



## CO- INSURANCE AGREEMENT

This Agreement is made and entered into as of 1<sup>st</sup> Jan, 2018, by and between:

The Korea Shipowner's Mutual Protection & Indemnity Association(hereinafter called "KP&I"), having its principal place of business at 17, Gukhoe-daero 68-gil(Hae-Woon Bldg. 14-34 Yeouido-dong), Yeongdeungpo-gu, Seoul, 150-871, Korea, established and registered under the 『Ship Owners' Mutual Protection & Indemnity Insurance Club Act』 in 1999 ; and

PVI Reinsurance Joint-Stock-Corporation (hereinafter called "PVI RE"), having its principal place of business at 25<sup>th</sup> FL., PVI Tower, 1<sup>st</sup> Pham Van Bach Street, Cau Giay Dist., Hanoi, Viet Nam established and registered under the 『Insurance Business Law of Vietnam』 issued by National Assembly of the Socialist Republic of Vietnam on December 9, 2000.

KP&I and PVI RE are hereinafter collectively referred to as the "Parties" and individually, a "Party".

### Definitions :

#### "Member"

An owner, owner in partnership, owner holding separate shares in severalty, part owner, mortgagee, trustee, charterer, operator or manager of a Ship entered, and any other person in possession and control of any Insured Vessel, being insured by PVI RE under a policy of insurance (hereinafter called "the Original Policy").

#### "Original Premium"

The premium relative to the Original Policy, as the fixed premium determined by KP&I on the basis of gross premium, which does not include local taxes, any charges, any fees and others. Provided, in case that KP&I accepts some portion of Limit of Liability(LOL) under the Original Policy, the premium shall be that portion of total gross premium.

#### "Confidential Information"

The denoted information received by one party from the other, including but not limited to, data compilations, trade secrets, know-how, inventions (whether or not patentable), analyses, conversations, discussions, expressions of opinions and descriptions of events relating to the relevant insurance contract.



## Preamble

WHEREAS :

- A. **KP&I** is a Mutual Association specializing in the insurance of ship owners against third party liability risks, known as Protection and Indemnity risks as set out in ‘Chapter II Risks Covered’ of **KP&I**’s Rules which are from time to time in force governing the conduct of the whole or any part of the business of **KP&I**(hereinafter called “the Original Mutual Risks”).
- B. **KP&I** and **PVI RE** wish to enter into this Agreement in relation to the Original Mutual Risks.

It is now agreed that :

### 1. Contract of Insurance

- 1.1 When a Member is interested in entering into **KP&I**, in the first instance, **PVI RE** shall notify **KP&I** in writing of all necessary information requested on ‘the form of Inquiry for Quotation’.

A Member and **PVI RE** shall disclose and notify **KP&I** in writing of any information that **KP&I** considers to be material in fixing premium, or determination for taking the risk. In the event that a Member disclosed or notified to **PVI RE** but **PVI RE** failed to forward the same to **KP&I**, it shall be deemed that the relevant information was not disclosed to **KP&I**.

- 1.2 **PVI RE** shall notify **KP&I** in writing of **PVI RE**’s intention of its own retention in each insurance contract. The share of each party may be determined by the separate mutual agreement by the Parties case by case.

**PVI RE** may purchase a reinsurance or co-insurance of their own proportion with any other reinsurers or insurers.

- 1.3 In the event of 1.2 above, the liability of **KP&I** under the insurance contract is several and not joint with **PVI RE**. **KP&I** is liable only for their own proportion of liability.



- 1.4 **KP&I** shall negotiate with **PVI RE** on behalf of a Member in respect of terms and conditions and Original Premiums etc. in the relevant rate quotation as provided by **KP&I**.
- 1.5 A Member who agrees to the underwriting terms and conditions proposed and wishes to join **KP&I** shall submit a signed or sealed Form of 'Application for Membership' to **KP&I**.

## 2. Process of Premium Payment

- 2.1 Once the contract of insurance between the Parties is made under this Agreement, **PVI RE** and the Member shall be bound by all the Rules of **KP&I** and **KP&I** shall issue Certificate of Entry and Invoices for the account of the Member only and forward the same to the Member through **PVI RE**.
- 2.2 The contract of insurance shall be deemed to come into effect when the whole or the agreed part of the original premiums has been paid unless otherwise agreed in writing. In case that the premiums are paid within a grace period allowed, the payment shall be deemed to be made when the insurance period commences in accordance with **KP&I**'s Rules.

