

**COVER NOTE****COMPREHENSIVE GENERAL LEGAL AND CONTRACTUAL LIABILITY COVER IN RESPECT OF LIABILITIES ARISING OUT OF OFFSHORE AND SPECIALIST VESSELS AND CRAFT CHARTER PARTIES, CONTRACTS AND OPERATIONS**

**Assured(s):** As per underlying Certificate of Entry issued by Gard P. & I. (Bermuda) Ltd. (the "Association")

**All persons and/or companies named as Assured(s) and/or Co-Assured(s) in this Cover Note shall be jointly and severally liable for all sums due to the Association in respect of this entry pursuant to Rule 79.1.**

**Ship(s):** BEACON SURVEYOR

**The cover**

This cover note is to certify that the P&I insurance has been extended to include contractual liabilities and liabilities, losses, costs and expenses which would have been covered under the Rules but for the limitations set out in

Rule 43; Towage,

Rule 55; Terms of contract,

Rule 59; Specialist operations,

Rule 61; Submarine, diving bells and divers,

Rule 63.1.f; Salvage operations,

Rule 73.1 a); Nuclear Perils,

in Part II, chapter 2 of the Rules, even if such liabilities, losses, costs and expenses have arisen out of war, strikes, riots, civil commotions and malicious damage.

Notwithstanding the inclusion of salvage operations as described in Rule 63.1.f, and unless otherwise specially agreed herein, the cover in respect of salvage operations shall only apply to liabilities, losses, costs or expenses incurred during incidental salvage operations arising out of offshore ancillary craft charter parties and contracts. Unless otherwise specially agreed herein, the inclusions of Rule 63.1.f herein shall not be construed to cover liabilities, losses, costs or expenses arising out of salvage operations incurred by a professional salvor.

Notwithstanding the inclusion of nuclear perils as described in Rule 73.1 a) the cover in respect of ionising and radiation shall be restricted to liabilities, losses, costs and expenses arising out of the use of or the presence on board the Ship of equipment or substances containing low radiation industrial radioactive isotopes customarily used in the offshore industry, provided always that such equipment and/or substances are carried, kept and used in accordance with statutory rules and regulations governing the carriage, custody and use of such equipment.

The cover is subject to special exclusions as set out below and to the Institute Notice of Cancellation and War Automatic Termination of Cover Clause 01.10.83 and the Institute Radioactive Contamination, Chemical, Biochemical and Electromagnetic Weapons Exclusion Clause Number 370 dated 10.11.2003.

**Special Exclusions**

- 1) *Damage to or loss of the contract works*  
Any liabilities, losses, costs and expenses in relation to damage to or loss of the contract works or failure to perform the contract works, including but not limited to construction, development and maintenance work in which the Ship is directly engaged under contract or otherwise, are excluded from the cover.
- 2) *Divers*  
Any liabilities, losses, costs and expenses in respect of injury to or illness or death of divers operating from the Ship are excluded from the cover. When such divers are employed by a sub-contractor or a party other than the Assured, the exclusion in respect of such divers shall apply unless the Assured has obtained an indemnity from the relevant subcontractor or other party in respect of injury to or illness or death of such divers.
- 3) *Liability in respect of property in the care, custody or control of the Assured*  
Any liabilities, losses, costs and expenses in respect of damage to or loss of property in the care, custody or control of the Assured are excluded from the cover, provided that the property is intended to be used from the Ship, and save insofar as the property is subject to contractual terms approved by the Association. In the event the Assured does not obtain a hold harmless undertaking from the owner of such property, cover may be reinstated conditional upon prior agreement by the Association, and the payment of an additional premium.
- 4) *Liability in respect of towage*  
Any liabilities, losses, costs and expenses relating to loss of or damage to or wreck removal of a vessel or other floating structure towed by the Ship, or the cargo or other property on such tow are excluded from the cover, save insofar as the tow is undertaken on contractual terms approved by the Association. In the event the Assured does not obtain a hold harmless undertaking from the owner of the tow, cover may be reinstated conditional upon prior agreement by the Association, and the payment of an additional premium.
- 5) *Special Exclusion Clause*  
The Association shall not cover liabilities, losses, costs and expenses incurred by the Member solely as a result of the inclusion of contractual terms and/or provision(s) in contract(s) or agreement(s) between the Member and another party (or parties) for the provision of services to or by the Ship, seeking to impose on the Member liabilities, losses, costs and expenses to the maximum extent possible under the insurance cover(s) in place for the Ship from time to time. Contractual terms and/or provision(s) seeking to impose on the Member liabilities, losses, costs and expenses to the maximum extent possible under the insurance cover(s) in place for the Ship from time to time shall be treated as having not been approved by the Association.

**Deductible**

USD 12,000 all claims per event, per vessel, including costs. In the event of a claim involving one or more than one interests covered by the terms of the P&I and/or CGL Offshore cover only one single deductible equal to the deductible agreed in the vessel(s) terms of entry for standard P&I risks or USD 12,000 per event, including costs shall be applied.

**Special Deductibles for U.S. Claims**

All liabilities, losses, costs and expenses covered hereunder and subject to the jurisdiction of the United States of America or any state or district thereof shall be subject to a deductible of USD 100,000 per event, including cost.

**Limit of Insurance Clause**

The cover afforded the Assured(s) for any and all liabilities, losses, costs and expenses being recoverable under this Cover Note is limited to USD 10 million per event.

**Assignment**

The Assured(s) consent to the contract(s) of insurance evidenced by this Cover Note being assigned to Assuranceforeningen Gard - gjensidig - pursuant to the Failsafe Agreement upon the happening of a Designated Event as defined therein. The Association has the full power of attorney to execute such deeds and documents on behalf of the Assured(s) as are necessary to fully effect the assignment.

**Financial responsibility clause**

This Cover Note is evidence only of the contract of insurance between the above named Assured(s) and the Association and shall not be construed as evidence of any undertaking, financial or otherwise, on the part of the Association to any other party.

In the event that an Assured tenders this Cover Note as evidence of insurance under any applicable law relating to financial responsibility, or otherwise shows or offers it to any other party as evidence of insurance, such use of this Cover Note by the Assured is not to be taken as any indication that the Association thereby consents to act as guarantor or to be sued directly in any jurisdiction whatsoever. The Association does not so consent.

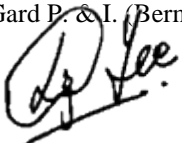
**Duration of cover**

The cover as evidenced by the Cover Note shall commence on 20 February 2016 noon GMT.

The cover as evidenced by the Cover Note shall apply until 20 February 2017 noon GMT or until the Ship's P&I entry with the Association has ceased or been terminated in accordance with the Rules for Ships, or a new Cover Note is issued, whichever occurs first.

**Singapore, 11 February 2016**

Gard P. & I. (Bermuda) Ltd., Singapore Branch



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