Standard Wording-Goods in Transit Policy

I .The cover

The insurer insures the person named as the insured in the policy schedule for loss of or damage to the interest insured, liability or expense on conditions of insurance specified in the policy. **The insurance only applies to voyages that commence during the period of insurance specified in the policy schedule, or during any subsequent period for which the company may accept payment for the renewal of this policy.**

Conditions of insurance

1 The conditions of insurance are as specified in this policy, the policy schedule and attachments and clauses referred to in the policy schedule, all of which are to be read together.

1.1 Any reference in the conditions of insurance to Institute clauses is to the clauses published by the International Underwriting Association of London current at the effective date of this policy.

1.2 Any reference to "English law and practice" is amended to "The People's Republic of China law and practice", wherever it appears.

Limits on cover

2 **Further to any limitations to the cover set out in the applicable conditions of insurance**

2.1 in the event of a claim (other than a claim for total loss, general average or salvage) the insured must bear first the amount of any excess specified in the policy schedule.

2.2 the insurance is limited to the limit of liability stated in the policy schedule.

Basis of valuation

3 The interest insured is agreed to be valued as stated in the policy schedule.

Certificates of insurance

4 Any certificate issued under this policy must strictly conform with the terms, conditions and limits of this policy.

Notification of material change

5 The insured must notify the insurer as soon as possible of any material change in the risk covered by this policy.

Reasonable care

6 The insured must take reasonable care to prevent loss, destruction or damage covered by this policy.

Third parties

7 If anyone else is entitled to make a claim under this policy, that person must also comply with its terms.

Rights of subrogation

8 8.1 The insurer is entitled to exercise any rights the insured or any assignee may have against anyone else in relation to interest insured in respect of which the insurer has paid any amount under this policy. The insured and anyone else entitled to claim under this policy must cooperate fully with the insurer in exercising those rights and must give the insurer any information or assistance it may require.

8.2 When loss or damage recoverable under this policy is caused by a third party, the insured or assignee must not forfeit the right to claim from, or agree to any settlement with such third party before the insurer has been notified and settled the claim. **If the insured waives the right to claim for indemnity against the third party after the occurrence of insurance accident and before the insurer pays the indemnity, the insurer shall bear no obligation for indemnity.** If the insured, without the insurer's consent, waives the right to claim for indemnity against the third party after indemnity is paid by the insurer, the waiver shall be null and void. **The insurer may deduct a corresponding sum from the amount of indemnity or ask the insured to refund the corresponding indemnity if it is not able to exercise the right to claim for indemnity by subrogation due to the intention or gross negligence of the insured.**

Transfer

9 This policy permits transfer of the insurance by the insured or assignee to any other person.

Premium and its adjustment

10 The insured must pay the insurer the deposit premium stated in the schedule. This is based on estimated figures for the period of insurance provided by the insured. The insured must keep accurate records of the equivalent actual figures.

Variation of war and strikes rates

11 **The insurer's right to cancel insurance of war and/or strikes risks or to increase the war and/or strikes risks rates or to change the conditions of insurance are not prejudiced by the war and strikes premium under this policy having been paid at the rates current at the commencement of each annual period of insurance. The insurer has the right to apply or to change on a "hold covered" basis, voyages or flights to specific countries or areas.** Any additional premium will be calculated by applying the difference between prepaid and amended war and/or strikes rates to actual declared figures for the period(s) applicable or, if not so declared, on a pro-rata to annual premium basis for the annual premium concerned.

Claims – What must be done when an event occurs which might give rise to a claim

12 **When loss or damage happens which may give rise to a claim under this policy**

12.1 the insured or their agents must take such measures as may be reasonable for the purpose of averting or minimizing a loss and to ensure that all rights against carriers, bailees, or other third parties are properly preserved and exercised. In particular, the insured or their agents are required

12.1.1 **to claim immediately on the carriers, port authorities, or other bailees for any missing packages.**

12.1.2 **in no circumstances, except under written protest, to give clean receipts where goods are in damaged or doubtful condition.**

12.1.3 **when delivery is made by container, to ensure that the container and its seals are examined immediately by their responsible official.**

12.1.3.1 **If the container is delivered damaged or with seals broken or missing or with seals other than as stated in the shipping documents, to clause the delivery receipt accordingly and retain all defective or irregular seals for subsequent identification.**

