

Marine Cargo Insurance

Type: Marine Cargo Insurance

Assured: **Global Logistical Connections, Inc. (GLC, Inc.)** and Subsidiary and Associated and Affiliated Companies and as Agents and their appointed bankers and for whom they may have instructions to insure or for which they may be liable.

Insured Address: 19701 Hamilton Ave., STE 160, Torrance, CA 90502

Branch Offices

City/State: Global Logistical Connections, Inc.
Los Angeles, CA; Schaumburg, IL; Miami, FL; and Guadalajara, México

Subsidiary or

Related Companies: **GLC Distribution, LLC** - 9724 Alabama St., Redlands, CA 92374
JD Logistics - 18737 S. Reyes Ave. Compton, CA 90502

Branch Offices

Warehouses: **10725 Sierra Ave.** Unit 100 A Fontana, CA.
92337 2615 W. Renaissance Pkw Rialto, CA 92376
South Carolina: 9004 Sightline Drive Suite N Ladson, SC 29456
Illinois : 23647 W. Eames St. Channahon, IL 60410
Florida: 11421 NW 107th St. Miami, FL 33178

Period: This Open Cover and the protection hereunder is effective in respect of all insurances attaching on or after **1 October 2022** until **30 September 2023**, Eastern Standard Time, both days inclusive unless cancelled as provided for herein.

Cancellation

Provisions: This contract may be cancelled at any time by either the Assured or Insurers by tendering 60 days' notice in writing in respect of Marine Risks or 7 days in respect of War, Strikes, Riots and Civil Commotion Risks, except in the case of sendings to and/or from the United States of America which shall be subject to 48 hours' Notice of Cancellation at any time.

Such notice, however, shall not apply to any risks which shall have commenced or been declared prior to the termination of the period of notice.

The above notice period is amended to 10 days at the sole option of the Assured in the event of any Insurer hereon ceasing to underwrite new insurance business

or otherwise implementing any plans to enter into a run-off position. Such notice is only given in respect of the named Insurer with such Insurer agreeing to return to the Assured any annual premium payable hereunder on a pro-rata basis calculated from the effective date of the cancellation specified in the notice.

Conveyances: Any Conveyances – Sea (including barges and lighters), Air or Land

Voyage/Geographical: From Ports &/or Places anywhere in the World to Ports &/or Places anywhere in the World including inland and domestic transits, transshipment and storage incidental to transit. Additional storage risks as may be agreed by Underwriters prior to attachment of risk.

Excluding shipments to &/or from Countries, Territories or Individuals which are the subject of US Sanctions.

Shipments to and/or from Afghanistan, Angola, Belarus, Congo/DR Congo, Cote d'Ivoire (Ivory Coast), Cuba, Eritrea, Ethiopia, Iran, Iraq, Liberia, Libya, Myanmar, Nigeria, North Korea, Russia, Rwanda, Sierra Leone, Somalia, Sudan, Syria, Uganda, Ukraine, Venezuela, Yemen, Zimbabwe etc under United States Prohibited or United Nations- sanctioned countries as per The Office of Foreign Assets Control ("OFAC") regulations of U.S. Department of the Treasury.

<http://www.treas.gov/offices/enforcement/ofac/programs/index.shtml>

Interest: On Goods and Merchandise of every description consisting principally of but not limited to **New General Merchandise, Used General Merchandise, Refrigerated Goods, Autos/Boats up to 10 years old, Fragiles – Tiles, Marble, Porcelain, glassware Computers/ laptops / similar, Break-bulk, Alcohol/Spirits, Chemicals/ Hazardous, Medical Supplies PPP** and/or any other interest in any form howsoever described or handled by the Assured in the course of their business or in the care, custody and control of the Assured, their agents or sub-contractors.

Shipped in or over. Further including Increased Value whether by reason of liability for or payment of freight or duty or other charges on arrival or otherwise.

It is understood and agreed that the words "approved goods and/or merchandise" as used above embraces all and every type of manufacture and raw material of a non-hazardous, non-volatile and/or non-fragile and/or non-perishable nature. Shipments of hazardous goods are included, warranted shipped in accordance with IMDG rules and regulations.

Basis of Valuation: Cost, Insurance & Freight plus 10% or as declared and agreed prior to shipment.

Difference in

Conditions:

On shipments purchased by the Insured on C.I.F. or Sells FOB or similar terms, where the seller and/or buyer provides insurance, this policy is extended to cover the difference between the seller's/buyer's insurance and the conditions of this policy.

Choice of Law

& Jurisdiction:

LMA Rules Clause: This policy shall be subject to the applicable state law to be determined by the court of competent jurisdiction as determined by the provisions of the Institute Service of Suit Clause (USA) CL355 1.11.92.

Insuring Conditions

&

Interest:

SEE BELOW

New General Merchandise

Ocean/AIR:

Deductible: NIL

Land:

Deductible: USD500 for each and every loss

Insuring Conditions:

Institute Cargo Clauses (Air) (excluding sendings by Post) CL387 dated 01.01.2009.

Institute War Clauses (Air Cargo) (excluding sendings by Post) CL388 dated 01.01.2009.

Institute Strikes Clauses (Cargo) (Air Cargo) CL389 dated 01.01.2009.

Institute Cargo Clauses "A" CL382 dated 01.01.2009.

Institute War Clauses (Cargo) CL385 dated 01.01.2009.

Institute Strikes Clauses (Cargo) CL386 dated 01.01.2009.

Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic Weapons Exclusion Clause Cls. 370 dated 10th November 2003.

Marine Cyber Endorsement LMA5403 11/11/19.

Termination of Transit Clause Terrorism 2009 JC2009/056.

Including transplaning risks whether customary or otherwise.

Excluding transshipment, barge and lightering risks whether customary or otherwise

Subject also to Additional Conditions as attached.

Used General Merchandise:

Deductible: NIL

Insuring Conditions:

Institute Cargo Clauses "C" CL384 dated 01.01.2009.

