

**Freight Forwarding Liability Insurance Policy**

Insured	Bati Nakliyat ve Ticaret A.S. Freightcon International Tasımıcılık Tic. Ltd. Sti. : Bati Logistics GmbH Almanyay																															
Policy No	: 97998117																															
Tax Number	: 0420019231																															
Insured Address	: Likor yanı sok. Akabe Ticaret Merkezi N:1 Ofis 202 Fulya Şişli 34394 Istanbul, Turkey																															
Insurer	: Unico Sigorta A.Ş																															
Insurer Address	: Nida Kule Göztepe İş Merkezi Merdivenköy Mah. Bora Sokak No:1 Kat: 22 & 24 Kadıköy / İstanbul																															
Period	: Both days inclusive, 12 Months 30th June 2020 to 30th June 2021																															
Estimated Turnover 2020	: 18.000.000 USD																															
General Policy Limit	: 2.500.000 USD																															
Coverage and Limits	<table><tr><td>Cargo (Freight Services) Liability</td><td>2,500,000</td><td>USD</td><td>Per Occurance</td></tr><tr><td>- High Risk Cargo</td><td>500,000</td><td>USD</td><td>Per Occurance</td></tr><tr><td>- Consequential Losses</td><td>500.000</td><td>USD</td><td>Per Occurance/In the aggregate</td></tr><tr><td>- Uncollected Cargo</td><td>75.000</td><td>USD</td><td>Per Occurance /In the aggregate</td></tr><tr><td>Professional Indemnity (Errors &amp; Omissions)</td><td>600.000</td><td>USD</td><td>Per Occurance /In the aggregate</td></tr><tr><td>- Fines and Penalties</td><td>600.000</td><td>USD</td><td>Per Occurance/ In the aggregate</td></tr><tr><td>3rd Party Liability (Included Pollution)</td><td>2.500.000</td><td>USD</td><td>In the aggregate</td></tr></table>				Cargo (Freight Services) Liability	2,500,000	USD	Per Occurance	- High Risk Cargo	500,000	USD	Per Occurance	- Consequential Losses	500.000	USD	Per Occurance/In the aggregate	- Uncollected Cargo	75.000	USD	Per Occurance /In the aggregate	Professional Indemnity (Errors & Omissions)	600.000	USD	Per Occurance /In the aggregate	- Fines and Penalties	600.000	USD	Per Occurance/ In the aggregate	3rd Party Liability (Included Pollution)	2.500.000	USD	In the aggregate
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- Fines and Penalties	600.000	USD	Per Occurance/ In the aggregate																													
3rd Party Liability (Included Pollution)	2.500.000	USD	In the aggregate																													
Deductible	: 2500 USD																															
Wording	: Attached.																															
Insured Operations	: Freight Forwarder and road haulier as agent and principal by road, sea, air and rail , Warehouse operations , Heavy/Project Cargo shipments																															
Approved Trading Conditions	: Turkish Commercial Code, CMR Convention and all other applicable international and national conventions and codes																															
Territorial Limits	: Worldwide but subject always to the Sanction Limitation and Exclusion Clause in the General Policy Terms																															
Jurisdiction	: This insurance shall be governed by and construed in accordance with the law of the Insured's country of domicile and each party agrees to submit to the exclusive jurisdiction of the courts of the Insured's country of domicile in any dispute arising hereunder																															
Loss Adjusting	: May be appointed by local broker for urgent cases in Turkey																															
Overseas Broker	: Polaris Sigorta ve Reasürans Brokerlik Hizmetleri A.Ş.																															

\* This policy covers any claim, loss or damage arising from traffic accidents etc which has not been caused by the insured with full right of recourse to the party at fault. This cover is provided within Cargo (Freight Services) Liability Limit with subject to other limitations applicable on the policy.

\* If the Assured has been found wholly or partly liable for losses or damages sustain during or as a consequence of operations covered under this policy then such liability will be reimbursed under the subject policy. This cover is provided within Cargo (Freight Services) Liability Limit with subject to other limitations applicable on the policy.

