

Addendum relating to Offshore/Specialist Operations

This Addendum contains special terms and conditions of covers relating to Offshore/Specialist Operations which may be incorporated, where contractually agreed, in the terms and conditions on which a ship is entered in the Association by, or on behalf of, the Owner or the Charterer, by means of a short form reference to such cover in the Certificate of Entry or in an Endorsement Slip.

SALVORS' EXTENSION COVER

GENERAL CONDITIONS

Pursuant to Rules 3 and 4, Section 2 of the Association's Rules, cover is afforded to the Owner of an entered ship which is or is intended to be used as a salvage ship or fire fighting ship for which cover is restricted or excluded under Rule 5 (H)(i) in respect of the risks set out in Part I but subject always to the conditions and exclusions contained in Part II below.

PART I. RISKS COVERED

Salvor's "Absent Tug" Cover – Oil Pollution Risks Only

Notwithstanding Rule 1(5), but subject to the GENERAL CONDITIONS set out above, cover is afforded to the Owner on the terms and conditions of the Rules against the risks set out in Rule 2, Section 12 arising out of salvage operations, on the terms that the liabilities, costs and expenses need not arise out of or in connection with the use of ships, or out of the Owner's operations on, in, over or under water.

PART II. CONDITIONS AND EXCLUSIONS

- 1 The following conditions and exclusions apply to all and any of the Risks Covered in Part I above:
 - (i) It is a condition precedent of every insurance on the terms referred to in Part I that the Owner and any company which is a subsidiary of holding company of the Owner or a subsidiary of the Owner's holding company shall, at the time when the insurance is given and thereafter within thirty days before the beginning of each policy year, apply to enter for insurance in the Association every ship intended to be used in connection with salvage or fire-fighting operations of which it is then the Owner or charterer (on terms that every such application may be accepted in respect of such one or more ships as the Association in its discretion may determine).

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- (ii) This insurance excludes liability, if any, assumed under contract where such liability would not have arisen but for the existence of such contract (but not excluding liability assumed by contract in respect of sub-contractors tortious and/or statutory liability).

2. War Risks Inclusion

Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Rule 5(E).

However, in no case shall this extension cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from any chemical, biological, bio-chemical or electromagnetic weapon.

This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause - MM Clause 2224(c).

3. Limit

The Association's liability for any and all claims under this cover shall, unless otherwise specifically agreed, be subject to a combined single limit each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit endorsed upon the Certificate of Entry.

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DRILLING/PRODUCTION OPERATIONS COVER

GENERAL CONDITIONS

Pursuant to Rules 3 and 4, Section 2 of the Association's Rules, cover is afforded to the Owner of an entered ship for which cover is restricted or excluded under Rule 5 (H)(ii) in respect of one or more of the risks set out in section A or B of Part I but subject always to the conditions and exclusions contained in Part II below.

PART I. RISKS COVERED

A. Cover For Risks Specified In Rule 2

Notwithstanding Rule 5 (H)(ii), but subject to the GENERAL CONDITIONS set out above,

- (i) the Owner of an entered ship which is (a) constructed or adapted for carrying out drilling operations or (b) is used for or in connection with drilling or oil or gas production operations including any accommodation unit moored or positioned on site as an integral part of any such operations, is insured on the terms and conditions of the Rules against the risks set out in Rule 2 including liabilities, costs and expenses arising out of or during drilling or oil or gas production.
- (ii) Rule 2, Section 14 – Liability arising under certain Indemnities and Contracts

For the purposes of Rule 2 Section 14, contractually assumed liabilities are covered hereunder if and to the extent that such liabilities are expressly assumed under a written agreement relating to facilities or services provided or to be provided to or in connection with an entered ship which (i) is executed prior to an event giving rise to a claim and (ii) contains terms to the effect that

- (a) the Owner and the Owner's contract principal shall each be responsible for loss of or loss of use of or damage to property owned by the other and for personal injury, illness or death of any employee of the other, to the extent that such loss, loss of use or damage or personal injury, illness or death is caused or contributed to by the act, neglect or default of its own employees or by any person for whom it is, was, may be or may have been responsible or
- (b) the Owner and the Owner's contract principal shall each be responsible for loss of or loss of use of or damage to its own property howsoever caused and for personal injury, illness or death of its own employees, howsoever caused, or

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(c) if and so far as the proper law of the written agreement or any law applied by a Court in order to give effect to the written agreement permits, the Owner and the Owner's contract principal shall each indemnify, protect defend and hold the other harmless from and against any and all claims, actions, suits, proceedings, liabilities, costs, expenses or demands whatsoever arising out of or in connection with loss of or loss of use of or damage to its own property and/or personal injury, illness or death of its own employees, regardless of the act, neglect or default of the other, and

(d) the indemnity or contract preserves the Owner's right to limit liability.