Institute War Clauses (Cargo) CL385 dated 01.01.2009.

Institute Strikes Clauses (Cargo) CL386 dated 01.01.2009.

Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic Weapons Exclusion Clause Cls. 370 dated 10th November 2003.
Marine Cyber Endorsement LMA5403 11/11/19.
Secondhand Replacement Clause as attached as applicable.
Excluding Electrical and Mechanical derangement unless caused by a peril insured against.
Termination of Transit Clause Terrorism 2009 JC2009/056
Including transshipment, barge and lightering risks whether customary or otherwise.
Subject also to Additional Conditions as attached.

Refrigerated Goods (24 hours reefer breakdown)

Deductible: USD500 for each and every loss

Conveyance: All (Air/Land/Sea)

Insuring Conditions:

Institute Frozen Food Clauses "A" (Excluding Frozen Meat) Cls. 263 dated 1st January, 1986.

Institute Frozen Food Extension Clauses Cls.334 dated 1st January, 1986.

Institute War Clauses (Cargo) Cls. 255 dated 1st January, 1982.

Institute Strikes Clauses (Frozen Food) (Excluding Frozen Meat) Cls. 265 dated 1st January, 1986.

Institute Frozen Meat Clauses "A" – 24 Hours Breakdown Cls. 324 dated 1st January, 1986, amended to cover Temperature Controlled Cargoes if applicable.

Duration Clause 8.1.2 to apply.

Institute War Clauses (Cargo) Cls. 255 dated 1st January, 1982.

Institute Strikes Clauses (Frozen Meat) Cls. 326 dated 1st January, 1986

Institute Classification Clause Cls. 354 dated 1st January 2001, not to apply in respect of domestic shipments. Additional premiums, if any, to be calculated as per scale herein. Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic Weapons Exclusion Clause Cls. 370 dated 10th November 2003.

LMA5403 Marine Cyber Endorsement

Communicable Disease Endorsement

Termination of Transit Clause (Terrorism) as per policy.

Excluding electrical, electronic or mechanical derangement unless caused by an insured peril insured hereunder.

Excluding pre-existing damage on used items.

Excluding transshipment, barge and lightering risks whether customary or otherwise

Warranted all agreed dangerous cargo classified by the IMDG and/or the IATA Dangerous Goods Regulations to be transported in compliance with the IMDG code and/or IATA Dangerous Goods Regulations or similar.

Autos & Boats up to 10 years old

Deductible: 5% of insured value, minimum \$2,500 for each and every loss

Conveyance: All (Air/Land/Sea)

Insuring Conditions:

Institute Cargo Clauses "A" CL382 dated 01.01.2009. Institute War Clauses (Cargo) CL385 dated

01.01.2009. Institute Strikes Clauses (Cargo) CL386 dated 01.01.2009.

Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic

Weapons Exclusion Clause Cls. 370 dated 10th November 2003.

Marine Cyber Endorsement LMA5403 11/11/19

Termination of Transit Clause Terrorism 2009 JC2009/056.

Including transshipment, barge and lightering risks whether customary or otherwise.

Subject also to Automobile & Motorcycle Additional Conditions as follows:

Additional Exclusions:

Excluding loss of or damage due to mechanical, electrical or electronic derangement, unless there is evidence of external damage to the vehicle. Excluding loss or damage arising out of climatic or atmospheric conditions or extremes of temperature or freezing of coolant.

Excluding rusting, oxidation & discolouration unless caused by an insured peril.

Excluding loss or damage to accessories or portable equipment unless declared prior to shipment.

Excluding theft or pilferage of Audio / Visual and/or GPS equipment unless stolen with the vehicle.

Excluding loss or damage whilst under own power, except whilst being loaded or unloaded from the carrying conveyance or container.

Excluding damages, injury or liabilities to any third party whatsoever. Excluding any claim recoverable under a policy of Motor Insurance.

Second-hand Motor Vehicles:

In respect of Second-hand Motor Vehicles, in no case shall this insurance cover Claims for or loss damage or expense reasonably attributable to damage to paint work, chipping, denting, scratching, marring, bruising, rust, oxidation, discolouration and/or any other loss of or damage to the Motor Vehicle insured reasonably attributable to ordinary wear tear and/or gradual deterioration.

Subject to the automobiles are completely containerized.

Subject to the automobiles are less than 10 years old

Fragiles – Tiles, Marble, Porcelain, Glassware

Deductible: 5% of insured value, minimum \$2,500 for each and every loss

Conveyance: All (Air/Land/Sea)

Insuring Conditions:

Institute Cargo Clauses "A" CL382 dated 01.01.2009.

Institute War Clauses (Cargo) CL385 dated 01.01.2009.

Institute Strikes Clauses (Cargo) CL386 dated 01.01.2009.

Institute Cargo Clauses (Air) (excluding sendings by Post) CL387 dated 01.01.2009.

Institute War Clauses (Air Cargo) (excluding sendings by Post) CL388 dated 01.01.2009.

Institute Strikes Clauses (Cargo) (Air Cargo) CL389 dated 01.01.2009.

Additional Conditions:

Excluding transshipment, barge and lightering risks whether customary or otherwise
Warranted the cargo is packed with professional standard, and the cargo is transferred and handled with care.

Warranted "fragile" sign is stamped on the external cargo packing

Interests Carried Unpacked or Unprotected Clause

- a. In respect of all Interests carried unpacked and/or unprotected in no case shall this insurance cover claims for or loss damage or expense reasonably attributable to water damage, damage to paint work, chipping, denting, scratching, marring, bruising, rust, oxidization and/or discoloration.
- b. Nothing herein shall prejudice the insufficiency or unsuitability of packing exclusion clause of the Institute Clauses which shall remain paramount.

Computers/Laptop and similar devices

Deductible: 5% of insured value, minimum \$2,500 for each and every loss

Conveyance: All (Air/Land/Sea)

Institute Cargo Clauses (Air) (excluding sendings by Post) CL387 dated 01.01.2009.

