

# Joint-stock company "Balance Insurance"

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## CERTIFICATE OF INSURANCE No ГОС/110-24

This is to certify that Joint-stock company "Balance Insurance" ("Balance Insurance" JSC) has accepted the application made by or on behalf of the applicant named as "Insured" below for the liability insurance with «Balance Insurance» JSC in respect of the Insured vessel (s) specified below.

This insurance is effected in accordance with the valid «Shipowners' Liability Insurance Rules» (Rules) of «Balance Insurance» JSC dd. 22/05/2023 which are considered as an integral part of the present Contract of insurance (Contract).

The cover provided by this insurance shall be as specified below and in Division 1 and 2 of Part VI of the Rules:

- Section 1.1 Liability to persons other than crewmembers of the Insured ship;
- Section 1.2 Injury and death resulting from injury of crewmembers of the Insured ship;
- Section 1.3 Illness and death resulting from illness of crewmembers of the Insured ship;
- Section 1.4 Repatriation and substitute expenses;
- Section 1.5 Loss of or damage to the effects of crewmembers and other persons (other than passengers);
- Section 1.6 Shipwreck unemployment indemnity;
- Section 1.7 Deviation expenses;
- Section 1.8 Stowaways and refugees;
- Section 1.9 Life salvage;
- Section 1.10 Collision with other ships (4/4ths);
- Section 1.11 Loss of or damage to property;
- Section 1.12 Pollution risks;
- Section 1.13 Liability arising out of towage of or by the Insured ship;
- Section 1.14 Liability arising under certain contracts for rendering services to the Insured ship or by the Insured ship;
- Section 1.15 Wreck liabilities;
- Section 1.16 Quarantine expenses;
- Section 1.17 Cargo liabilities;
- Section 1.18 Property on the Insured ship;
- Section 1.19 Unrecoverable general average contributions;
- Section 1.20 Ship's proportion of general average not recoverable under the hull policies;
- Section 1.21 Special compensation to salvors;
- Section 1.22 Legal claims for payment made by state competent authorities;
- Section 1.23 Sue and labour costs, legal and enquire expenses;
- Section 2.5 War Risks;

Section 2.10 – Liability to crewmembers of the Insured ship in accordance with requirements under Standard A2.5.2 and Regulation B2.5 of the Rule 2.5 and requirements under Standard A4.2.1 and Regulation B4.2.1 of the Rule 4.2 of the Maritime Labour Convention, 2006 (MLC'06) and part 2 article 60 of The Merchant Shipping Code of Russian Federation.

### **SPECIFIC COMMUNICABLE DISEASE EXTENSION CLAUSE:**

By virtue hereof, this insurance is extended to cover those liabilities, losses, costs and expenses which would fall within the scope of cover provided pursuant to the terms and conditions of this insurance but for «The Endorsement excluding a Communicable Disease following a Public Health Emergency of International Concern (PHEIC)» Clause JL2021-014 dd. 08/03/21 incorporated herein. PROVIDED ALWAYS HOWEVER that liability pursuant to this specific extension shall always be limited to and shall in no circumstances whatsoever exceed the amount of **USD 1,000,000** per year.

### **Exclusions mentioned in the valid Rules shall apply to this cover as well as exclusions outlined below:**

- Under Section 2.5 there shall be no recovery in respect of the Insured's losses arising out of the events that occurred in the areas included in Hull War, Strikes, Terrorism and Related Perils Listed Areas of the Institute of London Underwriters of War Risks (Joint War Committee) effective on the date of the ship's departure from the last safe port (excluding the territory of the Russian Federation), but in the event of any revisions to the

published JWC Listed Areas ([www.lmalloyds.com/lma/jointwar](http://www.lmalloyds.com/lma/jointwar)) such amendments shall take immediate effect. The valid list is published on the LMA and IUA web-sites: [www.lmalloyds.com](http://www.lmalloyds.com) and [www.iua.co.uk](http://www.iua.co.uk). At the same time, war risks insurance cover is always effective in the territorial waters of the Russian Federation, except Black and Azov seas and areas which are on the date of the vessel's actual call declared as temporary dangerous for navigation pursuant to Notices (navigation warnings) from Ministry of Defense of the Russian Federation (listed on the website of the Ministry of Defense of the Russian Federation <https://structure.mil.ru/structure/forces/hydrographic/bulletin.htm>). Insurer reserve the right to cancel cover under Section 2.5 by issuing 48 hours' notice.

