

Polaris Shipping Ltd. Inc. (Panama)
Global Bank Tower,
18th Floor, Office 1801,
50th Avenue, PANAMA CITY
REPUBLIC OF PANAMA

0054/ZMHM/17 GS/vg
31st October, 2017

COVER NOTE

In accordance with your instructions the undermentioned insurance has been effected for your account on the terms and conditions specified:

TYPE: Marine Hull and Machinery Risk

ASSURED: Polaris Shipping Ltd. Inc. (Panama), as Owners and Managing Companies as per schedule attached.

INTEREST: Hull, Materials etc Machinery, Equipment, Outfit, etc and everything therewith connected, nothing excluded.

VESSELS: As per schedule attached.
Each vessel deemed to be a separate insurance.

AGREED AND INSURED VALUES: As per schedule attached.

PERIOD: 18mths with effect from 11th October 2017 to 10th April 2019

TERRITORIAL LIMITS: Worldwide, excluding USA and Canada, subject to Institute Warranties (Cl. 26 dd. 1/7/76, as attached hereto), provided within class limits and restrictions.

CONDITIONS: Institute Time Clauses-Hulls Cl. 280 (1/10/83) but free of particular average unless caused by fire, lightning, explosion, grounding, stranding, collision with other vessels or objects.
Clause 8 amended to exclude collision liability absolutely.
Excluding Violent Theft, Piracy and Barratry as per the Violent Theft, piracy and Barratry Exclusion Clause JH2005/046 17/10/05 (for use with ITC 1/10/83).

All other clauses and conditions of the Hull and Machinery interest deemed incorporated herein if and as applicable.

Institute Cyber Attack Exclusion Clause 11.10.03 (Cl. 380)
Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause 11.10.03 (Cl. 370).
Electronic Date Recognition Exclusion Clause "C"
CEFOR Clause No. 4 Classification Society, Flag State and Port Authorities
Disclosure Clause as below.
Warranted vessels classed and class maintained.
Sanction Limitation and Exclusion Clause as below.
Waiver of subrogation clause as below.
Affiliated Companies Clause as below.
Including Negligence of Charterers and Repairers, deleting "provided such repairers or charterers are not an Assured hereunder" from line 67 of the Institute Time Clauses Hulls Cl. 280 (1.10.83)

(Cont'd...)

COVER NOTE

**CONDITIONS
CONTINUED:**

It is understood and agreed that subject to the terms and conditions of the Policy, Cargo's proportion of General Average expenditure (including Salvage, if any) not exceeding USD 100,000 shall be recoverable hereunder, provided claim for contribution from all cargo has been waived by the Assured. It is also understood that the deductible will not apply to the operation of this clause.

5% Continuity Credit Clause (to apply at the end of the year if loss ratio does not exceed 40% and if renewed with the same underwriters)

Agreed to accept class certificates issued by sub/local offices of classification societies.

It is hereby agreed that should underwriters require evidence of the Assured's compliance with ISM at the time of an incident likely to give rise to a claim under the policy, the Assured is required only to provide copies of the DOC and SMC to evidence such compliance with the ISM code.

Parts removed clause.

**LAW AND
JURISDICTION:**

The parties hereby irrevocably agree and accept that this insurance policy shall be governed by and construed in accordance with English law and all disputes arising therefrom shall be referred to the exclusive jurisdiction of English Courts.

DEDUCTIBLES:

USD 75,000.- (Cl. 12) any one accident or occurrence, except total loss for each vessel.

PREMIUM:

As per schedule attached, per annum and pro rata, payable in six equal instalments
Cancelling returns only.

ORDER HEREON:

100% of 100% of Values

SECURITY:

100% of 100% of Values placed with Cedar Insurance and Reinsurance Co.

