SHIPREPAIRER'S LIABILITY INSURANCE CLAUSES

(Applied according to the Decision No.: 0082/2010-BM/QLNV dated 12/01/2010 of the Chief Executive Officer of BaoMinh Insurance Corporation)

1. GENERAL CONDITIONS

1.1 The due observance and fulfilment of the terms of this insurance is so far they relate to anything to be done or complied with by the Assured and the truth of the declarations, statements and answers in the proposal made by the Assured shall be a condition precedent to any liability of the Insurer and such proposal is deemed to be incorporated in and form part of this insurance.

1.2 It is agreed that no assignment of interest in this insurance or in any monies which may be or may become payable hereunder is to be binding on or recognized by the Insurer unless a dated notice of such assignment of interest signed by the Assured and by the assignor in the case of subsequent assignment is endorsed on this insurance and the insurance with such endorsement is produced before payment of any claim or return of premium hereunder but nothing in this condition is to have effects as an agreement by the Insurer to a sale or transfer to new management.

1.3 If any the time any claim arises under this insurance there be any other insurance covering the same loss, damage or liability the Insurer shall not be liable to pay or contribute more than their ratable proportion of any claim for such loss, damage or liability.

1.4 If any difference between the Insurer and the Assured arises as to the determination of the amount of damages or compensation, the matter shall be refered to the decision of the court.

1.5 The Assured further agrees with the Insurer that all other provisions not provided in this insurance shall be subject to those as provided in the relevant laws of Vietnam.

2. SCOPE OF INSURANCE

This insurance is to cover the legal liability of the Assured as ship repairs upon the terms and conditions subject to the limitations hereinafter set forth:

2.1 This insurance covers the legal liability of the Assured as ship repairs for loss of or damage to vessel, craft and equipment, cargoes, freight and other interests on board, which are in their cargo, custody or control for the purpose of alteration or repair and are under running repair by the Assured at locations described in the Policy or while such vessel or craft are being shifted in row or own power and/or moved within and between premises described in the Policy or in coastal waters not in excess of 100 miles from port of repair for sea trials.

2.2 This insurance also covers the legal liability of the Assured for loss of or damage to property other than that referred to in the above paragraph 2.1 of within the port where such repairs or alteration are being carried out, caused by vessel or craft and their cargoes and/or caused to vessel, craft, equipment, parts detached from vessel. Liability under this clause is being restricted to items within the Assured's care, custody or control.

3. LIMITATION, PREMIUM AND DEDUCTIBLE

3.1 The maximum liability of the Insurer under this insurance on account of any one accident or occurrence shall not exceed the amount stipulated in the Policy. Such limit however shall apply separately in respect of each vessel (including its equipment, cargo, freight and other interests on board which are with the Assured for alternation or repair).

3.2 The minimum and deposit premium shall be subject to adjustment at expiry of the period of this insurance at 80% on estimated gross charges of the Assured, subject adjusted premium to be paid within 30 days from the adjustment.

In the event of the actual gross charges is not declared by the Assured for premium adjustment within 30 days from the expiry of the period of this insurance, the remaining premium shall be adjusted at 35% on estimated gross charges.

3.3 Gross charges shall be defined as total charges and/or contract amount (collected or uncollected) made by the Assured as ship repairers and/or converters during the period of this insurance. No deduction shall be made from the gross charges in respect of any sub-contracted work.

3.4 No claim shall be payable under this insurance unless the aggregate liability of the Assured arising out of the same accident or occurrence and insured against here under, exceeds the deductible stipulated in the Policy, and this sum shall be deducted from the amount payable hereunder on account of liability arising from each such accident or occurrence. Such limit however shall apply separately in respect of each vessel (including its equipment, cargo, freight and other interest on board which are with the Assured for alternation or repair).

4. NOTICE OF CLAIM

4.1 In the event of any occurrence which might give rise to a claim under this insurance, the Assured shall

4.1.1 immediately notify the Insurer by telephone as well as in writing, giving an indication as to the nature and extent of loss or damage; give prompt written notice to the Insurer hereon, forward every summons or process (or copies thereof) served upon the Assured and shall keep the Insurer fully advised;

4.1.2 take all steps within his power to minimize the extent of the loss or damage;

4.1.3 preserve the parts affected and make them available for inspection by a representative or surveyor of the Insurer;

4.1.4 furnish all such information and documentary evidence as the Insurer may require.

4.2 The Assured shall at the expense of the Insurer do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Insurer in the interest of any rights or remedies, or of obtaining relief of indemnity from parties (other than those Assured under this Insurance) to which the Insurer shall be or would become entitled or subrogated upon their paying for or making good any loss or damage under this insurance, whether such acts and things shall be or become necessary or required before or after the Assured's indemnification by the Insurer.