(iii) Rule 2, Section 10(A) – Collision liabilities

Cover under Rule 2 Section 10(A) includes cover for 4/4ths collision liabilities.

(iv) Rule 2, Section 15 – Wreck liabilities

Cover under Rule 2 Section 15 includes cover for contractual or assumed liabilities in respect of removal of wreck and/or debris.

(v) Rule 2, Section 22 – Fines

Subject to the aggregate limit applicable to the entry, cover under Rule 2, Section 22 for fines shall also be subject to a sublimit of US\$50 million each ship any one event.

B. Express Contractual Liability Cover

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Owner to include liabilities, costs or expenses set out below to the extent that they are expressly assumed by the Owner under a written agreement. For the purpose of this cover, a "written agreement" means any written agreement relating to facilities or services provided or to be provided to or in connection with an entered ship which is executed prior to an event giving rise to a claim.

(a) Liabilities, costs and expenses which arise as a consequence of naming other persons as additional assureds and waiving rights of subrogation against such persons where this is required by a written agreement.

(b) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement in respect of personal injury or illness or death of any person other than an employee of the Owner or in respect of

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loss of or loss of use of or damage to the property of any such person.

- (c) Liabilities, costs and expenses which arise out of any claim or claims made by any employee of the Owner against any party to a written agreement on the basis of the “borrowed servant” doctrine.

Endorsements

- (i) Where any proceedings are commenced or claims are made by any additional assured or the Owner against the Owner or any other additional assured, this cover shall apply as if a separate Certificate of Entry had been issued to each assured.
- (ii) Where any proceedings are commenced or claims are made against the Owner and/or any additional assureds, this cover shall apply as if a separate Certificate of Entry had been issued to each assured, provided always that this provision shall not operate to increase the limit of liability of the Association endorsed upon the Certificate of Entry.
- (iii) Where this cover is prejudiced as a result of the acts or omissions of the Owner or any person for whom he is, was, may be or may have been responsible. This cover shall subsist for the benefit of any person or persons named as additional assureds provided that any additional assured claiming the benefit of this provision is not privy to any such acts or omissions.
- (iv) This cover is not prejudiced by the fact that the Owner or any additional assured has waived his rights or is otherwise not entitled to limit his liability in accordance with any law, statute or convention in force which provides for limitation of liability in the circumstances of the occurrence giving rise to a claim, provided always that this provision shall not operate to increase the limit of liability of the Association endorsed upon the Certificate of Entry.
- (v) This cover shall be deemed to be primary in relation to those contractual liabilities assumed by the Owner which may be the subject of separate insurance carried by the other party or parties to the written agreement.

PART II. CONDITIONS AND EXCLUSIONS

1 The following conditions and exclusions apply to all and any of the Risks Covered in Part I above:

- (i) For the purposes of the exclusions in this paragraph (i), the expression “hole and/or well” refers to any hole and/or well being created by or which

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is the subject of operations carried out by or on behalf of the Owner or by or on behalf of any person for whom the Owner is, was, may be or may have been responsible and any other hole and/or well lost, damaged, suffering a loss of control or otherwise giving rise to a claim as a direct result of an occurrence in respect of the below mentioned hole and/or well.

There shall be no recovery by the Owner for liabilities, costs or expenses arising out of or incurred by the Owner in respect of:

- (a) loss of or loss of use of or damage to the hole and/or well.
- (b) re-drilling or restoring the hole and/or well and/or any substitute or replacement therefore.
- (c) loss of, damage to, delay in or increased expense of production or development of underground resources.
- (d) subsidence caused directly or indirectly by any sub-surface operations carried out by or on behalf of the Owner.
- (e) loss of or loss of use of or damage to or salvage, retrieval or recovery of any drill string, casing, tubing, cementing or well intervention and any other in-hole or down-hole equipment.
- (f) blow-out, cratering, seepage or any uncontrolled flow, discharge or escape of oil or gas and/or pollution and/or clean-up and/or containment of oil, gas, drilling fluid or any other substance emanating from the hole and/or well.
- (g) any measures taken to control or regain control of the hole and/or well.
- (h) physical loss or damage to any property which is or could be the subject of a Contractor's All Risks policy, unless and to the extent that such property has been identified and cover has been agreed in writing between the Owner and the Managers.
- (i) the fitness for purpose and/or quality of the Owner's work, products or services or in respect of any defect in the Owner's work, products or services or in respect of any obligation on the part of the Owner to ensure that work or services carried out by or on behalf of the Owner will be performed with reasonable care and skill and/or in an otherwise workmanlike manner.
- (j) the completed operations of the entered ship.
- (k) the drilling or during the drilling of any relief well and/or control of well operations in respect of any well which is not the subject of operations

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being carried out by or on behalf of the Owner at the time the loss of control occurred, or held covered at a rate to be agreed.