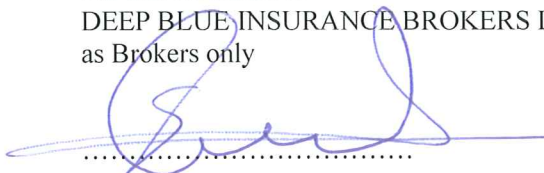
30% share with Hiscox Syndicate
10% share with Novae Syndicate
60% share with Cedar Insurance and reinsurance

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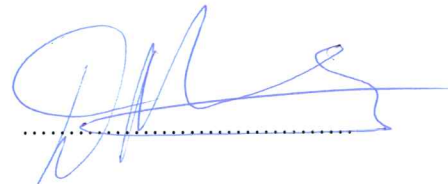
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For and on behalf of
DEEP BLUE INSURANCE BROKERS LTD.
as Brokers only



E. & O. E



Please examine this document carefully and if either the cover or security does not comply with your requirements, please advise us immediately. This cover note is subject to the terms and conditions, limitations and warranties of the policy addendum or agreement to be issued. You are respectfully reminded of the ongoing importance of disclosing all circumstances material to the insurance/reinsurance, or a change to the information supplied prior to attachment of the proposed insurance/reinsurance. There is also a continuing duty to advise underwriters of any change in circumstances material to the insurance/reinsurance during the period of such insurance/reinsurance. Failure to provide such information may render the insurance/reinsurance invalid.

ATTACHING TO AND FORMING PART OF COVER NOTE
NO. 0054/ZMHM/17/GSvG DATED 31st October 2017

Institute Warranties 1/7/76

1. Warranted no.:

- (a) Atlantic Coast of North America, its rivers or adjacent islands,
 - (i) North of 52°10'N. Lat. and West of 50°W. Long.;
 - (ii) South of 52° 10'N. Lat. in the area bounded by lines drawn between Battle Harbour / Pistolet Bay; Cape Ray/Cape North; Port Hawkesbury/Port Mulgrave and Baie Comeau / Matane, between 21st December and 30th April both days inclusive.
 - (iii) West of Baie Comeau / Matane (but not west of Montreal) between 1st December and 30th April
- (b) Great Lakes or St. Lawrence Seaway west of Montreal.
- (c) Greenland Waters.
- (d) Pacific Coast of North America its rivers or adjacent islands north of 54°30'N.Lat., or west of 130°50'W.Long.

2. Warranted no Baltic Sea or Adjacent waters east of 15°E.Long.

- (a) North of a line between Mo (63°24'N.Lat.) and Vasa (63°06'N.Lat) between 10th December and 25th May b.d.i.
- (b) East of a line between Viipuri (Vyborg) (28°47' E. Long.) and Narva (28°12'E. Long.) between 15th December and 15th May b.d.i.
- (c) North of a line between Stockholm (59°20' N.Lat) and Tallinn (59°24'N.Lat.) between 8th January and 5th May b.d.i.
- (d) East of 22° E.Long, and south of 59° N. Lat between 28th December and 5th May b.d.i.

3. Warranted not North of 70°N Lat. other than voyage direct to or from any port or place in Norway or Kola Bay.

4. Warranted no Behring Sea, no East Asian waters north of 46°N. Lat. and not to enter or sail from any port or place in Siberia except Nakhodka and/or Vladivostock.

5. Warranted not to proceed to Kerguelen and/or Criset Islands or south of 50° S. Lat., except to ports and/or places in Patagonia and/or Chile and/or Falkland Islands, but liberty is given to enter waters south of 50° S.Lat., if en route to or from ports and/or place not excluded by this warranty.

6. Warranted not to sail with Indian Coal as cargo:

- (a) Between 1st March and 30th June, b.d.i.
- (b) Between 1st July and 30th September, b.d.i., except to ports in Asia, not West of Asia or East of or beyond Singapore.

1/7/76

Sanction Limitation and Exclusion Clause

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

JH2010/009

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Waiver of subrogation clause

These insurances shall not be prejudiced by reason of the Assured waiving rights of subrogation against time charterers and/or affiliated and/or subsidiary companies or corporations, but such waiver not to apply in the event of a collision between the insured vessel and any vessel owned by the time charterers and/or affiliated and/or subsidiary companies or corporation.

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Affiliated Companies Clause

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

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PART(S) 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 ashore 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).

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CEFOR Clause No. 4 Classification Society, Flag State and Port Authorities Disclosure Clause

The Insurer has the authority to obtain directly from the Classification Society, flag state authorities and port authorities any information which the Insurer may deem necessary, provided that the Assured is notified.

**INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL,
BIO-CHEMICAL, AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE**

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

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

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.

CL. 370 (10/11/2003)

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INSTITUTE CYBER ATTACK EXCLUSION CLAUSE

1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.

