

28 November 2016

DAVA PTE LTD
8 Shenton Way #38-02
Singapore 068811

Our Ref: M17D9676

Cover Note

TYPE: MARINE HULL AND MACHINERY

ASSURED: Dava Pte. Ltd., Singapore and/or Subsidiary and/or Affiliated and/or Associated Companies and/or respectively for account of whom it may concern.

VESSEL(S): "BALKAR TRUST" plus other named vessels as per schedule attached. Including if required new and/or acquired and/or managed and/or chartered vessels on amounts, terms, conditions and rates to be agreed by Slip Leader and other named agreement parties.

PERIOD: From: 00.01 hours GMT, 17th November 2016
To: 00.01 hours GMT, 17th November 2017

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

AGREED VALUES / AMOUNTS: As per schedule attached.

DEDUCTIBLES: Clause 12, as per schedule attached, all claims other than total loss.

TRADING: World-wide subject to Institute Warranties 01.07.76 (CL26) (Clauses 1, 2 and 3 deleted) or held covered Slip Leader.

CONDITIONS: Institute Time Clauses Hulls 1/10/83 (Clause 280).
Institute Additional Perils Clauses Hulls (Clause 294).
Including coverage for 4/4ths Collision Liability (RDC and FFO).
General Average Absorption Clause as attached.
Leased and Passenger Equipment Clause, as attached.
Affiliated Companies Clause, as attached.
Pilots Non-Liability Clause, as attached.
Helicopter Permission Clause, as attached.
Towage Clause – Hull, as attached.
Including Assureds, Co-Assureds, Waivers of Subrogation, Interests of Mortgagees, Notices of Assignment and Loss Payable Clauses in respect thereof as may be agreed (Notices of Assignment and Loss Payable Clauses attached to Leading Underwriters only, and as per expiring policy).

28/11/2016

Bering Sea Transit Clause, as attached.
Waiver of Subrogation Clause, as attached.
Deliberate Damage Pollution Hazard Clause, as attached.
Part(s) Removed Clause, as attached.
Violent Theft, Piracy and Barratry Exclusions (JH2005/046 dated 17th October 2005), as attached.

Bail Clause, as follows:

"It is agreed that in the event of loss and/or damage giving rise to a possible claim under this policy, to enable the Assured to provide bail and/or bank guarantee and/or limitation bond, Underwriters shall provide the necessary security/guarantee/bond and/or counter securities/guarantees, whichever is applicable, in the wording of the London Market "short form", or to be agreed Leading Underwriter. Such agreement from the Leading Underwriter only shall be binding on all Underwriters hereon. The extent of Underwriters' obligations under this clause shall be confined to their liability in accordance with the terms, conditions and limits of this policy".

Agreed in the event of the vessel(s) being employed in trading operations which entail cargo loading or discharging at sea from or into another vessel (not being harbour or inshore craft) and/or double banking operations, such vessels covered without notice and without additional premium.

To follow leading underwriter Swedish Club in regard to continuations, deviations, alterations, extensions, additions, endorsements and cancellations and attaching and expiry dates and also in regard to survey and decisions and settlements and in all other respects of claims and returns but excluding ex gratia settlements.

Including the Swedish Club Mandatory Club Clauses as attached:

Each vessel deemed a separate insurance.
Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/2003 (Clause 370).
Institute Cyber Attack Exclusion Clause 10/11/2003 (Clause 380).
Loss Payable Clause as attached.
Special Cancellation Clause, as attached.
Brokers Cancellation Clause, as attached.
LSW1599 – Mortgagees Interest Provision as attached.

**EXPRESS
WARRANTIES:**

Warranted vessels classed and class maintained

**CHOICE OF LAW
& JURISDICTION:**

This insurance shall be governed by and construed in accordance with the law of England and Wales and each party agrees to submit to the exclusive jurisdiction of the Courts of England and Wales.

**ANNUAL
PREMIUM:**

As per schedule attached.