\* Losses, damages and claims arising from loading and unloading are included with a context of liability of the assured. This cover is provided within Cargo (Freight Services) Liability Limit with subject to other limitations applicable on the policy

\* This policy covers any claim, loss or damage arising from gross negligence (intoxicated etc) of driver with full right of recourse to the driver for own vehicles, and to both driver and subcontractor for subcontracted road haulage. And this policy does not recourse any claims to the assured's driver in any cases except gross negligence. This cover is provided within Cargo (Freight Services) Liability Limit with subject to other limitations applicable on the policy

\* This policy covers any claim, loss or damage arising from malicious act or abuse of confidence and fraud of driver of own vehicle and/or subcontractor and/or driver of the subcontractor with full right of recourse to the driver of own vehicles, and/or to both driver of the subcontractor and subcontractor and no right to recourse to assured. This cover is provided within Cargo (Freight Services) Liability Limit with subject to other limitations applicable on the policy

\* Costs incurred by or on behalf of the Insured in connection with salvage and/or clean-up and/or disposal of items belonging to third parties and the extra costs incurred by or on behalf of the Insured in compliance with legal or government mandates or due to necessary safety measures, all in accordance with the insurance conditions, are covered with a limit of 100,000 USD

\* Loss, damage or claims arising from crushing to bridges, viaducts etc infrastructures are included with a context of liability of the assured. This cover is provided within Cargo (Freight Services) Liability Limit with subject to other limitations applicable on the policy

\* Loss, damage or claims arising from overthrow, fall etc of cargo are included with a context of liability of the assured. This cover is provided within Cargo (Freight Services) Liability Limit with subject to other limitations applicable on the policy

\* Losses, damages and claims arising from packaging, labelling, handling and mixing are included with a context of liability of the assured This cover is provided within Warehouse Liability Limit with subject to other limitations applicable on the policy

\* Losses and liabilities arising from breakage of span of hook or cargo on cargo or 3rd parties (physical, bodily, moral indemnities) during the loading or unloading via owned or rented by the insured within miscellaneous plants Turkey are covered with a limit noted on the policy. (This clause would be effected if only crane operations are noted on the Insured Operations)

\* It's hereby noted that losses arising from the transportation of the cranes of the 3rd parties with the vehicles of assured and/or 3rd parties are covered. (This clause would be effected if only crane operations are noted on the Insured Operations)

\* Full invoice value coverage for Cargo movements and storage within Turkey

\* It's hereby understood and agreed that in respect of carriage of cargo that exceeds the loading gauge (out of gauge cargo) it is warranted that ;

- Receipt of permission from Directorate General of Road Transport regulation is obtained
- Transports are supervised by an escort in front and back of the vehicle
- Speed control via vessel tracking programme
- Drivers have to use vehicles within certain speed limits

#### **TEMPERATURE CONTROLLED CARGO EXTENSION**

Where this policy includes the carriage of cargo in a refrigerated, or chilled or insulated condition, it is a condition precedent that:-



- All drivers involved in the transportation of such goods shall have had training in the handling of such traffic from the manufacturers of such equipment or an authorised agent of the manufacturers or from an externally qualified outside organisation.
- The temperature of the unit shall be recorded in writing by the Insured at the time of loading and unloading and in the case of any journey exceeding 12 hours, the temperature within the unit shall be recorded at intervals of not more than 12 hours.
- All units and vehicles shall be maintained and used in accordance with the manufacturer's instructions.
- The Insured shall retain such records of (a), (b) and (c) above and shall make them available to Insurers upon request.

This cover is provided within Cargo (Freight Services) Liability Limit with subject to other limitations applicable on the policy.

#### **SANCTION CLAUSE**

No insurer shall be deemed to provide cover and no 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 insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, Japan, United Kingdom or United States of America.

#### **CONFORMITY TO STATUTES CLAUSE**

Terms of the insurance policy which are in conflict with any applicable statutes of Turkey, the country wherein the insurance policy is issued, will be deemed to have been amended to conform to such statutes.

#### **SIMULTANEOUS PAYMENT OF PREMIUMS/CLAIMS**

All claims and returns of premium payable under this policy to be settled simultaneously with and on the same basis as original policies

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

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

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
  - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
  - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
  - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
  - 1.4 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
  - 1.5 any chemical, biological, bio-chemical or electromagnetic weapon.