(ii) Workers' Compensation Exclusions

(a) United States

There shall be no recovery for liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Owner or to any third party who is the statutory assignee of any employee of the Owner, under, or in consequence of any default under, the workers' compensation laws of any of the States of the United States, the United States Longshoremen's and Harbour Workers' Compensation Act, or any other similar act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.

(b) Other Jurisdictions

There shall be no recovery for liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Owner under any workers' compensation act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover are agreed between the Owner and the Managers and endorsed upon the Certificate of Entry.

(iii) There shall be no recovery for any contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in either paragraph A(ii) or, as the case maybe, paragraph B of the Risks Covered in Part I above.

(iv) There shall be no recovery for any liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.

(v) There shall be no recovery for any liabilities, costs and expenses incurred as a result of seepage and/or pollution and/or clean-up and/or containment of substances emanating from property owned by persons other than the Owner howsoever deemed to be in his care, custody or control.

(vi) Underwater Operations Exclusion

Cover for the Risks Covered in Part I above excludes claims for liabilities, costs and expenses arising out of underwater operations. Special cover for liabilities, costs and expenses arising out of underwater operations, otherwise excluded by virtue of Rule 5(H)(v), is given only in accordance

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with the terms and conditions of "UNDERWATER OPERATIONS EXTENSION COVER".

2 War Risks Inclusion

Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Rule 5(E).

However, in no case shall this extension cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from any chemical, biological, bio-chemical or electromagnetic weapon.

This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause - MM Clause 2224(c).

3 Limit

The Association's liability for any and all claims under this cover shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.

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SPECIALIST OPERATIONS EXTENSION COVER

GENERAL CONDITIONS

Pursuant to Rules 3 and 4, Section 2 of the Association's Rules, cover is afforded to the Owner of an entered ship for which cover is restricted or excluded under Rule 5(H)(iii) in respect of one or more of the risks set out in sections A or B of Part I subject always to the conditions and exclusions contained in Part II.

PART I. RISKS COVERED

A. Cover For Risks Specified In Rule 2 Arising As A Consequence Of A Claim Brought In Respect Of The Specialist Nature Of The Operations

Notwithstanding Rule 5(H)(iii), but subject to the GENERAL CONDITIONS set out above:

- (i) The Owner of an entered ship which is used for the operations of dredging, blasting, piled driving, well-stimulation, laying, maintaining or renewing cables or pipes, core sampling, depositing of spoil, professional oil spill response or professional oil spill response training and tank cleaning (otherwise than on the entered ship), or other specialist operations (together "specialist operations") is insured on the terms and conditions of the Rules against the risks set out in Rule 2 if and to the extent liabilities, costs and expenses are incurred by the Owner as a consequence of claims brought by any party for whose benefit the work has been performed, or by any third party (whether connected with any party for whose benefit the work has been performed or not), in respect of the specialist nature of the operations.
- (ii) Rule 2, Section 14 – Liability arising under certain Indemnities and Contracts

For the purposes of Rule 2 Section 14, contractually assumed liabilities within the scope of the risks set out in Rule 2 are covered hereunder if and to the extent that such liabilities are expressly assumed under a written agreement relating to facilities or services provided or to be provided to or in connection with an entered ship which (i) is executed prior to an event giving rise to a claim and (ii) contains terms to the effect that

- (a) the Owner and the Owner's contract principal shall each be responsible for loss of or loss of use of or damage to property owned by the other and for personal injury, illness or death of any employee of the other, to the extent that such loss, loss of use or damage or personal injury, illness or death is caused or contributed to by the act, neglect or default of its own employees or by any person for whom it is, was, may be or may have been responsible, or
- (b) the Owner and the Owner's contract principal shall each be responsible for loss of or loss of use of or damage to its own property howsoever caused and for personal injury, illness or death of its own employees, howsoever caused, or

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- (c) if and so far as the proper law of the written agreement or any law applied by a Court in order to give effect to the written agreement permits, the Owner and the Owner's contract principal shall each indemnify, protect, defend and hold the other harmless from and against any and all claims, actions, suits, proceedings, liabilities, costs, expenses or demands whatsoever arising out of or in connection with loss of or loss of use of or damage to its own property and/or personal injury, illness or death of its own employees, regardless of the act, neglect or default of the other, and
- (d) the indemnity or contract preserves the Owner's right to limit liability.