Vessel's calls to excluded areas could be agreed by a separate agreement and issuance of addendum to the Certificate of Insurance after provision of full information about the voyage and payment of additional premium for extending of territory of insurance.

Losses, liability or expenses related to outbreak of war (declared or undeclared) after the commencement of the period of insurance with the participation the Russian Federation or between any of the following countries: United Kingdom, United States of America, France, the Russian Federation and the People's Republic of China are not insured under this Contract of insurance (are not an insured event and are not reimbursed by the Insurer).

War risk insurance (Section 2.5) is automatically terminated upon the outbreak of war (whether there is a declaration of war or not) after the commencement of the period of insurance with the participation the Russian Federation or between any of the following countries: United Kingdom, United States of America, France, the Russian Federation and the People's Republic of China. This cover can be reinstated by an additional agreement, while additional premium may be charged due to a change in the degree of risk.

An undeclared war is understood as the confrontation between the states (the coalitions of the states) taking place in the form of organized military (combat) actions between their armed forces, without an official declaration of war;

- Excluding any risks, claim, liability and/or any costs of shipowners related to voyages with military cargo and/or dual-use cargo;
- Excluding any risks, claim, liability and/or any costs related to the transportation and/or storage and/or use of radiating substances, facilities with a nuclear installation;
- Excluding (is not deemed an insured event) any claim, liability and/or any costs caused by arrest, detention, blocking, confiscation, seizure or nationalization of the vessel or cargo by orders of the civil or military authorities or by organizations of any countries for any reasons including their attempts to execute orders and their consequences.
- The insurance cover is terminated (the vessel is not insured) from the moment of its requisition or confiscation by the authorities or organizations of any country for use for their own purposes.

**Trading area:** Worldwide, but always excluding calling territorial waters of USA, Venezuela, North Korea (DPRK), Liberia, Libya, Syria, Somali, Iraq, Iran, The Democratic Republic of the Congo (DRC), Sudan, Cuba, Myanmar, State of Palestine, Nigeria, Guinea-Bissau, Yemen, Crimea, Sevastopol, DPR, LPR, Zaporozhye region, Kherson region, territory of Dagestan, any unrecognized territories that are not UN members, territories where military activities, anti-terrorist operations, armed conflicts, civil war/unrest and strikes are conducted, territorial waters and exclusive economic zone of Ukraine and areas which are on the date of the vessel's actual call declared as temporary dangerous for navigation pursuant to Notices (navigation warnings) from Ministry of Defense of the Russian Federation (listed on the website of the Ministry of Defense of the Russian Federation <https://structure.mil.ru/structure/forces/hydrographic/bulletin.htm>), always strictly within class limits and restrictions and always subject to Sanctions exclusion Clause.

- The Insured is obliged to inform the Insurer immediately of any deviation from the planned route or exit from the trading area in order to save human lives, ships and cargo, as well as the need to ensure the safety of the further voyage.
- The insurance cover is not valid and the vessel is not insured during the period when the insured vessel is in the excluded areas (territorial restrictions have been violated).
- Extension of cover to the excluded risk areas is subject to separate agreement with Insurer under condition of provision of full information about the details of forthcoming voyage.
- Any claims under Section 1.17 are excluded in case of trading to Pakistan, Tunisia, Ghana, Algeria, Jordan and Nigeria. This exclusion can be waived subject to written agreement with "Balance Insurance" JSC.

**Warranted:**

- Throughout the period of insurance, the Insured vessel specified in the Contract should obligatory be classed with a Classification Society that is part of the IACS or RMRS. Contract of Insurance will be null and void and terminated since the date of suspension/withdrawal of the class even during the voyage unless caused by scheduled repairs or an accident/insured event;
- No claims or disputes or facts known likely to lead to claims or disputes as at inception.