In the event that the premium is not paid on or before any date so specified, the relevant contract of insurance shall be deemed to be cancelled as from inception in case of the first instalment, or ceased as of the same date in case of other instalment. However, **PVI RE** may discuss with **KP&I** on the grace period to extend payment term beyond the specified due date and **PVI RE** shall only grant the new payment term in advance by **KP&I**'s written agreement. The grace period shall not be in excess of 30 days from inception date of an insurance contract or due date of each instalment.

- 2.3 Notwithstanding the above 2.2, if any Member fails to pay any calls or premiums or part thereof on or before the due date specified therefor, **KP&I** may demand the Member to pay interest from the due date to the date the actual payment is made at such rate as adding 1% to the latest monthly corporate loan rate publicly announced by the Bank of Korea on the unpaid amount.
- 2.4 In case where the Member paid the original premiums to **PVI RE** but **PVI RE** failed to remit the same to **KP&I**, it shall be deemed that the premiums are not paid.



In the event that **PVI RE** could not remit the original premiums to **KP&I** within the due date in Invoice issued by **KP&I** though **PVI RE** already received the premiums from the Member, **PVI RE** shall send a confirmation letter of the receipt of that premium to **KP&I** immediately and then a new due date for such premium's payment can be discussed by the parties.

### 3. Contribution Fund

A Member shall pay 'Contribution Fund' designated by 'Articles of Incorporation' of **KP&I** and relevant laws within the due date which is provided in the relevant Invoice issued by **KP&I**. Dispose of 'Contribution Fund' shall be determined in accordance with articles of incorporation of **KP&I**.

### 4. Blue Card

- 4.1 When the Member needs Blue Card issued by **KP&I** for issuance of CLC(Civil Liability Convention), BC(Bunker Convention) and/or WRC(Wreck Removal Convention) Certificate, the Member shall fill out the relevant application form and the Member or **PVI RE** shall submit it to **KP&I**.
- 4.2 Although Blue Card is issued at the discretion of **KP&I**, in the event of 1.2 above, **KP&I** is liable only for the proportion of liability underwritten by **KP&I**. **KP&I** is not jointly liable for the proportion of liability underwritten by **PVI RE**.

Notwithstanding, in the event that all costs and expenses etc., reasonably incurred on or after the occurrence of the relevant casualty and incident were paid by **KP&I**, **PVI RE** shall indemnify **KP&I** for any payment exceeding **KP&I**'s liability under this Agreement.

### 5. Commission/ Local Taxes

- 5.1 The Commission of **PVI RE** is 10% of income premiums. If necessary, the Commission rate may be adjusted by the separate mutual agreement by the Parties case by case.
- 5.2 Additional charges for local taxes incurred in Vietnam can be loaded to the original premiums by **PVI RE**.



- 5.3 Local taxes levied to **KP&I**, if any, shall be paid by **PVI RE** from the additional charges.

## 6. Renewal and Loss record

- 6.1 The insurance contract under this Agreement shall be renewed as of February 20 every year, subject to agreement between the Member and **KP&I** on terms & conditions including premiums. Renewal terms & conditions of the Member shall be amended or determined in accordance with internal guidelines of **KP&I**.

- 6.2 Loss record and history for all Members entered through **PVI RE** shall be treated by each Member as a separate and independent entity.

## 7. Claim Control and Claim's Settlements

- 7.1 In the event of notification of an accident or occurrence to the Member, immediate notice shall be given to **KP&I** as the first point of contact for all claims by **PVI RE** or the Member. **KP&I** shall then be assumed to have a right to control of claims handling and decisions in all respects unless **PVI RE** makes a reasonable objection and will correspond with the Member directly with all of such correspondence copied to **PVI RE**. In the event of any disagreement, **KP&I** will solely retain the final rights of claims handling and relevant decisions in all respects unless **PVI RE** makes a reasonable objection.

- 7.2 Unless **KP&I** otherwise agrees in writing, **KP&I** shall not be bound to **PVI RE**'s any treatment of claims or an approval of claims on behalf of **KP&I** or an issuance of any form of security, undertaking or guarantee on behalf of **KP&I**.

- 7.3 **KP&I** has rights to appoint, if necessary, lawyers, surveyors, adjustors, experts at its own discretion and may take necessary measure, such as commence a settlement/ litigation/ arbitration (or otherwise defend), at its own discretion.



7.4 All costs, expenses reasonably incurred on or after the occurrence of any casualty, incident or matter which is liable to give rise to a claim against **KP&I** and **PVI RE**, where those costs are incurred for the purpose of avoiding or minimizing any liability or expenditure shall be divided by the proportional liability of each Party.

## 8. Security/ Guarantee

8.1 Should **KP&I** deem it necessary at its sole discretion, **KP&I** may provide a security for the benefit of the Member. In any event, **KP&I** shall not be bound to provide security and shall not be deemed as admitting liability for the indemnification of the claim by providing security for the Member to a third party.