1.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

CL. 380 (10/11/2003)

ELECTRONIC DATE RECOGNITION ENDORSEMENT – C

This Endorsement shall prevail notwithstanding any provision whether written typed or printed in this Contract inconsistent herewith.

1. This Contract does not cover loss, damage, liability or expense arising from or in any way connected, whether directly or indirectly, with:
 - a) the actual or anticipated failure or inability of any computer or electronic device or component or system or software or embedded programming, whether or not belonging to or in the possession of the direct Assured;
 - i) correctly and unambiguously to assign any data to the correct day, week, year or century,
 - ii) correctly to recognise sequence or compute any date which is or is intended to be beyond 31st December 1998,
 - iii) to continue to operate as it would have done had its current date, the true date and other date relevant to any function being carried out by it been prior to 1st January 1999;
 - b) the use of any arbitrary, ambiguous or incompletely defined date or date like code in any data, software or embedded programming;
 - c) any measures taken whether preventative, remedial or otherwise with the intention of averting or minimising any of the above.
2. Notwithstanding 1.a) and 1.b) above this Contract shall be extended to include:
 - a) loss or damage arising from physical loss of physical damage to tangible property;
 - b) liability for actual or alleged bodily injury;
 - c) liability for physical loss of or physical damage to tangible property owned by another person and resulting loss of use of such physically lost or physically damaged property;provided that such loss, damage or liability above is within the terms, conditions and exclusions of the original policy(ies) or Contract(s).
3. For the purposes of 2. above, tangible property shall not include:
 - a) any data or embedded programming however stored or conveyed;
 - b) any computer or electronic device or component or system or software, other than where such property forms part of an insured cargo or ship's machinery, which is in any way connected whether directly or indirectly with loss or damage claimed or from which such loss or damage arises.
4. This endorsement shall not include loss, damage, liability or expense arising from any Contract solely designed to cover losses arising from any matter referred to in 1. above.
5. In calculating the net loss under this Contract the Reassured shall not treat any matter referred to in this endorsement as a basis of aggregation or in itself as an event or cause for the purpose of aggregation.

ATTACHING TO AND FORMING PART OF COVER NOTE
 NO. 0054/ZMHM/17_GSyg DD. 31.10.2017

H&M INSURANCE
 18mths at 11th October 2017 to 10th April 2019

	VESSEL	IMO NO.	BUILT	FLAG	CLASS	GT	H&M VALUE	H&M		
								RATE	Annual Premium	Premium for 548 days
							USD	%	USD	USD
1	RISING	9084267	1994	Comoros	NKK	11,263	1,500,000	2.0997%	31,495.50	47,286.39
2	DRAGON	9143726	1997	Comoros	NKK	14,599	1,500,000	2.0997%	31,495.50	47,286.39
3	POLARIS Z	9109512	1995	Comoros	NKK	11,176	1,500,000	2.0997%	31,495.50	47,286.39




ATTACHING TO AND FORMING PART OF COVER NOTE
 NO. 0054/ZMHM/17_GSvG DD. 31.10.2017

H&M INSURANCE
 18mths at 11th October 2017 to 10th April 2019

VESSEL	REGISTER OWNERS	ADDRESS OF REGISTERED OWNERS	MANAGERS	ADDRESS OF MANAGERS
1 RISING	Polaris Shipping Ltd. Inc. (Panama)	Global Bank Tower, 18th Floor, Office 1801, 50th Avenue, PANAMA CITY REPUBLIC OF PANAMA	Zahra Maritime Services Co. (Greece)	12 Leosthenous Str. 185 36 Piraeus, Greece
2 DRAGON	Polaris Shipping Ltd. Inc. (Panama)	Global Bank Tower, 18th Floor, Office 1801, 50th Avenue, PANAMA CITY REPUBLIC OF PANAMA	Zahra Maritime Services Co. (Greece)	12 Leosthenous Str. 185 36 Piraeus, Greece
3 POLARIS Z	Polaris Shipping Ltd. Inc. (Panama)	Global Bank Tower, 18th Floor, Office 1801, 50th Avenue, PANAMA CITY REPUBLIC OF PANAMA	Polaris Shipping Ltd. Inc. (Greece)	5 Mpoumpoulinas 185 35 Piraeus, Greece