**LIMITS OF LIABILITY:**

- **USD 0,000** per crew member under Sections 1.2, 1.3 and 1.4 for medical, hospital, funeral and other expenses reasonably and necessarily incurred in relation to injury, illness or death of crewmember, including expenses of repatriating the crewmember and sending a substitute to replace, as well as for compensations in case of death or disability in accordance with the crew contract approved by ("Balance Insurance" JSC - any one accident or occurrence);
- **USD 0,000** per person in respect of claims under Section 1.5 – any one accident or occurrence;
- **USD 0,000,000** – aggregate limit in respect of claims under Section 2.10 and additional cover in accordance with requirements under amendments 2014 to MLC'06 – any one event;
- **USD 00,000,000** in respect of Section 2.5 any one accident or occurrence;
- **USD 0,000,000,000** in respect of all claims - any one accident or occurrence. Combined Single Limit.

**DEDUCTIBLES:**

- Each and any claim under Sections 1.2, 1.3 and 1.4 shall be limited to the excess of **USD 0,000** per person - any one accident or occurrence;
- Each and any claim under Sections 1.10, 1.11, 1.12, 1.15 and 1.22.4 shall be limited to the excess of **USD 00,000** any one accident or occurrence;
- All claims under Section 1.17 shall be limited to the excess of **USD 00,000** – each single voyage;
- Each and any other claim shall be limited to the excess of **USD 00,000** any one accident or occurrence;
- No deductible shall apply to Sections 1.5, 1.23 and 2.10.

The terms of this Contract may be varied by agreement between the Insured and «Balance Insurance» JSC in writing.

Object of insurance - Lawful property interests of the Insured connected with his liability to reimburse damage caused to third parties as a result of occurrence of the insured event.

All payments between the Insureds and «Balance Insurance» JSC shall be conducted in Russian rubles or others values, except USD, Euro. Payments in the Russian rubles shall be effected at the rate of exchange of the Central Bank of the Russian Federation on the date of payment. In case of payment transactions between the parties in the currency of this Contract it shall be conducted in accordance with requirements of the legislation of the Russian Federation on currency regulation and currency control.

Unless and to the extent that «Balance Insurance» JSC otherwise decides, all claims against the Insured shall be paid in first instance by the Insured, then «Balance Insurance» JSC reimburses expenses incurred by the Insured in accordance with terms and conditions of this Contract and Rules, provided that the casualty has been defined by «Balance Insurance» JSC as an insurance event and subject to «Balance Insurance» JSC's written confirmation that Insured's expenses fall within the scope of cover.

It is hereby agreed that «Balance Insurance» JSC is entitled on behalf of the Insured to appoint correspondents, surveyors, lawyers, experts etc. for the purpose of prevention, minimizing of claims and/or investigation of circumstances of accidents, and to pay their expenses directly to them, without admission of liability by «Balance Insurance» JSC for the claim in respect of which the said correspondents, surveyors, lawyer, experts etc. were appointed.

It is hereby agreed that all properly issued and signed documents submitted by the Insured as evidence for determining the sum of claim payable by «Balance Insurance» JSC and transmitted by way of facsimile or electronic mail shall be considered as valid in legal terms as the originals, subject to these documents to be sent by post or courier.

**Applicable Clauses:**

- Disclaimer clause;
- Seaworthiness warranty;
- Security clause;
- Warranted clause;
- ISM Code clause;
- Joint insured clause (jointly and severally insured);

- “Misdirect Arrow Cover” Clause;
- Special Clause on obligatory registration with the classification society of the vessel with hull /shipowners' liability insurance, or the vessel carrying the insured cargo (Classification clause) - full wording is stated in the Annex 1 which is attaching to and forming part of this Certificate of insurance;
- Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical And Electromagnetic Weapons Exclusion Clause 10/11/2003 (CI370);
- Marine Cyber Clause LMA5403 11/11/19 - full wording is stated in the Annex 1 which is attaching to and forming part of this Certificate of insurance;
- Electronic Date Recognition Endorsement C (XLEDRC) clause;
- Paperless Trading Endorsement (BOLERO) clause;
- «The Endorsement excluding a Communicable Disease following a Public Health Emergency of International Concern (PHEIC)» Clause JL2021-014 dd. 08/03/21 - full wording is stated in the Annex 1 which is attaching to and forming part of this Certificate of insurance;
- Additional cover in accordance with requirements under amendments 2014 to MLC'06 and part 2 article 60 of The Merchant Shipping Code of Russian Federation clause;
- Institute English Jurisdiction Clause (CI/ 358 1/11/91) (This insurance shall be subject to the exclusive jurisdiction of the English Courts, except as may be expressly provided herein to the contrary);
- UN and Russian Federation sanctions clause:

The Insurer shall not provide coverage or be liable in respect of any loss, nor shall make any payment hereunder, in the case that such coverage, payment of loss or any other payment would subject the Insurer to sanctions, prohibitions or restrictions in accordance with the resolutions the UN Security Council, the legislation of the Russian Federation or decrees of the President of the Russian Federation approved in accordance with the specified resolutions of the UN Security Council, or other decrees of the President of the Russian Federation on the introduction of restrictive measures.