CL 370 Dated: 10.11.2003.

#### **INSTITUTE CYBER ATTACK EXCLUSION CLAUSE**

- 1.1 Subject only to clause 1.2 below, in no case shall this insurance 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, computer software programme, malicious code, computer virus or process or any other electronic system.
- 1.2 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 1.1 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.

## **TERMS AND CONDITIONS APPLICABLE TO FREIGHT SERVICES**

### **SECTION A**

#### **A) COVERAGE - CARGO AND RELATED LIABILITIES**

**Subject to Part B) Special Conditions and Exclusions, this Policy covers the legal and/or contractual liability of the Insured for:-**

- 1.0** Physical loss or damage to cargo whilst In Transit or during Storage in Transit;
- 1.1 Consequential Loss**
- Consequential Loss, including demurrage, arising out of and following liability under Clause 1.1 above, incurred by a cargo owner or cargo bailee, subject to a sub-limit of noted on the schedule any one incident or occurrence;
- 1.2 General Average**
- Cargo's proportion of general average, salvage or salvage charges
- 1.3 Duty**
- Duty forming part of a claim for physical loss or damage to cargo, other than duty under any form of bond or guarantee;
- 1.4 Temporary Storage**
- Subject to clause 7 below, loss or damage to cargo during Temporary Storage following rejection of cargo by consignee/cargo receiver, or where the consignee/cargo receiver does not take delivery, provided that Insurers are notified within a reasonable time of the rejection or non-delivery as above
- 2.0** The policy also covers cost and expense to the Insured of the following:
- 2.1 Uncollected Cargo**
- The extra cost or expense incurred by the Insured solely by reason of the failure of a consignee/ cargo receiver to collect cargo at designated place of delivery, subject to:
- a limit of noted on the schedule in the aggregate in the Policy year;
  - the Insured bearing 20% of the amount otherwise recoverable under the Policy, after application of the deductible;
  - in the event of legal sale of the cargo, proceeds of sale shall be split between the Insured and Insurers respectively in the following proportions; Insured 20%/Insurers 80% and



- d) the Insured having in place reasonable procedures at the place of arrival for checking that cargo has been collected.

## **2.2 On-forwarding Costs**

On-forwarding cargo to destination including Temporary Storage, unloading, reloading and transfer of cargo to other Transport Equipment, consequent upon and following an accident to the Transport Equipment being used for cargo transportation, but subject to a sub-limit of EUR 100,000 any one incident or occurrence.

## **2.3 Debris**

Removal, disposal and destruction of cargo debris from a public road following an accident to Transport Equipment, but subject to a sub-limit of EUR 100,000 any one incident or occurrence.

## **2.4 Damage to Transport Equipment and other Cargo**

Loss or damage to third party Transport Equipment and/or to third party cargo or property, resulting from manner in which the cargo being transported by the Insured or during Storage during Transit is stowed. This is subject to a sub-limit of EUR 100,000 any one incident or occurrence, except where Third Party Liability Additional Cover has been effected, when this sub-limit shall not apply.

# **B) SPECIAL CONDITIONS AND EXCLUSIONS**

## **1.0 CONDITIONS PRECEDENT TO THE LIABILITY OF INSURERS:**

The following matters under Clause 1.0 are conditions precedent to the liability of Insurers:

### **1.1 Contract Conditions**

The Insured shall contract under current FIATA terms and conditions, under current terms and conditions of a national forwarding association affiliated to FIATA, under General Trading Terms and Conditions that shall have been seen and approved by Insurers and confirmed by endorsement on the Policy or otherwise confirmed by Insurers in writing, under CMR or where applicable under national legislation relating to road carriage.