Institute War Clauses (Air Cargo) (excluding sendings by Post) CL388 dated 01.01.2009.

Institute Strikes Clauses (Cargo) (Air Cargo) CL389 dated 01.01.2009.

Institute Replacement Clause CL372 dated 01.12.2008 or Secondhand Replacement Clause as attached as applicable.

Excluding Electrical and Mechanical derangement unless caused by a peril insured against.

Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic

Weapons Exclusion Clause Cls. 370 dated 10th November

2003. Marine Cyber Endorsement LMA5403 11/11/19

Termination of Transit Clause Terrorism 2009 JC2009/056.

Excluding rusting, oxidisation & discolouration unless caused by an insured peril.

Excluding shipment by tug and barge other than during transshipment, whether customary or otherwise.

Subject to professionally packed.

Warranted no mobile/cell phone in this shipment

Additional Conditions for Second-Hand Machinery as below:

Second-Hand Replacement Clause

In the event of loss of or damage to any part(s) of Second-hand plant, machinery, equipment and/or specially fabricated components in consequence of a peril insured against at the time of loss, the amount recoverable hereunder shall not exceed such proportion of the cost of replacement or repair of such part(s) as the insured value bears to the value of a new machine (at the date of commencement of the insured transit) plus additional charges for forwarding and refitting the new part or parts, if incurred.

Second-Hand Interests Clause

In no case shall this insurance cover claims for or loss damage or expense reasonably attributable to damage to paint work, chipping, denting, scratching, marring, bruising, rust, oxidization, discolouration and/or any other loss of or damage to the Interest insured reasonably attributable to ordinary wear tear and/or gradual deterioration.

Break-bulk

Deductible: 1% of Total Shipment Value, min. \$2,500 for each and every loss
Conveyance: All (Air/Land/Sea)

Institute Cargo Clauses "A" CL382 dated 01.01.2009.
Institute War Clauses (Cargo) CL385 dated 01.01.2009.
Institute Strikes Clauses(Cargo) CL386 dated 01.01.2009.

Institute Cargo Clauses (Air) (excluding sendings by Post) CL387 dated 01.01.2009.
Institute War Clauses (Air Cargo) (excluding sendings by Post) CL388 dated 01.01.2009.
Institute Strikes Clauses (Cargo) (Air Cargo) CL389 dated 01.01.2009.

Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic Weapons Exclusion Clause Cls. 370 dated 10th November 2003.

Marine Cyber Endorsement LMA5403 11/11/19

Termination of Transit Clause Terrorism 2009 JC2009/056.

Institute Radioactive Contamination, Chemical, Biological, Biochemical and Subject to Sanction Limitation and Exclusion Clause JC2010/014 11 August 2010, as attached.

Including transshipment, barge and lightering risks whether customary or otherwise.

Alcohol/Spirits (Non - Temperature Controlled)

Deductible: 3% of insured value, minimum \$2,500 for each and every loss
Conveyance: All (Air/Land/Sea)

Insuring Conditions:

Institute Cargo Clauses "A" CL382 dated 01.01.2009.
Institute War Clauses (Cargo) CL385 dated 01.01.2009.
Institute Strikes Clauses(Cargo) CL386 dated 01.01.2009.

Institute Cargo Clauses (Air) (excluding sendings by Post) CL387 dated 01.01.2009.

Institute War Clauses (Air Cargo) (excluding sendings by Post) CL388 dated 01.01.2009.

Institute Strikes Clauses (Cargo) (Air Cargo) CL389 dated 01.01.2009.

Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic Weapons Exclusion Clause Cls. 370 dated 10th November 2003.

Marine Cyber Endorsement LMA5403 11/11/19

Termination of Transit Clause Terrorism 2009 JC2009/056.

Institute Radioactive Contamination, Chemical, Biological, Biochemical and Subject to Sanction Limitation and Exclusion Clause JC2010/014 11 August 2010, as attached.

Including transshipment, barge and lightering risks whether customary or otherwise.

Bottled Wine Clause

In respect of bottled wine, cover hereunder shall be subject to all of the following terms, conditions, warranties, limitations, exceptions and exclusions.

This policy extends to cover claims for loss damage or expense reasonably attributable to:

1. Damage to labels and packing, bottles and screw caps, stoppers, synthetic or natural corks and wire fasteners; rust and/or oxidation of wire fasteners and capsules.
2. Collapsing of cartons during transport, loading and/or unloading, unless as a result of point 2 below and/or insufficient or unsuitable packing.

In no case shall this insurance cover claims for or loss damage or expense reasonably attributable to:

1. Inherent vice or nature of goods including, but not limited to, cork fly, alleged change in colour, taste, aroma, oxidisation, presence of ethyl carbonate, sediments or tartaric acid and the like. Nor corks which have risen above the rim of the bottle necks, due to inherent product vice.
2. Leakage, breakage and damage caused by condensation, unless transported in a temperature-controlled conveyance.
3. Changes in climatic conditions
4. Gradual deterioration

Chemicals/ Hazardous

Deductible: 1% of insured value, minimum \$500 for each and every loss

Conveyance: All (Air/Land/Sea)

Insuring Conditions:

Institute Cargo Clauses "A" CL382 dated 01.01.2009.
Institute War Clauses (Cargo) CL385 dated 01.01.2009.
Institute Strikes Clauses (Cargo) CL386 dated 01.01.2009.

Institute Cargo Clauses (Air) (excluding sendings by Post) CL387 dated 01.01.2009.
Institute War Clauses (Air Cargo) (excluding sendings by Post) CL388 dated 01.01.2009.
Institute Strikes Clauses (Cargo) (Air Cargo) CL389 dated 01.01.2009.

Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic Weapons Exclusion Clause Cls. 370 dated 10th November 2003.
Marine Cyber Endorsement LMA5403 11/11/19.
Termination of Transit Clause Terrorism 2009 JC2009/056.
Including transshipment, barge and lightering risks whether customary or otherwise.
Subject also to Additional Conditions as attached.
Subject to professionally packed
Excluding loss or damage arising from spontaneous combustion.

Medical Supplies PPP

Deductible: 1% of insured value, minimum \$500 for each and every loss
Conveyance: All (Air/Land/Sea)
Insuring Conditions:

Institute Cargo Clauses "A" CL382 dated 01.01.2009.
Institute War Clauses (Cargo) CL385 dated 01.01.2009.
Institute Strikes Clauses (Cargo) CL386 dated 01.01.2009.

Institute Cargo Clauses (Air) (excluding sendings by Post) CL387 dated 01.01.2009. Institute War Clauses (Air Cargo) (excluding sendings by Post) CL388 dated 01.01.2009. Institute Strikes Clauses (Cargo) (Air Cargo) CL389 dated 01.01.2009.

Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic Weapons Exclusion Clause Cls. 370 dated 10th November 2003.
Marine Cyber Endorsement LMA5403 11/11/19 Termination of Transit Clause Terrorism 2009 JC2009/056.
Institute Radioactive Contamination, Chemical, Biological, Biochemical and Subject to Sanction Limitation and Exclusion Clause JC2010/014 11 August 2010, as attached.
Including transshipment, barge and lightering risks whether customary or otherwise.

Specific terms during inland transit: (note: A and B in below apply to Latin Americas only. C in below applies to all regions.)

- A. Warranted GPS in Trucks for all Inland Transits; mandatory use of Toll Highways
- B. Warranted shipments of high-risk cargoes excess USD200,000, all trucks will be equipped with escort, but for all other shipments value

C. excess USD350,000, all trucks will be equipped with Armed Escort. Except for movements within Chile, all trucks will be equipped with escort with mobile phone. Armed Escort during the land transit is removed from warranty for heavy/oversized machinery shipments.

D. Unattended Vehicle and Overnight Parking Clause

Warranted through the currency of this insurance the carrying conveyance and the goods insured shall not be left unattended and the carrying capacity of the carrying conveyance shall not be exceeded. Notwithstanding the above, unattended conveyance is allowed for a short period of interval for the purpose of:

- allowing the driver to the restroom &/or have a quick meal;
- allowing the driver to make phone call for asking help for repair

&/or towage in the event of vehicle break down;

- allowing the driver to have a phone call back to Insured's office for replacement of a driver in case of a sudden illness

Subject to either:

1. the doors of the carrying vehicle shall be securely locked, the windows shall be properly closed and the key shall not be left in the truck.

Or

2. the carrying vehicle in close vicinity to the driver.

If overnight parking is necessary, it is warranted that the vehicle should be parked in car park with 24 hours CCTV/security guard. All windows,

doors and goods compartment should be completely closed and securely locked. The key of vehicle must be kept by driver at all time or overnight parking.

****High Risk Cargoes:**

- Laptops and Computers
- Electronic Goods
- Medical Devices
- Tobacco and Tobacco Substitutes
- Alcoholic Beverages
- Motor Vehicles & Motorcycles
- Watches and Jewelry
- Personal Protective Equipment (PPE)

Subject to fully enclosed truck to be used for land transit.

Transits within/from/to Latin Americas:

1. "Specific Terms During Inland Transits" conditions apply to all inland transits.
2. Deductible of 10% of whole shipment value, minimum of USD5,000 for claim arising from hijack or theft and/or loss arising from night time transit. (Nighttime = 6pm to 6am)

Additional conditions are applicable to land transits within Latin Americas shipments:

1. "Specific Terms During Inland Transits" conditions apply to ALL inland transits.

2. The following higher deductible applies to claim and loss occur in Latin Americas countries only and during land transits:

Deductible of 10% of the insured shipment value, minimum of USD5,000 for claim arising from hijack or theft and/or loss arising from nighttime transit. (Nighttime = 6pm to 6am).

*Note 1: The above loss arising from nighttime land transit only applicable to loss in relation to hijack and/or theft.

*Note 2: The above higher deductible is only applicable to loss arising from hijack or theft and/or arising from nighttime land transit. This does NOT apply to all shipments transporting within Latin Americas. If the loss is not arising from hijack or theft and/or from nighttime, then the commodity deductible will apply.

Applicable to all shipments:

Excluding Rust, Oxidation or Discoloration unless caused by water ingress. Excluding Marring, Denting, Chipping or Scratching on automobiles and watercraft. Excluding Mechanical or Electrical Derangement unless Obvious Cause is shown.

Excluding vermin or insects and mold or mildew.

Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic Weapons Exclusion Clause Cls. 370 dated 10th November 2003.

Marine Cyber Endorsement LMA5403 11/11/19

Termination of Transit Clause Terrorism 2009 JC2009/056.

Institute Radioactive Contamination, Chemical, Biological, Biochemical and Subject to Sanction Limitation and Exclusion Clause JC2010/014 11 August 2010, as attached.

Excluding transshipment, barge and lightering risks whether customary or otherwise.

It is understood and agreed that the words "approved goods and/or merchandise" as used above embraces all and every type of manufacture and raw material of a non-hazardous, non-volatile and/or non-fragile and/or non-perishable nature. Shipments of hazardous goods are included, warranted shipped in accordance with IMDG rules and regulations.