Premium payable quarterly due dates as follows:

1st Instalment: 17 November 2016
2nd Instalment: 17 February 2017
3rd Instalment: 17 May 2017
4th Instalment: 17 August 2017

**PREMIUM PAYMENT
TERMS:**

Subject to Premium Payment Clause LSW3000 (60 days including instalments).

**TAXES PAYABLE
BY INSURED AND
ADMINISTERED BY
INSURERS:**

None

**PREMIUM
DEDUCTIONS:**

None

**RECORDING,
TRANSMITTING &
STORING
INFORMATION:**

Where the Broker maintains risk and claim data/information/ documents the Broker may hold data/information/documents electronically.

**INSURER
CONTRACT
DOCUMENTATION:**

No further contractual documentation to be issued.

INFORMATION

Details of the information provided to Insurers to support the assessment of the risk at the time of underwriting:-

Company presentation by email dated 4th October 2016

Technical Details of MV "BALKAR TRUST"

BULKCARRIER, SINGLEDECKER, GEARED

FLAG : PANAMA

BUILT - 1997 by VARNA SHIPYARD, VARNA, BULGARIA

LENGTH - 177,82 M, BREADTH - 29,98 M, MOULDED DEPTH - 16,20 M

DWT - 41.244 ON 11,44 M SSW

GRT/NRT - 25.206 / 14.175

HO/HA - 5 / 5

ASSUREDS

Root Maritime Ltd. as registered owner

Dava Pte Ltd. as commercial manager

Sarioglu Denizcilik Turizm Ltd. Sti as technical manager

PILOTS NON LIABILITY CLAUSE

This insurance shall not be prejudiced by reason of any agreement limiting or exempting the liability of pilots and/or tugs and/or bow boats and/or their owners when the Assured and/or Charterers accept such contracts in accordance with established local practice or are compelled to accept such contracts.

SPECIAL CANCELLATION CLAUSE

In the event that any Insurer hereon ceases underwriting whether entirely or in the class of business which includes this policy, or enters into a run-off arrangement, or is subject to a scheme of arrangement, appointment of administrators, provisional liquidators, or announces an intention to take any of the foregoing actions, or the Insurer is subject to a material change of ownership or control, or the Insurer's financial strength rating is downgraded to bring it below BBB with Standard & Poor's, then the Assured is entitled, at its option, to cancel that Insurer's participation in this policy at any date thereafter. In that event, the premium due to such Insurer shall be the proportion of the premium allocated to the risk covered under the policy up to the date of cancellation and after deduction of claims due under the policy.

LSW1599 - MORTGAGEES INTEREST PROVISION

Claims and return premiums shall only be collected and taken down on production of a copy (including photocopy) and/or duplicate of the Contract that is presented either manually or electronically by staff of Howden UK Group Limited or their appointed agents. No other parties may collect or take down claims or returns of premium without the express permission of Howden UK Group Limited.

BERING SEA TRANSIT CLAUSE

Notwithstanding anything contained in this insurance to the contrary, it is hereby agreed that when on through voyages to or from the Far East, the insured vessel may navigate the Bering Sea provided that,

- (1) the vessel has on board the appropriate hydrographic charts corrected up to date;
- (2) entry is made through the Unimak Pass and exit west of Buldir Island or vice versa and;
- (3) the vessel is equipped and properly fitted with marine radar a satellite navigator or Loran, sonic depth sounding apparatus, radio direction finder and gyro compass, all fully operational and manned by qualified personnel.

(Alternatively the vessel may enter or leave through the Amchitka, Amukta or Attu Passes, but only when equipped and properly fitted with marine radar, Loran, a satellite navigator, sonic depth sounding apparatus, radio direction finder, gyro compass and a weather facsimile recorder, all fully operational and manned by qualified personnel).

LEASED AND PASSENGER EQUIPMENT CLAUSE

This insurance is extended to cover equipment and apparatus not owned by the Assured but installed for use on the Insured vessel, and for which the Assured has assumed liability whether such equipment or apparatus be in the nature of aids to navigation or communication or otherwise subject to all terms and conditions of this policy, but in no event shall liability of the Underwriters exceed the contractual liability of the Assured for such equipment or apparatus. All such equipment or apparatus installed on the vessel but not owned by the Assured shall be included in the agreed insured value of the vessel.