### **1.2 Carriage by Sea**

- a) Where the Insured contracts to carry cargo by sea and/or Bills of Lading are issued by or on behalf of the Insured, such contracts and/or Bills of Lading shall include a Paramount Clause incorporating the Hague Visby Rules as enacted by the Carriage of Goods by Sea Act 1971, or equivalent national legislation under the Hague Visby Rules (in the case of shipments to or from the United States, US COGSA);
- b) Where cargo is agreed to be carried on deck it shall be carried (i) on specific terms expressed in writing both on the face and the reverse of the Bill of Lading exonerating the Insured from liability and stating cargo is carried on deck and at shipper's risk, or (ii) on express terms that the Hague Visby Rules, as enacted by the Carriage of Goods by Sea Act 1971 or equivalent national legislation under the Hague Visby Rules (in the case of shipments to or from the United States, US COGSA) shall apply to carriage on deck;

### **1.3 Carriage by Air**

Where the Insured contracts to carry by air and/or an Air Waybill is issued by or on behalf of the Insured, the Warsaw Convention as amended by the Montreal Protocol and any

subsequent amendment shall be contractually incorporated and liability outside the period of responsibility under the said Convention/Protocol/amendment shall be expressly limited to the monetary limits as calculated under the Convention/Protocol unless a higher monetary limit is imposed by local law;

#### **1.4 Road Transport - Sub-contractor's Conditions of Carriage and Insurance**

If any of the insured service is sub contracted it is a condition of the policy that:

- (a) that subcontracted road transport operators have valid & in date liability insurance in place with a minimum limit equal to that of the Insured any one occurrence and that the original insured check the adequacy of the subcontractor's insurance arrangement.
- (b) that the Insured has used their best endeavours not to contract with an uninsured subcontractor. In the event that this happens then the applicable policy limit will be reduced by 50% and the deductible will be doubled.
- (c) If uninsured subcontractors are used then the limit will be reduced by 50% and the deductible will be doubled. Additionally, they will not be covered for the transport of high value and temperature controlled cargo.

The original insured must also check that the subcontractor is a bona fide company, is financially sound, operates roadworthy vehicles, holds the appropriate commercial licenses and is experienced in handling the declared cargo.

#### **1.5 Road Transport – High Risk Cargo**

Save where the Insured may unwittingly be involved in the transport of High Risk Cargo, where the Insured carries High Risk Cargo by road, the vehicle/trailer, shall:

- a) whilst parked for rest breaks or for similar short stays between the hours 0600-2000, remain at a recognised and designated parking area for road hauliers, securely locked with keys removed and all openings securely closed, with the driver in the immediate vicinity;
- b) whilst parked between the hours of 2000-0600, or between the hours of 0600-2000 other than for rest breaks or for similar short stays, remain in a Locked building or in a fully enclosed location remaining Locked (apart from entry and exit of authorised vehicles) under constant surveillance, or remain in a recognised and designated parking area for road hauliers securely locked with keys removed and all openings securely closed and the driver in attendance at all times;
- c) where the transport of High Risk Cargo is sub-contracted by the Insured, then the Insured must notify the sub-contractor in writing of the requirements under subparagraphs (a) and (b) above.

#### **1.6 Storage In Transit**

The Insured shall exercise due diligence to ensure that any location used for Storage in Transit, other than a location owned, leased or operated by the Insured (which shall only be covered where the Warehousekeeper's Additional Cover is in effect), shall be suitable in all respects taking into account the type, nature and value of the cargo.



**2.0 HIGH RISK CARGO**

High Risk Cargo is not covered under the Policy unless specifically disclosed to Insurers in writing and confirmed by endorsement on the Policy or shown on the Policy Form under Insured Operations. Subject to Seven (7) clear days written notice to the Insured, Insurers may amend the list of High Risk Cargo under the Definitions Section.

**3.0 EXCLUDED CARGO**

The Policy excludes liability relating to Excluded Cargo

**4.0 EXCLUDED CONTRACT TERMS**

The Policy excludes claims arising out of Excluded Contract Terms

**5.0 INSURED OPERATIONS**

The Policy excludes claims in respect of any Operation not previously declared to Insurers and agreed as covered, save that any Operation (not excluded under any term, condition or exclusion in this Policy) which is reasonably ancillary to a declared and agreed Operation shall be covered under this Policy.

**6.0 LIABILITY TO CUSTOMS**

The Policy excludes claims by Customs, and similar governmental or European Union authorities except where the Errors and Omissions Additional Cover is in effect.

**7.0** Save where Errors and Omissions Additional Cover is effected, legal and or contractual liability arising out of or connected with transport and/or delivery of cargo to an incorrect location (including but not limited to Storage in Transit or Temporary Storage), is not covered under the Policy.