**Wording of the above mentioned Clauses is contained in the valid Rules and Annex 1.** Words used in this Contract shall have the same meaning as that given to them in the Rules.

#### **INSURED JOINTLY AND SEVERALLY:**

#### **INSURED VESSEL:**

| Name | IMO number | Type | Y/B | Flag | Class | GT |
|------|------------|------|-----|------|-------|----|
|      |            |      |     |      |       |    |

**Period of insurance:** This Contract of insurance shall come into force and obligations of the parties hereunder shall commence from 00.00 \_\_\_\_\_, 2024 (Moscow time). Period of insurance shall cease at 24.00 \_\_\_\_\_, 2025 (Moscow time).

**Period of validity of this Contract:** this Contract is valid until mutual obligations are fully fulfilled by the parties hereto.

**Insurance Premium** - as agreed and to be paid by 1 instalment in accordance with Invoice No. FOC/\_\_\_\_-24 which is attached hereto (commissions and charges withheld for remittance of the insurance premium by the originator's bank to be at the originator's expense. Commissions and charges withheld by intermediary bank to be at beneficiary's expense).

**In case of total loss of the Insured vessel whether Actual or Constructive the Insured(s) shall effect payment of full insurance premium for the whole period of insurance. No laid-up returns. Cancelling returns only on pro rata basis per day, i.e. in case of termination of cover in accordance with the Rules.**

When the Insured has failed to pay insurance premium or any installment thereof within the terms and in the amounts specified above in the Schedule of payment and relevant invoice, and unless the parties have additionally agreed any other terms of premium payment in writing, «Balance Insurance» JSC shall be entitled at its sole discretion to take one of the below actions:

- to demand that the Insured fulfill the obligation to pay premium, including legal actions;
- to effect unilateral denunciation of this Contract and/or cancel this Contract in accordance with «Balance Insurance» JSC's Rules and legislation of Russian Federation;
- to impose penalties in compliance with the provisions of civil legislation.

**Additional terms:**

When Insured has failed to pay first or next installment of premium by the date stated in the Certificate of Insurance or in the relevant invoice the Insurer shall be entitled to effect unilateral denunciation of the Contract of insurance and/or cancel the Contract of insurance in accordance with «Balance Insurance» JSC's Rules and legislation of Russian Federation giving the Insured notice in writing or by e-mail with further submission of original one.

When any claim arises before the due date of premium payment (1<sup>st</sup> installment) as per the Schedule of payment stated above in this Contract - the Insurer has the right to demand immediate payment of premium in full or remittance of 1<sup>st</sup> installment ahead of the Schedule of payment.

In case of early termination of cover due to non-payment of insurance premium or the 1<sup>st</sup> installment the Parties shall be released from any obligations under this Contract irrespective whether the above obligations have arisen prior to the date of cancellation or not. The date of termination in this case will be considered as the due date of premium (1<sup>st</sup> installment) payment or the date outlined in Insurer's notice given to the Insured by fax, post or e-mail, if any. In case of early termination of cover due to non-payment of the 2<sup>nd</sup> or next installments the Insurer shall not be liable to effect any reimbursements for any claim occurred after the date of expiration of the paid period of insurance. The date of expiration of the paid period of insurance will be considered as the date of termination (cancellation) of this Contract. The paid period of insurance is considered to be the period of insurance pro rata of the paid premium to the full policy premium.

**All correspondence required and to be submitted under this Contract shall be given in writing and considered as properly delivered, if documents are forwarded by facsimile, e-mail, registered post or delivered by courier. All relevant details are stated below.**

*By signing this Contract issued in 2 copies the Insured hereby confirms that he received «Balance Insurance» JSC's «Shipowners' Liability Insurance Rules» and texts of relevant clauses/warranties and noted them accordingly.*

Issued in Moscow, \_\_\_\_\_ 2024.

