

## **ADDENDUM CLAUSES REFERRED TO IN CERTIFICATES OF ENTRY OR ENDORSEMENT SLIPS.**

This Addendum contains full wordings of clauses which may be incorporated in the terms and conditions on which a ship is entered in the Association, by means of a short form reference to such clause in the Certificate of Entry or in an Endorsement Slip.

### **Paperless Trading Endorsement**

- 1 There shall be no recovery from the Association in respect of any liability, cost or expense whatsoever or howsoever arising, whether directly or indirectly, out of or in consequence of:
  - (a) the Member's participation in or use of any system or contractual arrangement the predominant purpose of which is to replace paper-based documentation in shipping and/or international trade with electronic messages, including, without limitation, the Bolero system (any such system or arrangement being referred to in this endorsement as a "paperless system"), or
  - (b) a document which is created or transmitted under a paperless system which document contains or evidences a contract of carriage, or
  - (c) the carriage of goods pursuant to such a contract of carriage,

save to the extent that the Association in its sole discretion may determine that such liability, cost or expense would have arisen and would have been covered by the Association if the Member had not participated in or used a paperless system and any contract of carriage had been contained in or evidenced by a paper document.

- 2 For the purpose of this endorsement a "document" shall mean anything in which information of any description is recorded, including, but not limited to, computer or other electronically generated information.

### **Clean Cargo Clause**

- 1 It is hereby agreed that the ship will not carry persistent oil as cargo during the policy year. If persistent oil is carried as cargo at any time during any quarter then the premium rating shall be increased for that quarter only by the amount per entered ton set out in the reference to this clause in the Certificate of Entry/ Endorsement.
- 2 The owner shall make a quarterly declaration in arrears at the end of each quarter ending 20th May, 20th August, 20th November, 20th February, as soon as practicable and in no event later than two calendar months after the end of each quarter, stating, as appropriate,

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### (Clean Cargo Clause - continued)

- either (i) that the ship has traded dry (in the case of an OBO) or with clean products (in the case of a tanker) during the relevant quarter and the date of commencement of such change in trade.
- or (ii) that the ship has traded wet (in the case of an OBO) or with dirty products (in the case of a tanker) during the relevant quarter, and the date of commencement of such change in trade.
- 3 If the owner fails to notify the Managers in accordance with paragraph (2) (ii) above, the owner shall cease to be insured by the Association in respect of this ship with effect from the date of the commencement of loading persistent oil as cargo (the date of cessation). The terms of Rule 28(b) shall apply. Provided always that the Directors may in their discretion and upon such terms as they think fit reinstate the entry of the ship or admit in whole or in part any claim in respect of the ship for which the Association is not liable by virtue of the insurance having ceased in accordance with this paragraph (3).
- 4 For the purposes of this clause, "Persistent Oil" is all persistent hydro-carbon mineral oils other than those falling within the definition of "Non-persistent Oil" set out below.
- "Non-persistent Oil" is oil which consists of hydro-carbon fractions:
- (a) at least 50% of which, by volume, distils at a temperature of 340 degrees C, and
  - (b) at least 95% of which distils at a temperature of 370 degrees C when tested by the ASTM Method D 86/78 or any subsequent revision thereof.

### Dry Cargo Clause

- 1 Warranted carrying dry bulk cargoes only or held covered on terms to be agreed subject to prior notice being given to the Association. If persistent oil is carried as cargo during any quarter then the premium rating shall be increased for that quarter only by the amount per entered ton set out in the reference to this clause in the Certificate of Entry/ Endorsement. If non-persistent oil is carried as cargo during any quarter then the premium rating shall be increased for that quarter only by the amount per entered ton set out in the reference to this clause in the Certificate of Entry/ Endorsement.
- 2 The owner shall make a quarterly declaration in arrears at the end of each quarter ending 20th May, 20th August, 20th November, 20th February, as soon as practicable and in no event later than two calendar months after the end of each quarter, stating, as appropriate, either (i) that the ship has traded dry (in the case of an OBO) or with clean products (in the case of a tanker) during the relevant quarter

and the date of commencement of such change in trade  
 or (ii) that the ship has traded wet (in the case of an OBO) or with  
 dirty products (in the case of a tanker) during the relevant quarter,  
 and the date of commencement of such change in trade.

- 3 If the owner fails to notify the Managers in accordance with paragraph (2)  
 (ii) above, the owner shall cease to be insured by the Association in  
 respect of this ship with effect from the date of the commencement of  
 loading persistent oil as cargo (the date of cessation). The terms of Rule  
 28(b) shall apply. Provided always that the Directors may in their discretion  
 and upon such terms as they think fit reinstate the entry of the ship or  
 admit in whole or in part any claim in respect of the ship for which the  
 Association is not liable by virtue of the insurance having ceased in  
 accordance with this paragraph (3).
- 4 For the purposes of this clause, "Persistent Oil" is all persistent hydro-  
 carbon mineral oils other than those falling within the definition of "Non-  
 persistent Oil" set out below.