IN THE EVENT OF NON-COMPLIANCE BY THE INSURED WITH ANY OF THE CONDITIONS PRECEDENT ABOVE, INSURERS WILL NOT BE LIABLE TO PAY THE CLAIM.

**ERRORS AND OMISSIONS ADDITIONAL COVER: SECTIONS 1 AND 2****SECTION 1**

This Additional Cover is ancillary to an effective Policy Schedule and covers legal and/or contractual liability for the negligent act Error or Omission by the Insured, its employees, or agents whilst acting within the scope of duty or authority and carrying out the legitimate business operations of the Insured, arising out of matters under clause 1 and clauses 2.1-2.4, subject to clauses 3-5:

- 1 a) documentary issuance and/or preparation;
- b) failure to follow written or prescribed documentary procedures;
- c) failure to follow and/or provide instructions;
- d) provision of advice or information;

- e) misdelivery, wrongful delivery or delay in delivery of cargo;
- f) declaration and/or description (including but not limited to weight) of cargo and/or container.

## **2 2.1 Incorporation of Conditions**

Failure to contractually incorporate the Insured's General Trading Terms and Conditions provided that the Insured proves that it has reasonable procedures to ensure contractual incorporation and that in the instance in question the General Trading Terms and Conditions were not incorporated due to an isolated negligent act Error or Omission of the Insured, its employees or agents.

## **2.2 Bills of Lading**

- a) Provision of incorrect Bill of Lading information, including but not limited to pre- or post- dating of the Bill of Lading;
- b) Unlawful deviation from the contractual voyage;
- c) On deck stowage in circumstances where the contract provides for under deck stowage;
- d) Port of loading and discharge, voyage, Vessel, cargo description weight number and quality, and date received for shipment and /or shipped on board;
- e) Delivery of cargo without production of Bill of Lading (or duly endorsed as appropriate) or delivery to unauthorised person, save that delivery of cargo under guarantee or indemnity is not covered under the Policy.

## **2.3 Fines and Duty**

Imposition by Customs and/or similar authority of a fine or duty but limited to the sum of EUR 100,000 any one incident or occurrence and in the aggregate relating to (a) provision of information and/or documentation (b) provision of a bond or Custom's guarantee (c) the issuance of a single administration document (SAD) or community transit document (CT) or other bond or guarantee for use by the Insured or in connection with carriage arranged by the Insured, provided that Insurers have been informed in writing of such bond, guarantee or document and an endorsement is made on the Policy.

## **2.4 Sub-contractors Insurance**

If any of the insured service is sub contracted it is a condition of the policy that:

- (a) that subcontracted road transport operators have valid & in date liability insurance in place with a minimum limit equal to that of the Insured any one occurrence and that the original insured check the adequacy of the subcontractor's insurance arrangement.
- (b) that the Insured has used their best endeavours not to contract with an uninsured subcontractor. In the event that this happens then the applicable policy limit will be reduced by 50% and the deductible will be doubled. [11]
- (c) If uninsured subcontractors are used then the limit will be reduced by 50% and the deductible will be doubled. Additionally, they will not be covered for



the transport of high value, temperature controlled, theft attractive or any project or out of gauge cargo.

The original insured must also check that the subcontractor is a bona fide company, is financially sound, operates roadworthy vehicles, holds the appropriate commercial licenses and is experienced in handling the declared cargo.

### 3 Condition precedent

Subject to the provisions of clause 2.1 above, it is a condition precedent to liability under clauses 1 and following above that in and about its business the Insured shall have taken all reasonable steps and have in place suitable workplace systems, including but not limited to written operational procedures and regular relevant training of employees. In the event of non-compliance by the Insured of this condition precedent, Insurers will not be liable to pay the claim.

### 4 Repeated or Multiple occurrences

Subject to the clauses above, legal and/or contractual liability arising out of or connected with (directly or indirectly) repeated or multiple negligent acts Errors or Omissions by the Insured its employees or agents, relating to (a) user calculation analysis or processing of information whether numerical or otherwise or (b) the provision or issuance of documentation and/or information, electronic or otherwise, shall be deemed to arise out of a series of separate incidents each one subject to the Policy deductible.