4.3 The Insurer shall at any time be entitle (but not obliged) to control or take over the conduct of the investigation defence and settlement of any claim suit or proceeding against the Assured which is or is likely to be the subject of indemnity under this insurance.

4.4 If the Insurer hereon consider that claim madeagainst the Assured should not be contested then the Insurer hereon shall be entitled at any time to give an undertaking to the Assured to indemnify him for a sum equivalent to the limit of liability stipulated in the Policy or such lesser sum as would have been payable under this insurance had the claim been settled at that time. Thereupon the Insurer hereon shall relinquish any control and conduct of the investigation or defence of the claim and shall thereafter have no further liability in respect of the claim or for costs, charges or expenses incurred subsequent to the giving of the undertaking.

4.5 In the event of any claim or loss being paid under this insurance the Insurer shall be subrogated to all rights and remedies of the Assured. The Assured shall not admit liability not give any waiver of subrogation without the expressed permission of the Insurer.

5. THE DUTY OF THE ASSURED (SUE AND LABOUR)

5.1 The Assured shall at his own expense take all reasonable presentations and comply with all reasonable recommendations of the Insurer to prevent loss, damage or liability and comply with statutory requirements. It is the duty of the Assured and his Agents at all times to take such measures as may be reasonable for the purposes of averting or minimizing a loss.

5.2 Representatives of the Insurer shall at any reasonable time have the right to inspect and examine the risk and the Assured shall provide the representatives of the Insurer with all details and information necessary for the assessment of the risk.

5.3 The Assured shall immediately notify the Insurer in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstance may require and premium shall, if necessary, be adjusted accordingly. No material alternation shall be made or admitted by the Assured whereby the risk is increased unless the continuance of the insurance be confirmed in writing by the Insurer.

5.4 If the proposal or declaration of the Assured is not true in any material respect, or if any claim made be fraudulent or substantially, exaggerated or if any false declaration or statement be made in support there of, then this insurance shall be void and the Insurer shall not be liable to make any payment hereunder.

5.5 The Assured shall keep a complete and accurate record of all gross charges for operations covered hereunder and shall make these records available to the Insurer upon requests.

6. EXCLUSIONS

6.1 Notwithstanding anything to the contrary contained in this insurance, it is hereby expressly understood and agreed that this insurance does not cover any liability

6.1.1 for death or personal injury;

6.1.2 assumed under any expressed or implied contract except the legal liabilities of the Assured under ship repairs contract stipulated in Clause 2 above;

6.1.3 respect of or arising in connection with an oil tank vessel or craft, or any vessel or craft previously engaged in carrying explosive or inflammable liquids or gases or arising in connection with work on or near any fuel tank or pipeline of an oil burning vessel or craft unless the rules, regulations and requirements of the port of governmental authorities at the place where the work is being carried out have been complied with. Should a gas free certificate not be require by the port or governmental authorities then such a certificate must be obtained from a chemist approved by Lloyds Agent prior to the commencement of work;

6.1.4 for demurrage, loss of time, loss of freight, loss of charter and/or similar and/or substituted expenses;

6.1.5 for loss, damage or expense which may be recoverable under any other insurance insuring to the benefit of the Assured except to any excess over and above the amount recoverable thereunder;

6.1.6 for loss, damage or expense for collision liability, towers liability or protection and indemnity liability, arising out of the operation of any vessel or craft owned or operated by the Assured and/or any affiliated or subsidiary concerned, or individual or party;

6.1.7 to property owned, leased to or in the possession of the Assured (other than vessel or craft and their cargo which are in the custody of the Assured for the purpose of alteration or repair), or utilized by the Assured in its business as ship repairer;

6.1.8 to new vessels under construction;

6.1.9 in respect of loss or damage unless discovered prior to or within six months of the delivery to owners or within six months after work is completed, whichever may first occur;

6.1.10 to any loss or expense arising from faulty design;

6.1.11 to any loss or expense arising from willful act or willful negligence of the Assured or of his representatives;

6.1.12 to any loss or expense arising from piracy, theft or burglary.

6.2 The Insurer will not indemnify the Assured in respect of loss, damage or liability directly or indirectly caused by or arising out of or aggravated by

6.2.1 capture, seizure, arrest, restraint or detainment, or the consequences thereof or of any attempt thereat;

6.2.2 war, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, mutiny, riot, strike, lock out, civil commotion, military or usurped power a group of malicious persons or persons acting on behalf of or in connection with any political organization, conspiracy, confiscation, commandeering, requisition or destruction or damage by order of any government de jure or de facto or by any public authority;

6.2.3 any weapon of war employing atomic or nuclear fission and/or fusion or other reaction or radioactive force or matter.

If any action, suit or other proceeding where the Insurer allege that by reason of the provisions of Exclusion 6 above any loss, destruction, damage or liability is covered shall be upon the Assured.