"Non-persistent Oil" is oil which consists of hydro-carbon fractions:

- (a) at least 50% of which, by volume, distils at a temperature of 340  
 degrees C, and  
 (b) at least 95% of which distils at a temperature of 370 degrees C when  
 tested by the ASTM Method D 86/78 or any subsequent revision thereof.

#### **U.S. Oil Pollution Clause 20/2/2004**

It is hereby agreed that for the 2004 policy year this entry includes cover in  
 accordance with the Association's Rules for oil pollution claims arising out of  
 any incident to which the United States Oil Pollution Act 1990 is applicable,  
 on the terms and conditions set out below and subject to the limits of liability  
 provided in Rule 5(B).

For the purposes of this Clause, "U.S. Voyage" is any cargo voyage involving  
 loading or discharging persistent oil as cargo at any port or place in the  
 United States of America or within the Exclusive Economic Zone of the U.S.A.  
 as defined in the United States Oil Pollution Act, 1990;

"Persistent oil" is all persistent hydro-carbon mineral oils other than those  
 falling within the definition of "non-persistent oil" set out below.

"Non-persistent oil" is oil which consists of hydro-carbon fractions:

- (a) at least 50% of which, by volume, distils at a temperature of 340  
 degrees C, and  
 (b) at least 95% of which distils at a temperature of 370 degrees C when  
 tested by the ASTM D 86/78 or any subsequent revision thereof.

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### (U.S. Oil Pollution Clause 20/2/2004 - continued)

“SBT rate” is the rate applicable to tankers equipped with segregated ballast tanks in accordance with requirements of Regulation 13 of Annex 1 to MARPOL 73/78.

- 1 The Owner shall make a declaration quarterly in arrears at the end of each quarter ending 20th May, 20th August, 20th November, 20th February, as soon as practicable and in no event later than two calendar months after the end of each quarter, stating, as appropriate,
  - either (a) that the ship has not performed a cargo voyage involving loading or discharging cargo at any port or place in the United States of America or within the Exclusive Economic Zone of the United States of America during the relevant quarter,
  - or (b) that the ship has performed one or more such voyages during the relevant period and, in that event, the number of such voyages, the nature of the cargo(es), the port(s) or place(s) of loading, discharging or transfer and the date(s) of such loading, discharging or transfer.
  
- 2 The Owner shall be liable to pay and shall pay a fixed additional premium calculated as follows:

A) For tankers of more than 1,000 gross tons:

- either US\$0.136 (SBT rate US\$0.119) per entered ton, each U.S. voyage,
- or US\$0.067 (SBT rate US\$0.059) per entered ton, each U.S. voyage in respect of cargoes exclusively loaded or discharged at LOOP or cargoes exclusively transferred to or from another ship at a place (other than a port) approved by the United States Coast Guard within the Exclusive Economic Zone of the United States of America.

PROVIDED ALWAYS that:

the maximum number of voyages in any one policy year in respect of which an additional premium is payable shall be twenty voyages, irrespective of the number of U.S. voyages actually performed.

B) For tankers of 1,000 gross tons or less:

- either a fixed rate of US\$136 (SBT rate US\$120) each U.S. voyage, provided always that the maximum number of voyages in any one policy year in respect of which an additional premium is payable shall be twenty voyages, irrespective of the number of US voyages actually performed,
- or a fixed rate of US\$2,719 (SBT rate US\$2,399) per annum.

C) For tankers which are constructed or adapted primarily to carry cargoes of noxious liquid substances in bulk and which are capable of carrying at least ten grades of cargo simultaneously, and where the quantity of persistent oil carried as cargo on each U.S. voyage is 5,000 metric tons or less:

A fixed rate of US\$407 (SBT rate US\$359) each U.S. voyage, provided always that the maximum number of voyages in any one policy year in

respect of which an additional premium is payable shall be twenty voyages, irrespective of the number of US voyages actually performed.

- D) For tankers which are constructed or adapted primarily to carry cargoes of noxious liquid substances in bulk and which are capable of carrying at least ten grades of cargo simultaneously, and where the quantity of persistent oil carried as cargo on each U.S. voyage is between 5,001 and 10,000 metric tons:

A fixed rate of US\$1,023 (SBT rate US\$895) each U.S. voyage, provided always that the maximum number of voyages in any one policy year in respect of which an additional premium is payable shall be twenty voyages, irrespective of the number of US voyages actually performed.

- E) For tankers which are constructed or adapted primarily to carry cargoes of noxious liquid substances in bulk and which are capable of carrying at least ten grades of cargo simultaneously, and where the quantity of persistent oil carried as cargo on each U.S. voyage is more than 10,000 metric tons:

US\$0.136 (SBT rate US\$0.119) per entered ton, each U.S. voyage, provided always that the maximum number of voyages in any one policy year in respect of which an additional premium is payable shall be twenty voyages, irrespective of the number of US voyages actually performed.

