriters exceed the contractual liability of the Insured for such equipment or apparatus. All such equipment or apparatus installed on the vessel but not owned by the Insured shall be included in the agreed valuation of the Hull and Machinery etc.

It is also agreed that the subject matter insured by this policy is intended to include bar stores, equipment for passengers' amusement, saloon and passenger cabin fittings, equipment, furnishings and decorations, as well as spares, bunkers and all other stores and supplies, including stocks in shops, provided the same are owned by the Insured.

In the event that such above-mentioned equipment, etc. be insured separately for the account of the Insured, such separate policies shall in no way be deemed to be double insurance.

M0018

AFFILIATED COMPANIES CLAUSE

It is hereby agreed that in the event of the insured vessel being chartered by an associated, subsidiary or affiliated company, this insurance may inure to the benefit of the Charterers and may cover their liability if any. It is further agreed that Underwriters hereon waive their rights of subrogation against such charterers.

M0001

PILOTS NON-LIABILITY CLAUSE (AMENDED)

These insurances shall not be prejudiced by reason of any agreement limiting or exempting the liability of pilots and/or tugs and/or tow boats and/or helicopters and/or their owners and/or operators when the Insured and/or charterers accept such contracts in accordance with established local practice or are compelled to accept such contracts.

M0026

RADIO AND AIDS TO NAVIGATION CLAUSE

Radio apparatus and equipment, ache sounders, navigating equipment and other apparatus or equipment used for the purpose of communication or as aids to navigation or safety devices, portable cargo containers (such as refrigerated boxes etc.) when permanently installed in the insured vessel, tank cleaning equipment, also equipment consisting of projection machines, sound apparatus and motion picture film shall be covered by this Policy and included within the agreed valuation of the Hull, even when not owned by the Insured, provided the Insured has assumed liability therefore; but the liability of Underwriters (either as to amount or as to the risks covered) shall not exceed the Insured's liability or liability to which Underwriters would be subject if the property were fully owned by the Insured whichever shall be least.

M0028

PARTS REMOVED CLAUSE

To pay, subject to the terms and conditions of this policy, all loss of or damage to the subject matter hereby insured occurring at any time during the currency of this insurance notwithstanding that any part(s) of the said subject matter be anywhere else under any circumstances, (whether on quay, in buildings, sheds or elsewhere) and/or under repair and/or in transit (to and from the Vessel or otherwise).

M0025

TRIA 2002 EXCLUSION CLAUSE

It is hereby noted and agreed that, pursuant to and in compliance with the Terrorism Risk Insurance Act of 2002, section 105, (c) and subject to all other policy terms and conditions, the Insured has authorized the maintenance and reinstatement of the terrorism risk exclusion as defined in the Additional Conditions /attached Wording of the policy.

M0034

GUARANTEE CLAUSE

In the event of third party liability for risks covered by this policy, upon Assured's request, Underwriters shall give letter of guarantee in order to avoid the seizure of vessels or to obtain vessel unseizure.

The Underwriters' liability is limited to the release of their letter of guarantee (excluding any bank guarantee or otherwise) within the terms of warranty covered by the policy and subject to all premiums due already paid.

CLASSIFICATION CLAUSE

Insurance is subject to the warranty that the vessels are classed as per schedule and maintain such class during the whole period of Insurance. If in case of damage the vessel is not classed as above, the Insured will lose the right to collect the relative indemnity, remaining the right of the Underwriters to collect the full premium.

MAG M0007

RECOMMISSIONING CLAUSE

Warranted the vessel will not sail from lay-up berth under own power or navigate following a lay-up period of more than 180 consecutive days unless the Assured has arranged for the classification Society or a surveyor agreed by the Lead Underwriters the surveyor inspection to examine the vessel and has carried out any repairs or requirements recommended by the classification Society or such surveyor.

NAABSA (NOT ALWAYS AFLOAT BUT SAFELY AGROUND) CLAUSE – SUBJECT TO PRIOR AGREEMENT OF UNDERWRITERS HEREON.

It is further noted and agreed that when vessels hereon load and/or discharge cargo at ports where customary practice is to allow vessel to lie at mud berth at low tide, that insurances hereon are not prejudiced thereby and without specific advices hereon.

Presentation of premium documentation to the appropriate signing office by the Settlement Due Date(s) shall be deemed to be in compliance with the slip payment provisions.

The first instalment to be signed delinked with the subsequent elected instalments being simultaneously submitted to Xchanging individually by separate delinked Premium Advice Notes. Payment of the elected instalments to be released by CR MAG S.R.L. as soon as practicable on receipt of premium.

In the event of the original currency being other than an accepted settlement currency, it is agreed that any premium(s), additional premium(s), return premium(s) and claim(s) hereunder shall be converted to or from USD at the rate of exchange prevailing at the time any such conversion takes place.

RECOVERIES CLAUSE

Noted and agreed that Clause 12.3 of I.T.CH 1.10.83 is to be deemed deleted and replaced as follows:

In the event of recoveries from third parties in respect of claims which have been paid in whole or in part under this insurance, such recoveries shall be distributed between the Underwriters and the Assured as follows:

1. The reasonable costs and expenses incurred in making such recoveries from the third party shall be deducted first and returned to the paying party.
2. The balance shall be apportioned between the Underwriters and the Assured in the same proportion that the insured losses and uninsured losses bear to the total of the insured and uninsured losses. For the purposes of this Clause, uninsured losses shall mean loss of or damage to the subject-matter insured and any liability or expense which would have been recoverable under this insurance, but for the application of deductible(s) under Clause 12 and the limits of this insurance.

KMG Shipping



VESSEL	IMO	TYPE	BLT	FLAG	CLASS	GRT	DWT	DEDUCT. US\$	INTEREST	VALUE US\$	A.R. %	ANNUAL PREMIUM
LADY NABIHA	9038373	GC	1992	Panama	DNV GL	3,585	4,166	50,000	H&M	1,500,000	1.4790	22,185

SHARE	Hull and Machinery
15%	Al Dhafra Insurance Co P.S.C.
20%	Ingosstrakh Insurance Company
10%	Starstone Italy
25%	Amlin (AML 2001 – Lloyds Syndicate)
20%	Argo Global (Dubai) Underwriting Ltd
10%	Baloise