**INSURER:****Joint-stock company "Balance Insurance"**

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Tax Registration Reason Code (KPP) 774301001

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D.A. Karpov  
CEO

**Marine Cyber Clause LMA5403 11/11/2019**

1. Subject only to paragraph 3 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, computer process or any other electronic system.
2. Subject to the conditions, limitations and exclusions of the policy to which this clause attaches, the indemnity otherwise recoverable hereunder shall not be prejudiced by the use or operation of any computer, computer system, computer software programme, computer process or any other electronic system, if such use or operation is not as a means for inflicting harm.
3. Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, paragraph 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.

**“The Endorsement excluding a Communicable Disease following a Public Health Emergency of International Concern (PHEIC)” Clause JL2021-014 dd. 08/03/21**

1. In the event that the World Health Organization (‘WHO’) has determined an outbreak of a Communicable Disease to be a Public Health Emergency of International Concern (a ‘Declared Communicable Disease’), no coverage will be provided under this (re)insurance for any loss, damage, liability, cost or expense directly arising from any transmission or alleged transmission of the Declared Communicable Disease.
2. The exclusion in paragraph 1 of this endorsement will not apply to any liability of the (re)insured otherwise covered by this (re)insurance where the liability directly arises from an identified instance of a transmission of a Declared Communicable Disease and where the (re)insured proves that identified instance of a transmission took place before the date of determination by the WHO of the Declared Communicable Disease.
3. However even if the requirements of paragraph 2 of this endorsement are met, no coverage will be provided under this (re)insurance for any:
  - A. liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for the Declared Communicable Disease whether the measures are preventative or remedial;
  - B. liability for or loss, cost or expense arising out of any loss of revenue, loss of hire, business interruption, loss of market, delay or any indirect financial loss, howsoever described, as a result of the Declared Communicable Disease;
  - C. loss, damage, liability, cost or expense caused by or arising out of fear of or the threat of the Declared Communicable Disease.
4. As used in this endorsement, Communicable Disease means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:
  - A. the substance or agent includes but is not limited to a virus, bacterium, parasite or other organism or any variation or mutation of any of the foregoing, whether deemed living or not, and
  - B. the method of transmission, whether direct or indirect, includes but is not limited to human touch or contact, airborne transmission, bodily fluid transmission, transmission to or from or via any solid object or surface or liquid or gas, and

C. the disease, substance or agent may, acting alone or in conjunction with other co-morbidities, conditions, genetic susceptibilities, or with the human immune system, cause death, illness or bodily harm or temporarily or permanently impair human physical or mental health or adversely affect the value of or safe use of property of any kind.

5. This endorsement shall not extend this (re)insurance to cover any liability which would not have been covered under this (re)insurance had this endorsement not been attached.

**Special Clause on obligatory registration with the classification society of the vessel with hull /shipowners' liability insurance, or the vessel carrying the insured cargo (Classification Clause)**

1. The Insured, Owner, Manager or Operator of the insured vessel hereby undertakes and represents that the following requirements have been and will be met before the commencement of the insurance period and during the entire insurance period:

1.1. the vessel has been assigned a class and meets the requirements of the Classification Society approved by "Balance Insurance" JSC;

1.2. any recommendations, requirements and restrictions prescribed by the Classification Society to maintain the vessel in a seaworthy condition and related to the vessel seaworthiness shall be complied with within the period determined by the Classification Society.

2. In case of any violation of the conditions specified in Clause 1 hereof, unless otherwise agreed in writing with "Balance Insurance" JSC, events that have signs of an insured event and occurred during the period from the date of such violation until complete termination of such violation, shall not be deemed as insured events, and "Balance Insurance" JSC shall not be liable to pay any compensation for losses, expenses and other costs incurred due to or in connection with such events. If such a violation is discovered while the vessel is at sea (participates in maritime activities), the period during which the events will not constitute insured events will begin at the moment the vessel enters the next port.

3. In accordance with Clause 4 of Article 185 of the Civil Code of the Russian Federation, the Policyholder hereby provides "Balance Insurance" JSC with the appropriate permission (authority, instruction) so that "Balance Insurance" JSC may receive the necessary information or documents directly from the Classification Society.

4. If, during the insurance contract validity period, it is revealed that the representations specified in Clause 1 hereof do not correspond to reality, "Balance Insurance" JSC may terminate the insurance contract by sending a notice to the Insured.