B Express Contractual Liability Cover

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Owner of an entered ship which is used for specialist operations to include liabilities, costs or expenses set out below to the extent that they are expressly assumed by the Owner under a written agreement. For the purpose of this cover, a "written agreement" means any written agreement relating to facilities or services provided or to be provided to or in connection with an entered ship in or directly from the entered ship, which is executed prior to an event giving rise to a claim.

- (a) Liabilities, costs and expenses which arise as a consequence of naming other persons as additional assureds and waiving rights of subrogation against such persons, where this is required by a written agreement.
- (b) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement in respect of personal injury or illness or death of any third parties or in respect of loss of or loss of use of or damage to the property of third parties.
- (c) Liabilities, costs and expenses which arise out of any claim or claims made by any employee of the Owner against any party to a written agreement on the basis of the "borrowed servant" doctrine.
- (d) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement relating to the raising, removal, destruction, lighting or marking of the wreck of an entered ship.

Endorsements

- (i) Where any proceedings are commenced or claims are made by any additional assured or the Owner against the Owner or any other additional

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assured, this cover shall apply as if a separate Certificate of Entry had been issued to each assured.

- (ii) Where any proceedings are commenced or claims are made against the Owner and/or any additional assureds, this cover shall apply as if a separate Certificate of Entry had been issued to each assured, provided always that this provision shall not operate to increase the limit of liability of the Association endorsed upon the Certificate of Entry.
- (iii) Where this cover is prejudiced as a result of the acts or omissions of the Owner or any person for whom he is, was, may be or may have been responsible. This cover shall subsist for the benefit of any person or persons named as additional assureds provided that any additional assured claiming the benefit of this provision is not privy to any such acts or omissions.
- (iv) This cover is not prejudiced by the fact that the Owner or any additional assured has waived his rights or is otherwise not entitled to limit his liability in accordance with any law, statute or convention in force which provides for limitation of liability in the circumstances of the occurrence giving rise to a claim, provided always that this provision shall not operate to increase the limit of liability of the Association endorsed upon the Certificate of Entry.
- (v) This cover shall be deemed to be primary in relation to those contractual liabilities assumed by the Owner which may be the subject of separate insurance carried by the other party or parties to the written agreement.

PART II. CONDITIONS AND EXCLUSIONS

1. The following conditions and exclusions apply to all and any of the Risk Covered in Part I above.

(i) Workers' Compensation Exclusions

(a) United States

There shall be no recovery for liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Owner or to any third party who is the statutory assignee of any employee of the Owner, under, or in consequence of any default under, the workers' compensation laws of any of the States of the United States, the United States Longshoremen's and Harbour Workers' Compensation Act, or any other similar act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.

(b) Other Jurisdictions

There shall be no recovery for liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Owner under any workers' compensation act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover

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are agreed between the Owner and the Managers and endorsed upon the Certificate of Entry.

- (ii) There shall be no recovery for any loss of or damage to the contract works, for failure to perform such specialist operations by the Owner or for the fitness for purpose and quality of the Owner's work, product, services, including any defect in the Owner's work, products or services.
- (iii) There shall be no recovery for any liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.
- (iv) There shall be no recovery for any liabilities, costs and expenses incurred as a result of seepage and/or pollution and/or clean-up and/or containment of substances emanating from property owned by persons other than the Owner howsoever deemed to be in his care, custody or control.
- (v) There shall be no recovery for any contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in either paragraph A(ii) or, as the case may be, paragraph B of the Risks Covered in Part I above.
- (vi) Underwater Operations Exclusion.

Cover for the Risks Covered in Part I above excludes claims for liabilities, costs and expenses arising out of underwater operations. Special cover for liabilities, costs and expenses arising out of underwater operations, otherwise excluded by virtue of Rule 5(H)(v), is given only in accordance with the terms and conditions of "UNDERWATER OPERATIONS EXTENSION COVER".

2. War Risks Inclusion

Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Rule 5(E).

However, in no case shall this extension cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from any chemical, biological, bio-chemical or electromagnetic weapon.