However, the following items are referred unless specifically agreed by Underwriters prior to sending:

REFERRED GOODS

- Documents, monies of every description, securities, negotiable documents or instruments, bonds, bullion, stamps, credit and debit cards including telephone calling cards
- Fresh fish, fresh fruit and fresh vegetables

- Live animals, live plant, live flowers, any living creatures and life forms of any type
- Jewellery, watches, precious stones and precious metals
- Mobile / Cellular phones
- Household Goods & Personal Effects
- Aircrafts, ships, any floating structures
- Tanks and other armoured fighting vehicles
- Arms and ammunitions; parts and accessories thereof
- Explosives; Pyrotechnic Products; Matches; Pyrophoric Alloys
- Furskins and Artificial Fur; Manufactures Thereof
- Raw Hides and Skins (Other Than Furskins) and Leather
- Blood & Life Science Products
- Pharmaceuticals
- Tobacco
- Non-Scrap Metal Bulk Items
- Cash in transit
- Rejection Risks
- Containers
- Railway or Tramway Locomotives

Overage Additional Premiums

Less than 26 years	Nil
26 to 30 years	0.05%
31 years and above	Held Covered at rate to be agreed by insurers.

No Overage Additional Premiums to apply in respect of containerized Shipments shipped on Purpose Built Container Vessels.

Payment Terms: Premium Payment Clause LSW 3001 (30.09.08) Amended as attached.

Taxes Payable by Assured and Administered by the Insurer: None Applicable

Taxes Payable by Insurer and Administered by the Assured or their Agents: None Applicable

Insurer Contract Documentation: This document details the contract terms entered into by the Insurer(s) and constitutes the contract document. The contract changes document(s) signed by Insurers shall form the evidence of the charges agreed.

ADDITIONAL CONDITIONS**ACCUMULATION CLAUSE**

Should there be an accumulation of interest beyond the limits expressed in this Contract by reason of any interruption of transit and/or occurrence beyond the control of the Assured, or by reason of any casualty and/or at a transshipping point and/or in a connecting vessel or conveyance, then, the Insurers shall be liable for the full amount at risk, but in no event shall they be liable for more than twice the Contract limit.

AUTOMATIC ACQUISITION CLAUSE

This insurance is automatically extended to cover additional property and/or interests as described in this insurance whilst at locations not advised at inception and/or whilst at newly acquired and/or utilised locations and/or as otherwise may become at the risk of the Assured during the period and within the limits of this insurance. Cover under this clause is subject to the values of each additional property and/or interest being notified to Insurers within 30 days of cover being required by the Assured. Subject to premium adjustment in respect of additions and deletions at anniversary.

CARGO ISM ENDORSEMENT

Applicable to all shipments on board Ro-Ro passenger ferries.

Applicable with effect from 1 July 1998 to shipments on board passenger vessels transporting more than 12 passengers; and oil tankers, chemical tankers, gas carriers, bulk carriers and cargo high-speed craft of 500 gt or more. Applicable with effect from 1 July 2002 to shipments on board all other cargo ships and mobile offshore drilling units of 500gt or more.

In no case shall this insurance cover loss, damage or expense where the subject matter insured is carried by a vessel that is not ISM Code certified or whose owners or operators do not hold an ISM Code Document of Compliance when, at the time of loading of the subject matter insured on board the vessel, the Assured were aware, or in the ordinary course of business should have been aware:-

- 1) Either that such vessel was not certified in accordance with the ISM Code; or
- 2) That a current Document of Compliance was not held by her 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 hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract.

CARGO ISM FORWARDING CHARGES CLAUSE

This insurance is extended to reimburse the Assured, up to the limit of the sum insured for the voyage, for any extra charges properly and reasonably incurred in unloading, storing and forwarding the subject-matter to the destination to which it is insured hereunder following release of cargo from a vessel arrested or detained at or diverted to any other port or place (other than the intended port of destination) where the voyage is terminated due either:

- 1) to such vessel not being certified in accordance with the ISM Code; or
- 2) to a current Document of Compliance not being held by her owners or operator as required under the SOLAS Convention 1974 as amended.

This clause, which does not apply to General Average or Salvage or Salvage Charges, is subject to all other terms, conditions and exclusions contained in the policy.

CARGO ISPS ENDORSEMENT

In no case shall this insurance cover loss, damage or expense where the subject matter insured is carried by a vessel that does not hold a valid International Ship Security Certificate as required under the International Ship and Port Facility Security (ISPS) Code when, at the time of loading of the subject matter insured on board the vessel, the Assured were aware, or in the ordinary course of business should have been aware that such vessel was not certified in accordance with the ISPS Code as required under the SOLAS Convention 1974 as amended.

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

CARGO ISPS FORWARDING CHARGES CLAUSE (AMENDED)

This insurance is extended to reimburse the Assured, up to the limit of the sum insured for the voyage, for any extra charges properly and reasonably incurred in unloading, storing and forwarding the subject-matter to the destination to which it is insured hereunder following release of cargo from a vessel arrested or detained at or diverted to any other port or place (other than the intended port of destination) where the voyage is terminated due to such vessel not being certified in accordance with the ISPS Code as required under the SOLAS Convention 1974 as amended.

This clause, which does not apply to General Average or Salvage or Salvage Charges, is subject to all other terms conditions and exclusions contained in the policy and to the Cargo ISPS Endorsement.

CARGO ISM AND/OR ISPS ENDORSMENT – QUALIFICATIONS

The Cargo ISM Endorsement and/or the Cargo ISPS Endorsement are incorporated hereunder and subject always to the Assured satisfying the requirements of the clauses it is agreed that the full benefit of the policy terms, clauses and conditions remain in full force and effect.

- (a) The aforementioned exclusion clauses shall not apply with respect to any insurance as hereunder provided where the Assured is buying or has agreed to buy the subject-matter insured in good faith under a binding contract on CIF, CFR, Ex-ship and/or similar terms of purchase where they are not directly responsible for the fixing of any vessel on which the subject-matter insured is carried.
- (b) The aforementioned exclusion clauses shall not apply with respect to any insurance as hereunder provided where the Assured is selling or has agreed to sell the subject-matter insured in good faith under a binding contract on EXW, FCA, FAS, FOB and/or similar terms of sale where they are not directly responsible for the fixing of any vessel on which the subject-matter insured is carried.
- (c) Notwithstanding anything to the contrary contained in the above, where the BIMCO Standard ISM and ISPS Clauses for Voyage and Time Charterparties are included under any charterparty entered into by the Assured such action alone negates the test of awareness as provided for in the aforementioned exclusion.
- (d) For clarification purposes the aforementioned exclusion is not applicable to shipments between countries whose legal and/or regulatory regimes have not ratified the SOLAS Convention 1974 as amended.