It is also agreed that the subject matter insured by this policy is intended to include bar stores, equipment for passengers amusements, salon and passenger cabin fittings, equipment, furnishings and decorations as well as spares, bunkers and all other stores and supplies, including stocks in Vessel's shops, provided the same are owned by the Assured.

In the event that such above-mentioned equipment etc be insured separately for the account of the Assured, such separate policies shall in no way be deemed to be a double insurance.

DELIBERATE DAMAGE POLLUTION HAZARD CLAUSE

This insurance is also extended to cover, but only while the subject-matter insured is on board a waterborne conveyance, loss of or damage to said property directly caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard or threat thereof, provided that the accident or occurrence creating the situation which required such governmental action would have resulted in a recoverable claim under the Policy (subject to all of its terms, conditions and warranties) if the property insured would have sustained physical loss or damage as a direct result of such accident or occurrence.

This clause shall not increase the Limits of Liability provided for elsewhere herein.

WAIVER OF SUBROGATION CLAUSE

This insurance shall not be prejudiced by reason of the Assured waiving rights of subrogation against Time Charters and/or Associated and/or Affiliated and/or Subsidiary Companies or Corporations, but such waiver not to apply in the event of a collision between the insured vessel and/or any vessel owned by the Time Charterers and/or Associated and/or Affiliated and/or Subsidiary Companies of Corporation.

PART(S) REMOVED CLAUSE

To pay, subject to the terms and conditions of this policy, all loss of or damage to the subject-matter insured occurring at any time during the currency of this insurance notwithstanding that any part(s) of the said subject matter be anywhere ashore under any circumstances (whether on quay, in buildings, sheds, or elsewhere) and/or under repair and/or in transit (to and from the vessel or otherwise).
In the event that such above mentioned part(s) be insured separately, such separate policies shall in no way be deemed to be double insurance.

GENERAL AVERAGE ABSORPTION CLAUSE

It is further agreed that the total General Average (to include sacrifices and expenses, but to exclude York Antwerp Rules XX and XXI relating to interest and commissions) and salvage not exceeding USD 250,000 shall be payable in full (subject always to applicable policy deductible), provided claims for contribution from cargo and other interests has been waived by the Assured. Interest on claims under this clause is payable only when applicable under- and in accordance with the relevant Policy Conditions.

**VIOLENT THEFT, PIRACY AND BARRATRY EXCLUSION FOR USE WITH THE INSTITUTE TIME
CLAUSES HULLS 1/10/83.**

Where the hull and machinery insurance of the vessel is written on terms which include the Institute Time Clauses Hulls 1/10/83, the said clauses are hereby amended as follows:

1. Clause 4.1 shall be deleted and replaced by the following:

"change of the classification Society of the vessel, or change, suspension, discontinuance, withdrawal or expiry of her Class therein, provided that if the vessel is at sea such automatic termination shall be deferred until arrival at her next port. However where such change, suspension, discontinuance or withdrawal of her Class has resulted from loss or damage covered by Clause 6 of this insurance or which would be covered by an insurance of the vessel subject to current Institute War and Strikes Clauses Hulls – Time 1/10/83 as amended by the violent theft, piracy and barratry extension clause JW2005/002 such automatic termination shall only operate should the vessel sail from her next port without the prior approval of the Classification Society."