12.1.4 **to apply immediately for survey by carriers' or other bailees' representatives if any loss or damage is apparent and claim on other carriers or other bailees for any actual loss or damage found at such survey.**

12.1.5 **to give notice in writing to the carriers or other bailees within 3 (three) days of delivery if the loss or damage was not apparent at the time of taking delivery.**

12.2 **The insured must notify the insurer or its nominated survey/settling agent and send to it full details of what has happened and of any other insurance on the interest insured together with the following documentation within 72 hours when such event comes to his knowledge or in the ordinary course of business should come to his knowledge unless there occurs circumstances beyond the control of the insured:**

12.2.1 **original or copy shipping invoices, together with shipping specifications and/or weight notes**

12.2.2 **original bill of lading, waybill and/or other contract of carriage**

12.2.3 **survey report evidencing the extent of the loss or damage**

12.2.4 **landing account and weight notes at final destination**

12.2.5 **documentary evidence to show the extent of the loss or damage**

12.2.6 **correspondence exchanged with the carriers and other parties regarding their liability for the loss or damage.**

12.3 **The limitation of action for the insured shall be 2 years, after which the claim brought by the insured against the insurer shall be denied by the court.**

12.4 **The insured must not authorize any repairs to the goods insured without the insurer's prior consent in writing.**

Settlement of claims

13 In the event of a recoverable claim, the insurer has the option of settling either by payment, repair, reinstatement or replacement of the lost or damaged interest insured.

Treatment of Disputes

14 All disputes arising from this insurance shall be settled by negotiation between the Insured

and the Insurer; where a settlement fails after negotiation, such disputes can be submitted to the arbitral authority stated on the policy schedule; where no arbitral authority is stated on the policy schedule or no arbitration agreement is agreed, legal actions shall be carried out.

Policy cancellation

15 15.1 The insured may cancel this policy at any time by giving the insurer notice in writing.

15.2 The insurer may cancel this policy at any time by giving 30 (thirty) days notice in writing to the insured of the date from which cancellation is to take effect.

15.3 Cancellation shall not apply to risks which have attached before the cancellation becomes effective.

War and strikes cancellation

16 The cover for war and/or strikes (as defined in the relevant Institute War and Strikes Clauses) may be cancelled by either the insured or the insurer giving written notice**. Such cancellation shall become effective on the expiry of 7 (seven) days (or 2 (two) days in respect of strikes risks on shipments to and from the United States of America) from 24:00 on the day** on which the written notice of cancellation is issued to or by the insurer but shall not apply to risks which have attached in accordance with the conditions of the Institute War and/or Strikes Clauses before the cancellation becomes effective. Within one month after the effective date of cancellation the insured must advise the insurer of the actual figures for the period war and strikes risks cover has been in force to enable the applicable war and/or strikes premium due for the period to be calculated and the premium prepaid for these risks to be adjusted.

II. Exclusions attaching to the Goods In Transit policy

The following exclusions apply in addition to the exclusions contained in the Institute clauses or stated elsewhere in the policy schedule and attachments to this policy.

ISM Exclusion(applicable for export/import transit by sea)

1 In no case shall insurance granted pursuant to this open cover agreement cover loss, damage or expense where the interest is carried by a vessel that is not ISM certified or whose owners or operators do not hold an ISM Code Document of Compliance when, at the time of loading of the interest insured on board the vessel, the insured is aware, or in the ordinary course of business should have been aware either

1.1 that such vessel was not certified in accordance with the ISM Code
or
1.2 that a current Document of Compliance was not held by its owners or operators as required under the SOLAS Convention 1974 as amended.

This exclusion shall not apply where this insurance has been assigned to the party claiming under this policy who has bought or agreed to buy the interest insured in good faith under a binding contract.

Or

Transport Conveyance Statutory Compliance / Exclusion(applicable for domestic transit)

1 In no case shall this insurance cover loss, damage, or expense where the interest insured is transported by any conveyance or means of transport, whether land, sea, inland waterways or air, where,

1.1 in respect to the subject carrying conveyance, and
1.2 at the time that the transportation is being undertaken,

the owners and/or operators do not unconditionally comply with or are not appropriately certified and fully authorized to provide such service by relevant statutory authorities and are therefore not operating in accordance with all the latest current relevant laws, rules and regulations of The People's Republic of China which apply to the subject carrying conveyance.