CERTIFICATES OF INSURANCE

Insurers agree to issue certificates via the WAVE website and further agree to be bound, subject to policy terms and conditions, for their respective shares by such certificates. Insurers also agree to pay their respective shares of the costs incurred by the use of the WAVE website in relation to this policy. The Assured hereunder acknowledges that such Certificates represent declarations as validly made against this policy and agrees to pay premiums due under this policy resulting from such declarations.

Insurance Electronic Cargo Certificates) represent declarations as validly made against this policy and agrees to pay premiums due under this policy resulting from such declarations.

CONTAINER CLAUSE

Where Cargo, insured hereunder, is carried in Containers, it is agreed, as between the Assured and Insurers, that the fitness of the Container is hereby admitted unless the Assured or their servants are Privy to such unfitness.

CONTROL OF DAMAGED GOODS

Notwithstanding anything to the contrary contained elsewhere herein, it is understood and agreed that in case of damage to goods insured under this Policy, the Assured is to retain control of all damaged goods.

The Assured, however, agrees wherever practicable to recondition and sell such goods after removal of all brands and trademarks or other identifying characteristics at Insurers expense. The assured shall be the sole judge as to whether the goods involved are fit for sale as salvage or otherwise or are to be destroyed and may in any event stamp "Salvage" on the merchandise or its containers, Insurers to be the sole beneficiaries of the salvage proceeds, if any.

CUSTOMS AND/OR IMMIGRATION AUTHORITY INSPECTION(S)

This insurance is also specially to cover (notwithstanding the War Exclusion Clause contained herein) physical loss of or damage to the subject-matter insured arising out of the performance of inspection duties by the relevant Customs and/or Immigration Authorities or another duly constituted governmental agency of any State or Territory who are performing inspection duties in accordance with any governmental law, statute, mandate, rule or regulation covering the import or export of said subject-matter into or from the applicable State or Territory, or covering whilst said subject-matter is passing through such State or Territory prior to coming within the jurisdiction of the State or Territory of destination.

DEBRIS REMOVAL CLAUSE

This insurance is extended to cover, in addition to any other amount recoverable under this insurance, extra expenses reasonably incurred by the Assured for the removal and disposal of debris of the subject- matter insured, or part thereof, by reason of damage thereto caused by an insured risk, but excluding absolutely:

- 1) any expenses incurred in consequence of or to prevent or mitigate pollution or contamination, or any threat or liability therefore.
- 2) the cost of removal of cargo from any vessel or craft.

In no case shall the insurers be liable under this Clause for more than 15% of the insured value of the cargo covered hereunder.

DEDUCTIBLE CLAUSE

In the event of a deductible or deductibles being incorporated under this policy, notwithstanding said deductible or deductibles, claims recoverable under the Institute Cargo Clauses (C) dated 1st January 2009., the Institute War etc., and Strikes etc., coverage provided for hereunder, and General Average, Salvage and Sue and Labour Charges shall be payable in full.

Notwithstanding the foregoing, all claims for loss, damage or expense resulting from any one occurrence or series of occurrences arising out of one event, shall be adjusted as one claim, and from the amount of such adjusted claim there shall be one deductible and if there are different deductibles, the highest deductible only.

DEFERRED UNPACKING

It is understood and agreed that in respect of shipments insured hereunder the Assured shall be allowed a period of up to 90 days after arrival of the insured interests at the final destination, to open packaging, examine contents and arrange for survey in the event of the discovery of loss or damage provided that packaging showing signs of external damage, wetting or staining upon arrival must be opened immediately and all possible steps taken to minimise damage.

In the absence of proof to the contrary, such losses are to be considered as having occurred during the voyage covered under this Policy. Periods in excess of the above held covered at rates to be agreed.

DELIBERATE DAMAGE - POLLUTION HAZARD

This policy covers, but only while the property insured is on board a waterborne conveyance, loss of or damage to said property directly caused by governmental or civil authorities acting for the public welfare to prevent or mitigate a pollution hazard or other civil disaster 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.

The coverage afforded here shall not increase the Limits of Liability provided for hereunder.

DEVIATION CLAUSE

In case of voluntary change of destination &/or deviation &/or delay within the Assured's control, the insured goods are held covered hereunder at a rate to be agreed by Insurers subject to the Assured reporting, as soon as possible, all such events to Insurers.

In case of short shipment in whole or part by the vessel reported for insurance hereunder, Insurers agree to hold the Assured covered against the risks insured hereunder until arrival at the final destination to which the goods are insured or until the goods are no longer at the risk of the Assured, whichever may first occur.

DUTY CLAUSE

This Insurance is also to cover Increased Value of Cargo by reason of payment of duty or other charges on arrival at port of discharge as may be required by the Assured subject to the same terms and conditions as Cargo and to pay as may be paid thereon.

ERRORS AND OMISSIONS CLAUSE

Assured shall not be prejudiced by any unintentional delay or omission in the reporting hereunder or any

unintentional error in the amount or description of the Interest, Vessel or voyage, or if the subject matter of the Insurance be shipped by other vessel, if notice be given to Insurers as soon as practicable after said facts become known to the Assured and deficiency of premium if any, made good.

In the event of breach of warranty and/or condition expressed in the policy, held covered at an additional premium, if any, to be agreed.

FORWARDING EXPENSES CLAUSE

If owing to circumstances beyond the control of the Assured, an insured voyage is interrupted for any reason whatsoever, including where due to insolvency and/or financial default of the owners, managers, charterers or operators of the vessel, and the cargo insured hereunder is not delivered to the destination contemplated, this insurance is to continue, subject to the original insuring terms, whilst the insured cargo is held in storage (onboard vessel or otherwise), whilst awaiting release and/or whilst in the course of onward transit to the original or substituted destination. Insurers also to pay any additional charges and legal fees, which are incidental to the release, storage and/or onward shipment of the insured cargo, which are incurred by the Assured.