This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause - MM Clause 2224(c).

3. Limit

The Association's liability for any and all claims under this cover shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.

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UNDERWATER OPERATIONS EXTENSION COVER

GENERAL CONDITIONS

Pursuant to Rules 3 and 4, section 2 of the Association's Rules, cover is afforded to the Owner of an entered ship for which cover is restricted or excluded under Rule 5(H)(v) in respect of one or more of the risks set out in Section A or B of Part I subject always to the conditions and exclusions contained in Parts II.

PART I. RISKS COVERED

A. Cover For Risks Specified In Rule 2 Arising Out Of Underwater Operations

Notwithstanding Rule 5 (H)(v), but subject to the GENERAL CONDITIONS set out above

(i) the Owner of an entered ship which is used for or in connection with the operations of submarines or underwater vessels or equipment, or for or in connection with professional or commercial diving operations (together "underwater operations") is insured on the terms and conditions of the Rules against the risks set out in Rule 2 for liabilities, costs and expenses arising out of or in connection with the underwater operations.

(ii) Rule 2, Section 14 – Liabilities arising under certain Indemnities and Contracts

For the purposes of Rule 2 Section 14, contractually assumed liabilities are covered hereunder if and to the extent that such liabilities are expressly assumed under a written agreement relating to facilities or services provided or to be provided to or in connection with an entered ship which (i) is executed prior to an event giving rise to a claim and (ii) contains terms to the effect that

(a) the Owner and the Owner's contract principal shall each be responsible for loss of or loss of use of or damage to property owned by the other and for personal injury, illness or death of any employee of the other, to the extent that such loss, loss of use or damage or personal injury, illness or death is caused or contributed to by the act, neglect or default of its own employees or by any person for whom it is, was, may be or may have been responsible or

(b) the Owner and the Owner's contract principal shall each be responsible for loss of or loss of use of or damage to its own property howsoever caused and for personal injury, illness or death of its own employees, howsoever caused, or

(c) if and so far as the proper law of the written agreement or any law applied by a Court in order to give effect to the written agreement permits, the Owner and the Owner's contract principal shall each indemnify, protect defend and hold the other harmless from and against any and all claims, actions, suits, proceedings, liabilities, costs, expenses or demands whatsoever arising out of or in connection with loss of or loss of use of or damage to its own property and/or personal injury, illness or

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death of its own employees, regardless of the act, neglect or default of the other, and

- (d) the indemnity or contract preserves the Owner's right to limit liability.

B Express Contractual Liability Cover

Subject to the GENERAL CONDITIONS set out above, cover is extended to an Owner of an entered ship which is used for underwater operations in respect of the risks, liabilities, costs or expenses set out below to the extent that they are expressly assumed by the Owner under a written agreement. For the purpose of this cover, a "written agreement" means any written agreement relating to facilities or services provided or to be provided to or in connection with an entered ship which is executed prior to an event giving rise to a claim.

- (a) Liabilities, costs and expenses which arise as a consequence of naming other persons as additional assureds and waiving rights of subrogation against such persons, where this is required by a written agreement.
- (b) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement in respect of personal injury or illness or death of any third parties or in respect of loss of, or loss of use of, or damage to the property of any third party.
- (c) Liabilities, costs and expenses which arise out of any claim or claims made by any employee of the Owner against any party to a written agreement on the basis of the "borrowed servant" doctrine.
- (d) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement relating to the raising, removal, destruction, lighting or marking of the wreck of an entered ship.

Endorsements

- (i) Where any proceedings are commenced or claims are made by any additional assured or the Owner against the Owner or any additional assured, this cover shall apply as if a separate Certificate of Entry had been issued to each assured.
- (ii) Where any proceedings are commenced or claims are made against the Owner and/or any additional assureds, this cover shall apply as if a separate Certificate of Entry had been issued to each assured, provided always that this provision shall not operate to increase the

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limit of liability of the Association endorsed upon the Certificate of Entry.

- (iii) Where this cover is prejudiced as a result of the acts or omissions of the Owner or any person for whom he is, was, may be or may have been responsible, this cover shall subsist for the benefit of any person or persons named as additional assureds provided that any additional assured claiming the benefit of this provision is not privy to any such acts or omissions.
- (iv) This cover is not prejudiced by the fact that the Owner or any additional assured has waived his rights or is otherwise not entitled to limit his liability in accordance with any law, statute or convention in force which provides for limitation of liability in the circumstances of the occurrence giving rise to a claim, provided always that this provision shall not operate to increase the limit of liability of the Association endorsed upon the Certificate of Entry.
- (v) This cover shall be deemed to be primary in relation to those contractual liabilities assumed by the Owner which may be the subject of separate insurance carried by the other party or parties to the written agreement.