2. Clause 6.1.3. shall be deleted.
3. Clause 6.1.5. shall be deleted.
4. Clause 6.2.5. shall be deleted.
5. "23(a)." shall be inserted between "23," and "24" in Clause 21.1.8
6. The words "(barratry and piracy excepted)" shall be deleted from Clause 23.2
7. A new Clause 23(a) shall be inserted after Clause 23 and before Clause 24 as follows:

"23(a) VIOLENT THEFT, PIRACY, AND BARRATRY EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

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|---------|--|
| 23(a).1 | violent theft by persons from outside the Vessel |
| 23(a).2 | piracy |
| 23(a).3 | barratry of Master, Officers or Crew." |

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JH2005/046

AFFILIATED COMPANIES CLAUSE

In respect of the vessel(s) insured hereunder, it is agreed that this policy also covers the Assured, and affiliated Companies of the Assured be they owners, subsidiaries or inter-related companies and as bareboat charterers and/or charterers and/or sub-charterers and/or operators and/or in whatever capacity, and shall so continue to cover notwithstanding the provisions of this policy with respect to change of ownership or management. Provided however, that in the event of any claim being made by an affiliated subsidiary or inter-related company under this clause it shall not be entitled to recover in respect of any liability to which it would not be subject if it were the owner of the vessel, nor to a greater extent that an owner would be entitled in such event to recover.

It is further agreed that these insurers waive any right of subrogation against any subsidiary, affiliated or inter-related company of the Assured, excepting to the extent that any such company is insured against the liability asserted. However, should the vessel be sold to or transferred to or chartered on a bareboat basis to others than the Assured or the Affiliated Companies of the Assured, or be requisitioned on a bareboat basis the provisions of this policy with respect to change of ownership or management shall govern.

PREMIUM PAYMENT CLAUSE

The insured undertakes that premium will be paid in full to Underwriters within sixty days of inception of this policy (or, in respect of instalment premiums, when due).

If the premium due under this policy has not been so paid to Underwriters by the sixtieth day from the inception of this policy (and, in respect of instalment premiums, by the date they are due) Underwriters shall have the right to cancel this policy by notifying the Insured via the broker in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the full policy premium shall be payable to Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.

It is agreed that Underwriters shall give not less than 15 days prior notice of cancellation to the Insured via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Underwriter (and Agreement Parties if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Where the premium is to be paid through a London Market Bureau, payment to Underwriters will be deemed to occur on the day of delivery of a premium advice note to the bureau.

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BROKERS CANCELLATION CLAUSE

It is hereby agreed that in the event of non-payment by the insured, or their Agents of any or all the premiums to HOWDEN UK GROUP LIMITED, this Policy may be cancelled by HOWDEN UK GROUP LIMITED on behalf of Underwriters for that part of the insurance to which the outstanding premiums refer, but it is understood that **seven** days notice shall be given to the Assured before such cancellation takes effect and that seven days grace shall be allowed to the Assured after receipt of such notice to remit the premium due.

This clause shall not prejudice or affect the Brokers' right in respect of any amount remaining due to them whether in connection with this Policy or otherwise or any other rights of the Broker against the Assured or their Agents.

SECURITY DETAILS

INSURERS LIABILITY CLAUSE:

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Insurer's liability several not joint

The liability of a insurer under this contract is several and not joint with other insurers party to this contract. A insurer is liable only for the proportion of liability it has underwritten. A insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is a insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

ORDER

HEREON: 100% of 100% of values and amounts as per schedule attached.

SECURITY:

25.00% The Swedish Club

25.00% Peoples Insurance Co of China via FP Marine

20.00% China Continent Property & Casualty Insurance Co. Ltd via FP Marine


15.00% Huatai Property & Casualty Insurance Co. Ltd via FP Marine

15.00% India International Insurance Pte. Ltd

100.00%

For and on behalf of

Howden UK Group Limited



Authorised Signatory



Authorised Signatory

We would like to draw your particular attention to the duty to disclose all information which is material to your coverage requirements, or which may influence insurer(s) in deciding to accept your business, finalising the terms to apply and/or the level of premium for the cover. Failure to make such disclosure, which is an ongoing responsibility throughout the duration of this contract of insurance, may allow insurer(s) to void the contract and thus resulting in claims not being paid.

Please examine this document carefully to ensure that the terms, conditions, details and the insurers with which it is arranged are in accordance with your requirements and instructions, or notify us immediately if otherwise.

This insurance is subject to all terms and conditions of the policy(ies) to be issued.

E. & O.E

28/11/2016