### 5 Exclusions

**Notwithstanding the above, Policy cover excludes liability arising out of or connected with:**

- 5.1 Failure to effect or arrange insurance including but not limited to cargo insurance requested by cargo interests and/or failing to carry out the instructions of cargo interests in relation to insurance cover
- 5.2 Liability to Customs or other authority under legislation or regulation providing for strict or absolute liability.

6 Nothing in Section 1 above relates to further Additional cover under Section 2: SOLAS VI Regulation 2, below.

### SECTION 2: SOLAS VI Regulation 2

This further Additional Cover is ancillary to an effective Policy Schedule and covers legal and/or contractual liability for the negligent act Error or Omission by the Insured, its employees, or agents whilst acting within the scope of duty or authority and carrying out the legitimate business operations of the Insured, arising out of matters under clause 1 below:

- 1 Weighing, verification and written declaration of the gross weight (mass) of a loaded Container under SOLAS VI Regulation 2 , where the Insured is the named shipper/merchant under a Bill of Lading and/or the Bill of Lading is made on behalf of the Insured;
- 2 It is a condition precedent to cover under clause 1 that:

- 1) The Insured has in place at all material times written operational procedures for weighing, verifying and declaring the gross weight of a packed Container under SOLAS VI Regulation 2, and
  - 2) All persons including but not limited to the Insured its employees or agents involved in weighing, verification and declaration procedures shall have regular relevant training and/or hold valid relevant certification and accreditation, and
  - 3) Weighing and/or other related equipment and instrumentation shall be properly maintained calibrated tested and certified , and associated records are kept, and
  - 4) The written gross weight declaration is made and signed by or on behalf of the shipper/merchant.
- 3 Legal and/or contractual liability under clause 1 shall include:
- a) Re-weighing costs;
  - b) Storage;
  - c) Quay rent;
  - d) Container detention/demurrage;
  - e) Repacking Costs;
  - f) Additional documentation and administration fees;
  - g) Fines;
  - h) Penalties;
  - i) Damage/loss to a Vessel , Vessel's Equipment, Handling Equipment, other Container, or Cargo;
  - j) Loss/damage howsoever caused to any person other than the contractual carrier under the Bill of Lading;
  - k) Loss/damage arising out of late declaration of gross weight of a Container to a relevant person including but not limited to (i) Vessel owner/operator or person acting for and
- on behalf of the aforesaid (ii) the port/Container terminal operator or person acting for and on behalf of the aforesaid.
- 4 There is a sub-limit of EUR 50,000 any one incident or occurrence and annual aggregate limit of EUR 50,000 under Section 2: SOLAS VI Regulation 2.

**IN THE EVENT OF NON-COMPLIANCE BY THE INSURED WITH ANY OF THE CONDITIONS PRECEDENT ABOVE, INSURERS WILL NOT BE LIABLE TO PAY THE CLAIM.**

**WAREHOUSEKEEPER'S ADDITIONAL COVER – INSURED ONLY IF LIMIT NOTED ON THE SCHEDULE**

## **1.0 COVERAGE**

This Cover is ancillary to an effective Policy Schedule and covers legal and/or contractual liability for the following :



- a) loss or damage to cargo in a Warehouse, except cargo on a Trailer or within a vehicle, as declared to Insurers and endorsed on the Policy, provided the cargo is in the care custody or control of the Insured or a party subcontracted to provide storage or warehousing;
- b) Consequential Loss arising from loss or damage to cargo as above, but subject to a sub-limit of EUR 30,000 per incident or occurrence;
- c) duty payable other than under bond or guarantee, arising from loss or damage to cargo as above, but subject to a sub-limit of EUR 150,000 per incident or occurrence and in the aggregate any one Policy year;

## 2.0 SPECIAL CONDITIONS

The following matters under clauses 2.1, 3.1 and 3.2 are conditions precedent to Insurer's liability:

### 2.1 A Warehouse shall be:

- (i) reasonably suitable in all respects for the warehousing of the cargo, have all applicable licences and fully comply with all laws and regulations relating to construction, installations, security, safety and fire, and
- (ii) shall be operationally alarmed to manufacturer's specification for fire and theft at all material times including but not limited to when the warehouse is unattended, the alarm to be linked to the police, fire service or other third party security, and
- (iii) shall be locked and all openings securely closed when unattended.