- 3 The Owner shall pay such additional premium on or before the date specified in the debit note issued by the Managers in accordance with the declarations made under paragraph (1) above.
- 4 In the event that the Owner fails for any reason to make a declaration (whether or not any U.S. voyage has been performed) within two calendar months of the quarter dates specified in paragraph (1) above, the terms of entry in respect of all tankers entered in the Association by him or on his behalf shall be deemed to have been amended with effect from the expiry of the said period of two months to incorporate the following exclusion:
- “Excluding any and all claims in respect of oil pollution arising out of any incident to which the United States Oil Pollution Act 1990 is applicable” and the Owner shall remain liable to pay any additional premium in respect of any U.S. voyage performed prior to the incorporation of the above exclusion in the terms of entry.
- 5 In the event that any declaration made by the Owner or on his behalf pursuant to paragraph (1) above is in any material respect inaccurate, the insurance of the Owner in respect of any and all ships entered in the Association by him or on his behalf shall cease with effect from the date of the inaccurate declaration, and Rule 28(B) shall apply.

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### U.S. Oil Pollution Clause 20/2/2004 - continued)

PROVIDED ALWAYS that:

the Directors may in their discretion and upon such terms as they think fit, either (a) reinstate the entry of any or all of the ships for which the insurance has ceased pursuant to this paragraph (5),  
or (b) admit in whole or in part any claim in respect of any ship entered by the Owner for which the Association is under no liability by reason of the cessation of the insurance in accordance with this paragraph (5).

- 6 In the event that the Owner fails to pay either in whole or in part any additional premium in accordance with paragraph (3) above, the provisions of Rule 31 shall apply.
- 7 The additional fixed premium payable in accordance with paragraph (3) above shall be deemed to be a fixed premium within the terms of Rule 9(A) and, save as otherwise provided in this clause, the Rules of the Association shall apply in all respects accordingly.

### Charterers' Limitation Clause

This entry is to cover the charterer(s) named in this Certificate of Entry/Endorsement as Member(s) of the Association in respect of claims recoverable under the Rules and terms of entry set out herein.

This entry is subject to the terms of Rule 5(B) and the aggregate amount recoverable thereunder from the Association by all such named charterer(s) in respect of all claims arising out of any one accident or occurrence, or (for cargo claims) any one cargo voyage, is limited to the following amounts:

- A for any and all claims in respect of oil pollution, the lesser of
  - (1) the limit applicable in accordance with Rule 5(B)(ii), plus US\$50 million,  
or
  - (2) a maximum of US\$100 million or such lesser sum as may be applicable in accordance with provisos (a) and (c) of Rule 5(B)(iii).
- B for any and all claims other than in respect of oil pollution, the lesser of
  - (1) the limit applicable in accordance with Rule 5(B)(ii), plus US\$50 million,  
or
  - (2) a maximum of US\$300 million.

**Charterers' Co-Assureds Clause**

This entry is to cover the time and/or voyage and/or slot charterer(s) named in this Certificate of Entry/Endorsement as Member(s) of the Association in respect of claims recoverable under the Rules and terms of entry set out herein.

This entry is subject to the terms of Rule 5(B) and the aggregate amount recoverable from the Association by all such charterer(s) named as joint owner(s) in respect of all claims arising out of any one accident or occurrence, or (for cargo claims) any one cargo voyage, is limited to the following:

- A) for any and all claims in respect of oil pollution, the limit applicable in accordance with Rule 5(B)(ii), plus US\$50 million, provided always that the aggregate amount recoverable by all the joint owners named above shall in no event exceed US\$1000 million any one accident or occurrence, and shall be subject to provisos (a) and (b) of Rule 5(B)(iii).
- B) for any and all claims other than in respect of oil pollution, the lesser of
  - (1) the limit applicable in accordance with Rule 5(B)(ii), plus US\$50 million,
  - or
  - (2) a maximum of US\$300 million.

**Space Charterers' Clause - Extension of Cover**

This entry is extended to cover the Member's liabilities as space charterer of ships operating in the service/consortium identified in the Certificate of Entry/Endorsement. This entry is subject to the terms of Rule 5(B) and the aggregate amount recoverable from the Association under this entry in respect of all claims arising out of any one accident or occurrence, or (for cargo claims) any one cargo voyage, is limited to the following amounts:

- A for any and all claims in respect of oil pollution the lesser of
  - (1) the limit applicable in accordance with Rule 5(B)(ii), plus US\$50 million,
  - or
  - (2) a maximum of US\$100 million or such lesser sum as may be applicable in accordance with provisos (a) and (c) of Rule 5(B)(iii).
- B for any and all claims other than in respect of oil pollution, the lesser of
  - (1) the limit applicable in accordance with Rule 5(B)(ii), plus US\$50 million,
  - or
  - (2) a maximum of US\$300 million.