PART II. TERMS AND CONDITIONS

1. The following conditions and exclusions apply to all and any of the Risks Covered in Part I above:

(i) Employers and Employee Benefits Exclusions (divers)

- (a) There shall be no recovery for any liabilities in respect of personal injury, occupational disease, illness or death of any diver employed by the Owner whether incurred as an employer or in any other capacity.
- (b) There shall be no recovery for any liabilities arising out of any act or omission of the Owner, whether negligent or otherwise, or of any other person for whom the Owner is, was, may be or may have been legally responsible, in connection with any employee benefit of any diver employed by the Owner.

(ii) Work, Products and Services Exclusion

There shall be no recovery for any liabilities in respect of any claim for loss of or damage to underwater vehicles being operated by the Owner, in respect of the fitness for purpose and/or quality of the Owner's work, products or services, or in respect of any defect in the Owner's work, products or services or in respect of any obligation on the part of the Owner to ensure that work or services carried out by or on behalf of the Owner will be performed with reasonable care and skill and/or in an otherwise workmanlike manner.

(iii) Contractual Liability Exclusion

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There shall be no recovery for any contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in either paragraph A(ii) or, as the case may be, paragraph B of the Risks Covered in Part I above.

(iv) Workers' Compensation Exclusions

United States

There shall be no recovery for any liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Owner or to any third party who is the statutory assignee of any employee of the Owner, under, or in consequence of any default under, the workers' compensation laws of any of the States of the United States, the United States Longshoremens' and Harbour Workers' Compensation Act and/or the United States Federal Employees' Compensation Act, or any other similar act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.

Other Jurisdictions

There shall be no recovery for any liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Owner under any workers' compensation act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover is agreed between the Owner and the Managers and endorsed upon the Certificate of Entry.

(v) There shall be no recovery for any liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.

(vi) There shall be no recovery for any liabilities, costs and expenses incurred as a result of seepage and/or pollution and/or clean-up and/or containment of substances emanating from property owned by persons other than the Owner howsoever deemed to be in his care, custody or control.

2. War Risks Inclusion

Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Rule 5(E).

However, in no case shall this extension cover loss, damage, liability

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or expense directly or indirectly caused by or contributed to by or arising from any chemical, biological, bio-chemical or electromagnetic weapon.

This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause - MM Clause 2224(c).

3. Limit

The Association's liability for any and all claims under this cover shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.

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SUPPLY OR TOWAGE EXTENSION COVER

GENERAL CONDITIONS

Without prejudice to the terms of Rule 2, Section 13 (B) and Section (C) and provided, where for the purposes of Rule 2, Section 14 the Owner is to be covered for any liabilities contractually assumed under an express written agreement relating to facilities or services provided or to be provided to or in connection with an entered ship, such agreement (i) is executed prior to an event giving rise to a claim and (ii) contains terms to the effect that

- (a) the Owner and the Owner's contract principal shall each be responsible for loss of or loss of use of or damage to property owned by the other and for personal injury, illness or death of any employee of the other, to the extent that such loss, loss of use or damage or personal injury, illness or death is caused or contributed to by the act, neglect or default of its own employees or by any person for whom it is, was, may be or may have been responsible or
- (b) the Owner and the Owner's contract principal shall each be responsible for loss of or loss of use of or damage to its own property howsoever caused and for personal injury, illness or death of its own employees, howsoever caused, or
- (c) if and so far as the proper law of the written agreement or any law applied by a Court in order to give effect to the written agreement permits, the Owner and the Owner's contract principal shall each indemnify, protect defend and hold the other harmless from and against any and all claims, actions, suits, proceedings, liabilities, costs, expenses or demands whatsoever arising out of or in connection with loss of or loss of use of or damage to its own property and/or personal injury, illness or death of its own employees, regardless of the act, neglect or default of the other, and
- (d) the indemnity or contract preserves the Owner's right to limit liability

Cover is afforded to the Owner of an entered ship for liability arising out of towage of or by, or supply by, an entered ship pursuant to Rules 3 and 4, section 2 of the Association's Rules, in respect of one or more of the risks set out in section A or B of Part I but subject always to the conditions and exclusions contained in Parts II.