Expenses recoverable under the above clause shall be in addition to any sue and labour or other expenses which may be recoverable elsewhere under this policy. The above expenses are subject to a sub-limit of USD250,000 any one loss or occurrence which is not to increase Insurers liability beyond the limits of liability elsewhere in this contract but, in respect of the above expenses, the Assured is to bear a 10% co-insurance each and every loss which is to remain uninsured.

FUMIGATION AND DRYING CLAUSE

In the event of goods insured herein being fumigated and loss and/or damage arises therefrom (including loss or damage to the goods arising out of fumigation of any vessel, wharf, warehouse or any other storage facility, location or carrying conveyance in or on which the goods are, will be or have been located) and subject to such fumigation having been required by properly constituted authorities, Insurers agree to indemnify the Assured for such loss and/or damage. Insurers are to be subrogated to all the Assured's rights of recourse for the recovery of such losses except as against the agents or sub- contractors of the Assured.

It is further understood and agreed that in the event of goods insured under this Policy being wetted whilst in transit or while under the protection of insurance as provided herein and the quality of goods is thereby affected, the costs of drying will be reimbursed by Insurers provided always that the insuring conditions applying to the goods or shipment involved include water damage as an insured peril.

GENERAL AVERAGE CLAUSE

This insurance covers general average and salvage charges adjusted or determined according to the contract of affreightment and/or the governing law and practice (or, if there is no contract of affreightment, according to Foreign Statement or to York-Antwerp Rules) incurred to avoid or in connection with the avoidance of loss from any cause except those specifically excluded herefrom.

For the purpose of claims for general average contributions and salvage charges recoverable hereunder, the subject-matter insured shall be deemed to be insured for its full contributory value.

General average deposits shall be payable on production of general average deposit receipts. Underwriters also

agree to provide a general average guarantee upon the request of the Assured.

HI-JACKING CLAUSE

The cover under this insurance is extended to include physical loss of or physical damage to the goods directly or indirectly arising out of unlawful seizure or wrongful exercise or control of the carrying conveyance, vessel or aircraft (including any attempt at such seizure or control) made by any person or persons. Including the costs of reforwarding the goods should they be landed at a place other than their scheduled destination.

INNOCENT ASSURED CLAUSE

It is hereby agreed that the Assured's right to recover losses under this contract of insurance will not be prejudiced by any fraudulent or dishonest acts of the ship owners, ship managers, ship operators, contractual carriers or actual carriers, subject to the Assured notifying Insurers as soon as possible after he becomes aware of the fraudulent or dishonest act.

LETTER OF CREDIT CLAUSE

Notwithstanding the Conditions of this Contract it is agreed, subject to the prior approval of Insurers, that Certificates and/or Policies may be issued hereunder to enable the Assured to comply with the insurance requirements of any Letter of Credit and/or Sales Contract concerned, such agreement being conditional on the payment of any additional premium which may be required in the event that the cover required is wider than that provided by the current Contract Wording.

It is also agreed that regardless of the conditions on which any Certificates and/or Policies may be issued pursuant to the foregoing, the Assured named herein shall continue to enjoy the full protection of this Contract.

LOCAL INSURANCES

It is noted and agreed that where the Assured or any of their Associated, Subsidiary or Affiliated Companies and/or Sellers and/or a third party with or without the Assured's instructions are obliged by legislation or otherwise to insure the Assured's goods and/or merchandise locally, the Assured shall continue to have full benefit of the protection afforded by this Policy.

At the sole option of the Assured, the Assured may deem this Policy to be the primary insurance with full rights of subrogation against any other insurance coverage in force.

In no case shall this insurance contribute to double insurance.

PACKING CLAUSE

Notwithstanding anything contained herein to the contrary it is agreed that where packing or preparation is undertaken by the Assured, or their suppliers, their agents or their sub- contractors Insurers shall accept such packing or preparation as sufficient or suitable to protect the subject-matter insured against loss or damage and further agree to waive rights of subrogation against the Assured, their suppliers, their agents or their sub- contractors.

PAYMENT ON ACCOUNT CLAUSE

The Insurers hereunder agree that where claim papers submitted demonstrate that only the quantum of the claim is in question, they will make a "payment on account" equal to 75% of the lower of the amounts claimed and agreed to by Insurers.

POLICY INTERPRETATION

Insurers hereon agree that the language of this policy is the language of Insurers. Insurers hereon agree that the titles to the clauses contained in this policy are inserted solely for convenience of reference and shall in no way be taken by Insurers as limiting the provisions to which they relate.

PREMIUM PAYMENT CLAUSE LSW3001 (30/09/08)

Notwithstanding any provision to the contrary within this contract or any endorsement hereto, in respect of nonpayment of premium only the following clause will apply.

The (Re)Insured undertakes that premium will be paid in full to (Re)Insurers within 60 days of inception of this contract (or, in respect of instalment premiums, when due).

If the premium due under this contract has not been so paid to (Re)Insurers by the sixtieth (60th) day from the inception of this contract (and, in respect of instalment premiums, by the date they are due) (Re)Insurers shall have the right to cancel this contract by notifying the (Re)Insured via the broker in writing. In the event of cancellation, premium is due to (Re)Insurers on a pro rata basis for the period that (Re)Insurers are on risk but the full contract premium shall be payable to (Re)Insurers in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this contract.

It is agreed that (Re)Insurers 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 (Re)Insurers before the notice period expires, notice of cancellation shall automatically be revoked. If not, the contract shall automatically terminate at the end of the notice period.

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.

REPACKING CLAUSE

It is understood and agreed that should outer packing be damaged from any cause which renders interest unfit for on-shipment or distribution, irrespective of final destination shown herein, Insurers to pay the cost of reasonable repacking expenses, provided such damage occurred during the currency of this Insurance.