Terrorism Exclusion

2 2.1 This policy excludes any loss, damage, liability or expense arising from
2.1.1 terrorism and/or
2.1.2 steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.
2.2 For the purpose of this clause, "terrorism" means any act(s) of any person(s) or organization(s) involving
2.2.1 the causing, occasioning or threatening of harm of whatever nature and by whatever means
2.2.2 putting the public or any section of the public in fear in

circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organization(s) concerned are wholly or partly of a political, religious, ideological or similar nature.

However, this exclusion shall not apply to the extent of the provisions of the following clause

TERMINATION OF TRANSIT CLAUSE (TERRORISM)

3 This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

3.1 Notwithstanding any provision to the contrary contained in this policy or the clauses referred to therein, it is agreed that in so far as this policy covers loss of or damage to the interest insured caused by any terrorist or any person acting from a political motive, such cover is conditional upon the interest insured being in the ordinary course of transit and, in any event SHALL TERMINATE

Either

3.1.1 as per the transit clauses contained within this policy

or

3.1.2 on delivery to the consignee's or other final warehouse or place of storage at the destination named herein

3.1.3 on delivery to any other warehouse or place of storage , whether prior to or at the destination named herein, which the insured elects to use either for storage other than in the ordinary course of transit or for allocation or distribution

or

3.1.4 in respect of marine transits, on the expiry of 60 (sixty) days after completion of discharge overside of the interest insured hereby insured from the oversea vessel at the final port of discharge

3.1.5 in respect of air transits, on the expiry of 30 (thirty) days after unloading the interest insured from the aircraft at the final place of discharge

whichever shall first occur.

3.2 If this policy or the clauses referred to therein specifically provide cover for inland or other further transits following on from storage, or termination as provided for above, cover will re-attach and continues during the ordinary course of that transit terminating again in accordance with clause 1.

Information Technology Hazards Exclusion

4 4.1 This insurance does not cover losses otherwise recoverable arising directly or indirectly out of

4.1.1 loss of or damage to
4.1.2 a reduction or alteration in the functionality or operation of

a computer system, hardware, programme, software, data, information repository, microchip, integrated circuit or similar device in or connected with computer equipment or non-computer equipment whether the property of the insured or not unless such losses are caused directly by one or more of the following physical perils

4.1.2.1 theft of equipment
4.1.2.2 collision
4.1.2.3 sinking, grounding or stranding of the carrying vessel
4.1.2.4 overturning or derailment of land conveyance
4.1.2.5 jettison or washing overboard
4.1.2.6 fire, lightning, explosion
4.1.2.7 aircraft or vehicle impact
4.1.2.8 falling objects
4.1.2.9 natural hazard which shall mean: earthquake, tsunami, thunder and lightning, hurricane, typhoon, tornado, storm, tempest, flood, inundation, frost, hailstorm, landslide, rockslide, avalanche, volcanic eruption, subsidence of ground and any other phenomena of nature with strong destructive power and beyond human control.

INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE

5 This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

5.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
5.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
5.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
5.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes
5.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

<u>Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause – USA / Canada Endorsement</u>

6 6.1 When this policy states the Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause (RACCBE) is to apply, the inclusion of RACCBE in this policy is material to the insurer's willingness to provide coverage at the quoted terms, conditions and rates.

6.2 It is the intent of the parties to give maximum effect to RACCBE as permitted by law.

6.3 In the event that any portion of RACCBE may be found to be unenforceable in whole or in part under the law of any state, territory, district, commonwealth or possession of the USA, or any province or territory of Canada, the remainder shall remain in full force and effect under the laws of that state, territory, district, commonwealth or possession, province or territory. Further, any such finding shall not alter the enforceability of RACCBE under the laws of any other state, territory, district, commonwealth or possession of the USA or any province or territory of Canada, to the fullest extent permitted by applicable law.

<u>Institute Cyber Attack Exclusion Clause</u>

7 7.1 Subject only to clause 7.2 below, in no case shall any insurance granted by this policy cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, programme, malicious code, computer virus or process or any other electronic system

7.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 7.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system, or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

In case of conflict between this clause and body of the policy, this clause shall prevail. All other terms, conditions, and exclusions of the policy shall remain unchanged.