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PART I. RISKS COVERED

A. Express Contractual Liability Cover For Towage Of An Entered Ship

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Owner of an entered ship being towed to include liabilities, costs or expenses set out below to the extent that they are expressly assumed by the Owner under a written agreement. For the purpose of this cover, a "written agreement" means any written agreement relating to facilities or services provided or to be provided to or in connection with an entered ship which is executed prior to an event giving rise to a claim.

- (a) Liabilities, costs and expenses which arise as a consequence of naming other persons as additional assureds and waiving rights of subrogation against such persons, where this is required by a written agreement.
- (b) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement in respect of personal injury or illness or death of any third parties.
- (c) Liabilities, costs and expenses which arise out of any claim or claims made by any employee of the Owner against any party to a written agreement on the basis of the "borrowed servant" doctrine.
- (d) Liabilities, costs and expenses in respect of cargo or other property intended to be or being or having been carried on the entered ship and the proportion of general average which the Owner cannot recover solely by reason of a breach of the contract of carriage, to the extent that either such liabilities, costs and expenses or such loss would not have been incurred or payable had the cargo or property been carried on terms no less favourable to the Owner than the Association's standard terms of carriage as set out in proviso (a) to Rule 2, Section 17.
- (e) Liabilities, costs and expenses for loss of, or damage to, or wreck removal of the ship or object towing the entered ship or any property on board that ship or object to the extent that such liability is incurred otherwise than in accordance with the terms and conditions set out in Rule 2, section 13 (B).
- (f) Liability, costs and expenses for personal injury, illness or death arising out of towage of the entered ship to the extent that such liability is incurred otherwise than in accordance with the terms and conditions set out in Rule 2, section 13 (B).
- (g) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of

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that agreement, in respect of loss of, or loss of use of, or damage to the property of any third party other than such property as is referred to in paragraphs (d) and (e) above.

- (h) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement relating to the raising, removal, destruction, lighting or marking of the wreck of an entered ship.

Endorsements

- (i) Where any proceedings are commenced or claims are made by any additional assured or the Owner against the Owner or any additional assured, this cover shall apply as if a separate Certificate of Entry had been issued to each assured.
- (ii) Where any proceedings are commenced or claims are made against the Owner and/or any additional assureds, this cover shall apply as if a separate Certificate of Entry had been issued to each assured, provided always that this provision shall not operate to increase the limit of liability of the Association endorsed upon the Certificate of Entry.
- (iii) Where this cover is prejudiced as a result of the acts or omissions of the Owner or any person for whom he is, was, may be or may have been responsible, this cover shall subsist for the benefit of any person or persons named as additional assureds provided that any additional assured claiming the benefit of this provision is not privy to any such acts or omissions.
- (iv) This cover is not prejudiced by the fact that the Owner or any additional assured has waived his rights or is otherwise not entitled to limit his liability in accordance with any law, statute or convention in force which provides for limitation of liability in the circumstances of the occurrence giving rise to a claim, provided always that this provision shall not operate to increase the limit of liability of the Association endorsed upon the Certificate of Entry.
- (v) This cover shall be deemed to be primary in relation to those contractual liabilities assumed by the Owner which may be the subject of separate insurance carried by the other party or parties to the written agreement.

B. Express Contractual Liability Cover For Towage Or Supply and Liability Cover For Towage By An Entered Ship

Subject to the GENERAL CONDITIONS set out above, cover hereunder is extended to an Owner of an entered ship which is used for supplying and or towing to include, liabilities, costs or expenses set out below to the extent

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that they are expressly assumed by the Owner under a written agreement or arise out of the towage of another ship or object by the entered ship. For the purpose of this cover, a “written agreement” means any written agreement relating to facilities or services provided or to be provided to or in connection with an entered ship which is executed prior to an event giving rise to a claim.

