

23rd July, 2015

Insurance Management (Bahamas) Limited
P.O. Box SS 6283
Nassau
Bahamas

COVER NOTE PN013558/2015

In accordance with your instructions we have effected an insurance contract with the security detailed below, subject to the following terms, clauses and conditions.

TYPE: ARCHITECTS/ENGINEERS PROFESSIONAL LIABILITY INSURANCE

INSURED: GRAPHITE ENGINEERING LTD.

PRINCIPAL ADDRESS: P.O. Box GT 2832, East Bay Shopping Center, Nassau, Bahamas

PERIOD: From 5th August 2015
To 5th August 2016
Both days at 00.01am local standard time at the principal address of the Named Insured

INTEREST: All as more fully set forth in the policy wording.

LIMIT OF INDEMNITY:

- (a) BSD 1,000,000 each claim, including Damages and Claims Expenses
- (b) BSD 1,000,000 in the aggregate, including Damages and Claims Expenses

EXCESS: BSD 20,000 each claim, including Damages and Claims Expenses

**TERRITORIAL
LIMITS:**

Insuring Agreement V of wording amended to Bahamas

**POLICY
JURISDICTION:**

The Insured will only be defended or indemnified under this policy for claims made: Bahamas

CONDITIONS:

Wording: A&E as attached

- (1) Retroactive Date: 5th August 2005 but 5th August 2008 in respect of increased limit in excess of BSD 250,000 as attached
- (2) All notices (including claims notification) to be made to Underwriters via Insurance Management (Bahamas) Limited, PO Box SS-6283, Nassau, Bahamas
- (3) War and Terrorism Exclusion Endorsement as per wording.
- (4) Asbestos Exclusion as per wording.
- (5) Toxic Mould Exclusion as per wording.
- (6) 60 day Premium Payment Clause LSW3000 as attached.
- (7) Condition XVI of wording deleted and replaced by Overseas Jurisdiction Clause NMA1483 as attached – law of Bahamas naming Higgs and Johnson, Ocean Centre, Montagu Foreshore, East Bay Street, PO Box N-3247, Nassau, Bahamas
- (8) Fraudulent Claim Clause LMA5062 as attached
- (9) Proposal form dated 15th July 2015.
- (10) In respect of the Assured's contract with Baha Mar, Underwriters waive their rights of subrogation against the Owner (Baha Mar), their respective parent companies, subsidiaries, related and/or affiliated companies, and each of all the foregoing companies' officers, directors, shareholders, partners, agents, employees and assigns.
- (11) Sanction Limitation & Exclusion Clause as attached

**CHOICE OF LAW
& JURISDICTION:
(DISPUTES CLAUSE)**

Law: Bahamas

Jurisdiction: Bahamas

CHOICE OF LAW CLAUSE

It is hereby noted and agreed by both Insurers and the Insured that any dispute concerning the interpretation of this Policy shall be governed by the laws of Bahamas whose courts shall have exclusive jurisdiction in any dispute arising hereunder.

PREMIUM:

BSD 21,250.00

**PREMIUM PAYMENT
TERMS:**

60 day Premium Payment Clause LSW3000 as attached.

**TAXES PAYABLE
BY REINSURED (and
administered by
Insurer(s)):**

None

**INSURER
CONTRACT
DOCUMENTATION:**

This document details the contract terms entered into by the insurer(s) and constitutes the contract document - no further contractual documentation to be issued.

**CONTRACT CHANGE
DOCUMENTATION:**

The contract change document(s) signed by insurers shall form the evidence of the changes agreed.

INFORMATION:

Proposal form dated 15th July 2015 seen and noted by Underwriters hereon.

PREMIUM PAYMENT CLAUSE

The (Re)Insured undertakes that premium will be paid in full to Underwriters within 60 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 60th 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 (Re)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 (Re)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.

11/01
LSW3000

RETROACTIVE EXCLUSION CLAUSE

- (1) No coverage for acts, errors or omissions prior to 5th August 2005

It is understood and agreed that, notwithstanding anything contained herein to the contrary, this Policy shall not indemnify the Assured in respect of any claim made against the Assured by reason of any negligent act, error or omission committed, or alleged to have been committed prior to 5th August 2005.

- (2) Limited coverage for acts, errors or omissions prior to 5th August 2008

It is understood and agreed that, notwithstanding anything contained herein to the contrary, in respect of claims made against the Assured by reason of any negligent act, error or omission committed, or alleged to have been committed, prior to 5th August 2008, the coverage under the Policy shall be limited to BSD 250,000 (maximum, inclusive of Indemnity and costs and expenses).

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

OVERSEAS JURISDICTION CLAUSE

It is hereby agreed that :-

1. This Insurance shall be governed by the law of Bahamas whose Courts shall have jurisdiction in any dispute arising hereunder; and
2. Any summons, notice or process to be served upon the Underwriters for the purpose of instituting any legal proceedings against them in connection with this Insurance may be served upon

Higgs and Johnson

of

Ocean Centre

Montagu Foreshore

East Bay Street

PO Box N-3247

Nassau

Bahamas

who have authority to accept service on their behalf.

23/7/64
NMA1483

FRAUDULENT CLAIM CLAUSE

If the (re)insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this contract shall become void and all claim hereunder shall be forfeited.

LMA5062

04/06/2006

Form approved by Lloyd's Market Association

SECURITY DETAILS

INSURER'S LIABILITY:

LMA3333

(Re)insurer's liability several not joint

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

The proportion of liability under this contract underwritten by a (re)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 (re)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 (re)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 (re)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 (re)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%

EFFECTED WITH:

100.0000 % Lloyd's Syndicate AXS 1686

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100.0000 % of our 100.0000 % order

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Please examine this document carefully and if either the terms do not comply with your instructions or the security is unacceptable please advise immediately.

The Insured must comply with any Warranty contained within this insurance (whether express or implied). Failure to do so will discharge insurers from all liability.

You are required to disclose and properly represent, every material circumstance that would influence insurers' decision in accepting the risk. Failure to do so constitutes a breach of good faith and the insurer is entitled to avoid the contract from inception of the policy. This requirement is a continuing duty, so please ensure we are advised of any material alterations in order that your position in this respect is protected.

This Cover Note is provided by Paul Napier Limited as evidence of cover for this insurance contract, effected with the underwriters shown, using the information which you have provided or agreed, solely in our capacity as your agent and it is not an insurer approved document.

No further contractual documentation will be issued. If any terms, clauses or conditions are unclear, you are advised to contact us immediately. A copy of the insurer approved document can be provided on request.



Authorised Signatory
For and on behalf of
PAUL NAPIER LIMITED