8.2 In the event that **KP&I** at its own absolute discretion and on terms as it may consider appropriate, provides the security on behalf of the Member or/ and **PVI RE** in respect of the Original Mutual Risks insured and/or makes payment of claims and/or expenses on a similar basis, the Member or/and **PVI RE** hereby agree to provide the counter security (in case **KP&I** provide security on behalf of the Member or/ and **PVI RE**) or cash deposit (in case **KP&I** is required to pay indemnification to the claimant according to issued security or in accordance with **KP&I's Rules** ), which may be demanded, to **KP&I** as required and indemnify **KP&I** to the extent of their portion or retained percentage in connection with any payment under such security or any payment of such claims and/or expenses in accordance with **KP&I's Rules**.

## 9. Insurance Proceeds Payment

9.1 Insurance proceeds by **KP&I** shall be paid only after the Member has completed own payment in respect of any liabilities, costs and expenses incurred by themselves and finalized the relevant cases, unless the Board of Directors otherwise determine.

9.2 Where payment of insurance proceeds including fees, costs and expenses is made by **KP&I** subject to prior agreement made by **PVI RE**, **PVI RE** shall pay its portion within 30 days from the date of receipt of demand from **KP&I** ("Demand" is understood includes **KP&I's Debit Note** and supporting document relating to payment made by **KP&I** or receipt of claim payment) . Should it fails to pay in time, **KP&I** may take the liberty of deducting the nonpayment



from any amount payable for whatsoever by **KP&I** to **PVI RE** under this Agreement subject to prior notification sent to **PVI RE**.

#### **10. Survey for Risk Management**

- 10.1 All surveys shall be conducted and surveyors shall be arranged at **KP&I**'s own discretion unless **PVI RE** makes reasonable objection. **KP&I** will correspond with the survey company directly and shall pay the relevant fees and disbursements to the company with all of such correspondence copied to **PVI RE**.
- 10.2 Where payment of the fees, costs and expenses is made by **KP&I**, **PVI RE** shall pay its apportionment within 30 days on demand from the Party. Should it fails to pay in time, **KP&I** may take the liberty of deducting the nonpayment from any amount payable for whatsoever by **KP&I** to **PVI RE** under this Agreement subject to prior notification sent to **PVI RE**.
- 10.3 If there are recommendations as a result of the relevant survey conducted, all the recommendations shall be fully complied with **KP&I**'s standards and requirements.

#### **11. Confidentiality**

Confidential information relating to the relevant insurance contract and provided by the Parties shall be protected as their respective confidential information.

#### **12. Period of Agreement**

After this Agreement comes into effect, the Agreement period shall be automatically renewed at noon GMT on February 20 every year unless terminated in writing by any one Party.

#### **13. Applicable Law**

All contracts of insurance afforded by **KP&I** to the Member and **PVI RE** and the Rules and Regulations applicable thereto are governed by and construed in accordance with Korean Laws. Furthermore, this Agreement shall be governed by and construed in accordance with Korean Laws.



#### **14. Dispute Procedure**

All disputes, controversies, or differences which may arise between the Parties, out of, or in relation to, or in connection with this Agreement, or for the breach thereof, shall be finally settled by arbitration in Seoul in accordance with the Rules of Korean Commercial Arbitration Board. One Arbitrator shall be appointed by each party and the arbitrators so appointed shall appoint a third arbitrator. The award rendered by the arbitrator(s) shall be final and binding upon both the Parties concerned, provided, however, that subject to agreement between the Parties involved, the dispute may be referred to the arbitration by an arbitrator registered with the London Maritime Arbitrators' Association.

#### **15. Translation of Agreement**

In the event this Agreement is translated into Korean or Vietnamese and in case of conflicts of interpretation between the English and Korean or Vietnamese texts, the English text shall take precedence over the translation.

#### **16. Breach of Agreement**

In the event any expenses, damages, losses and costs are occurred as a result of one party's breach of this Agreement, the other party shall not be liable for such expenses, damages, losses and costs to whomever and under that circumstance, shall hold harmless from all liabilities concerned.

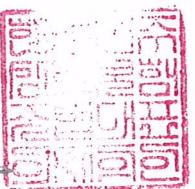
#### **17. Revision**

Revision of this Agreement shall be executed if required by the Parties.



IN WITHNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by their respective authorized representatives on the day and year first above written.

The Korea Shipowner's Mutual Protection & Indemnity Association



Mr. Bay Moon / Chief Operating Officer

PVI Reinsurance  
Joint-Stock-Corporation



NGUYEN HONG LONG  
CHIEF UNDERWRITING OFFICER