- (a) Liabilities, costs and expenses which arise as a consequence of naming other persons as additional assureds and waiving rights of subrogation against such persons, where this is required by a written agreement.
- (b) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement in respect of personal injury or illness or death of any third parties.
- (c) Liabilities, costs and expenses which arise out of any claim or claims made by any employee of the Owner against any party to a written agreement on the basis of the “borrowed servant” doctrine.
- (d) Liabilities, costs and expenses in respect of cargo or other property intended to be or being or having been carried on the entered ship and the proportion of general average which the Owner cannot recover solely by reason of a breach of the contract of carriage, to the extent that either such liabilities, costs and expenses or such loss would not have been incurred or payable had the cargo or property been carried on terms no less favourable to the Owner than the Association’s standard terms of carriage as set out in proviso (a) to Rule 2, Section 17.
- (e) Liabilities, costs and expenses for loss of, or damage to, or wreck removal of a towed object or any property on board the towed object to the extent that such liability is incurred otherwise than in accordance with the terms and conditions set out in Rule 2, section 13 (C).
- (f) Liabilities, costs and expenses for personal injury, illness or death arising out of towage by the entered ship to the extent that such liability is incurred otherwise than in accordance with the terms and conditions set out in Rule 2, section 13 (C).
- (g) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement, in respect of loss of, or loss of use of, or damage to the property of any third party other than such property as is referred to in paragraphs (d) and (e) above.
- (h) Liabilities, costs and expenses arising out of any obligation assumed under a written agreement which would not have arisen but for the existence of that agreement relating to the raising, removal, destruction, lighting or marking of the wreck of an entered ship.

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Endorsements

- (i) Where any proceedings are commenced or claims are made by any additional assured or the Owner against the Owner or any additional assured, this cover shall apply as if a separate Certificate of Entry had been issued to each assured.
- (ii) Where any proceedings are commenced or claims are made against the Owner and/or any additional assureds, this cover shall apply as if a separate Certificate of Entry had been issued to each assured, provided always that this provision shall not operate to increase the limit of liability of the Association endorsed upon the Certificate of Entry.
- (iii) Where this cover is prejudiced as a result of the acts or omissions of the Owner or any person for whom he is, was, may be or may have been responsible, this cover shall subsist for the benefit of any person or persons named as additional assureds provided that any additional assured claiming the benefit of this provision is not privy to any such acts or omissions.
- (iv) This cover is not prejudiced by the fact that the Owner or any additional assured has waived his rights or is otherwise not entitled to limit his liability in accordance with any law, statute or convention in force which provides for limitation of liability in the circumstances of the occurrence giving rise to a claim, provided always that this provision shall not operate to increase the limit of liability of the Association endorsed upon the Certificate of Entry.
- (v) This cover shall be deemed to be primary in relation to those contractual liabilities assumed by the Owner which may be the subject of separate insurance carried by the other party or parties to the written agreement.

PART II. CONDITIONS AND EXCLUSIONS

1. The following conditions and exclusions apply to the Risks Covered in Part I above:

(a) Underwater Operations Exclusion

Cover for the Risks Covered in Part I above excludes claims for liabilities, costs and expenses arising out of underwater operations. Special cover for liabilities, costs and expenses arising out of underwater operations, otherwise excluded by virtue of Rule 5(H)(v), is given only in accordance with the terms and conditions of "UNDERWATER OPERATIONS EXTENSION COVER".

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(b) Workers' Compensation Exclusions

United States

There shall be no recovery for liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Owner or to any third party who is the statutory assignee of any employee of the Owner, under, or in consequence of any default under, the workers' compensation laws of any of the States of the United States, the United States Longshoremen's and Harbour Workers' Compensation Act and/or the United States Federal Employees' Compensation Act, or any other similar act, law or scheme in force or in operation in any of the States of the United States or under the federal jurisdiction of the United States.

Other Jurisdictions

There shall be no recovery for liabilities for the payment of compensation and/or damages and/or benefits to or for the benefit of any employee of the Owner under any workers compensation act, law or scheme in force or in operation in any other jurisdiction, unless and to the extent that the terms, conditions and limit of such cover is agreed between the Owner and the Managers and endorsed upon the Certificate of Entry.

(c) There shall be no recovery for liabilities, costs and expenses incurred as a result of the operation of any penalty clause or liquidated damages agreement, or any performance bond or guarantee, or any agreement in respect of tax or any other revenue liabilities.

(d) There shall be no recovery for any contractually assumed liabilities which would not have arisen but for the existence of the contract other than those set out in and accepted under the conditions set out in in Part I above.

2. War Risks Inclusion

Cover hereunder is extended to restore cover for liabilities, losses, costs or expenses otherwise excluded by Rule 5(E).

However, in no case shall this extension cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from any chemical, biological, bio-chemical or electromagnetic weapon.

This extension is subject to the Notice of Cancellation Automatic Termination of Cover and Five Powers War Exclusion Clause - MM Clause 2224(c).

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3. Limit

The Association's liability for any and all claims under this cover shall, unless otherwise specifically agreed, be subject to a combined single limit of liability each accident or occurrence or series of accidents or occurrences arising out of any one event, such limit being the limit of liability endorsed upon the Certificate of Entry.