REPLACEMENT CLAUSE SECOND-HAND GOODS

In the event of loss of or damage to any part or parts of the goods insured in consequence of a risk covered by the policy, the amount recoverable hereunder shall not exceed such proportion of the cost of replacement of the part lost or damaged as the insured value bears to the value of new goods, plus additional charges for forwarding and re-fitting the new part or parts if incurred.

RETURNED SHIPMENTS CLAUSE

Shipments upon which delivery to the consignee cannot be accomplished because of refusal of acceptance and which are returned for this, or any other reason are covered while at the risk of the Assured until sold or otherwise disposed of, subject to cover terms and conditions.

SANCTION LIMITATION AND EXCLUSION CLAUSE JC2010/014 (11/08/10)

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.

SEALS CLAUSE

It is hereby noted and agreed that in respect of consignments shipped in containers or curtain sided trailers or full vehicle loads that claims in respect of Theft, Shortage and Non- Delivery of a whole package will not be invalidated by the fact that the seals appear intact and that such claims will be settled in full on production of loading and discharge tally sheets. Underwriters hereon to be subrogated to Assured's rights against Carriers and/or other Bailees.

SELLER'S INTEREST

In the event of "F.O.B.", "C & F." or similar sales terms being used this insurance attaches as a primary insurance from the time the Assured assumes interest in the subject matter and continues until the Assured's interest ceases.

Thereafter this insurance shall cover the Seller's Interest and shall cease when the interest is totally paid for by the Buyer. Claims are to be limited to the extent that the Buyer fails to pay for:

- 1 lost or damaged goods; and/or
- 2 General Average and Salvage Charges; and/or
- 3 Sue and Labour Charges.

The Insurers are to be subrogated to the Assured's rights against Buyers as well as other parties. In no case shall this insurance contribute in double insurance.

Shipments declared under this Clause to be subject to a rate equivalent to one-third of that applicable to similar shipments declared on a "primary" basis.

SHIPMENTS CLAUSE

Shipments are covered hereunder whether containerised or otherwise and whether on deck or under deck irrespective of Bill of Lading instructions.

SORTING CHARGES

It is agreed that, in the event of the Assured and/or consignee complying with the surveyor's instructions to separate shipping packages showing signs of external damage from the sound packages to ascertain possible loss arising from a peril insured against, such expenses as approved by the surveyor shall be for the account of Insurers even though a claim may not subsequently result hereunder.

TERMINATION OF TRANSIT CLAUSE (TERRORISM) 2009 JC2009/056 (01/01/09)

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

1 Notwithstanding any provision to the contrary contained in the contract of insurance or the Clauses referred to therein, it is agreed that in so far as the contract of insurance covers loss of or damage to the subject-matter insured caused by any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted or any person acting from a political, ideological or religious motive, such cover is conditional upon the subject-matter insured being in the ordinary course of transit and, in any event, **SHALL TERMINATE:**

either

1.1 as per the transit clauses contained within the contract of insurance,

or

1.2 on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse or place of storage at the destination named in the contract of insurance,

1.3 on completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse or place of storage, whether prior to or at the destination named in the contract of insurance, which the Assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or

1.4 when the Assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit,

or

1.5 in respect of marine transits, on the expiry of 60 days after completion of discharge/overside of the subject-matter insured from the oversea vessel at the final port of discharge,

1.6 in respect of air transits, on the expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge,

whichever shall first occur.

2 If the contract of insurance 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.

THIRD PARTY ASSURED CLAUSE

Notwithstanding that the insurances provided by this policy may be effected on behalf of third parties, and irrespective of the premium(s) payable by such third parties, in no event shall the Assured as defined herein be deemed to be an insurer or co-insurer under this policy.

UNEXPLAINED SHORTAGES

It is agreed that this insurance is extended to cover unexplained shortages from consignments shipped by sealed Container.

WAIVER AND/OR RELEASE CLAUSE

Privilege is hereby given to the Insured, Subsidiary, Associated and/or Affiliated Companies to accept released or limited liability inland bills of lading, charters, receipts, or contracts of carriage or similar documents including contracts containing waivers of liability, without prejudice to this insurance.

It is also understood and agreed that the Insurer will not hold the aforementioned Insured, whilst acting as principal or agent, as a co-insurer in the event of any claims.

WAR AND/OR STRIKES PREMIUM CLAUSE (JC 2004/039 06/09/04)

Notwithstanding anything to the contrary stated in the rates/premium applicable to the Policy into which this Clause is incorporated (the Policy), it is agreed that in the event of a transit to or from or within the geographical areas as listed as Elevated, High or Severe in the Global Cargo Watch List (GCWL), war and/or strikes risks in respect of such transits are held covered in accordance with the applicable war and/or strikes clauses contained in the Policy at rate(s) to be agreed.

Where storage and/or other static exposures are also covered by the Policy, this clause shall also apply to strikes risks from the time the relevant geographical area changes in the GCWL.

The applicable GCWL designated category for any particular transit/risk shall be that which is in force at the time transit/risk commences.

WILFUL MISCONDUCT CLAUSE

Notwithstanding anything to the contrary contained elsewhere herein or in the law and practice to which this policy is subject, this insurance shall not exclude loss damage or expense attributable to wilful misconduct of any person or persons committed without the privity of the directors and/or officers of the Assured.

**U.S.A. & CANADA ENDORSEMENT FOR THE INSTITUTE RADIOACTIVE CONTAMINATION,
CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION
CLAUSE (10/11/03)**

This policy is subject to the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause (10.11.03 RACCBE). The inclusion of RACCBE in this policy is material to underwriters' willingness to provide coverage at the quoted terms, conditions and rates.

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

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 U.S.A., 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 U.S.A., or any province or territory of Canada, to the fullest extent permitted by applicable law.

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