## 3.0 TRADE CONDITIONS/BUSINESS PROCEDURES

- 3.1 The Insured shall contract under General Trading Terms and Conditions that shall be seen and approved by Insurers and endorsed on the Policy, provided that in the event of non-compliance with this requirement, if the non-compliance was as a result of negligent acts or omissions on the part of the Insured and/or its employee, Insurers shall be liable up to a maximum of EUR 100,000 any one incident or occurrence and in the aggregate in any one Policy year.
- 3.2 The Insured shall in and about its business have in place at all material times written operational procedures including but not limited to procedures relating to health and safety and/or hazardous cargo, and have in place suitable workplace systems and that employees shall have regular relevant training.

## 4.0 STOCK-TAKING LOSSES

Cargo which cannot be located or found in the Warehouse is not covered by the Policy, unless (a) the loss is notified to Insurers within 30 days of the cargo being recorded as having entered

the Warehouse (b) the Insured has in place standard procedures for recording the entry and exit into the Warehouse and movement of Cargo within the Warehouse and (c) there is no reasonable explanation for the loss.

## 5.0 USA WAREHOUSING

Where cargo is warehoused in the USA, Insurer's liability shall be limited to USD 0.50 per pound gross weight of the cargo.



IN THE EVENT OF NON-COMPLIANCE BY THE INSURED WITH ANY OF THE CONDITIONS  
PRECEDENT ABOVE, INSURERS WILL NOT BE LIABLE TO PAY THE CLAIM.



## 1.0 COVER

Subject to the Policy Form and General Policy Terms Conditions and Exclusions and subject to the Exclusions below ,this Policy covers legal and/or contractual liability of the Insured to a Third Party arising out of an Insured Operation for the following:

- 1.1 physical loss or damage to property;
- 1.2 death ,bodily injury or illness;
- 1.3 consequential loss arising out of any of the above, subject to a sub-limit of USD 2,500,000 any one incident or occurrence.

2.0 Where there is Third Party Liability Additional Cover under any applicable Schedule and the Third Party, to whom the Insured would be legally liable for loss/damage if the Third Party brought a direct claim against the Insured, instead brings a claim in contract for the same loss/damage against its own contracting party and that contracting party in turn brings a valid legal claim against the Insured for an indemnity, Insurers shall be liable under the Third Party Liability Additional Cover up to an amount that would have been legally recoverable from the Insured had the Third Party brought a direct claim against the Insured for legal liability of the Insured to the Third Party.

## 3.0 Exclusion

Liability relating to cargo stowed within a Container or secured on Carriage Equipment arising out of the ownership operation or lease of a Container or Carriage Equipment insured under the Container Schedule is excluded from Third Party Liability Cover.

4.0 Insurance under Third Party Liability Additional Cover is ancillary only to cover under any effective Schedule in the Policy.

## 5.0 Condition Precedent

It is a condition precedent to liability under the Third Party Additional Cover that in and about its business the Insured shall have taken all reasonable steps and have in place at all material times written operational procedures including but not limited to procedures relating to health and safety and/or hazardous cargo and also have in place suitable workplace systems and that employees shall have regular relevant training.

**IN THE EVENT OF NON-COMPLIANCE BY THE INSURED WITH ANY OF THE CONDITIONS PRECEDENT ABOVE, INSURERS WILL NOT BE LIABLE TO PAY THE CLAIM.**

**Additional Insured:** An Additional Insured is insured under this Policy to the same extent as the Insured and subject to the same rights and obligations for insured operations whether carried out by the Insured or the Additional Insured. In the event of a claim under the Policy by the Insured, Insurers may claim against the Additional Insured.

**Alternative Dispute Resolution procedures:** shall be referred to ADR.

**Aggregate Limit:** shall mean the total sum payable in the Policy Period for indemnity claims and costs but less any deductible, and the words "in the aggregate" shall be construed accordingly. In no event shall the Aggregate Limit exceed the Policy Cover Limit.

**Bill of Lading:** shall include a negotiable and/or non-negotiable combined transport/port to port bill of lading, waybill, or similar contract of carriage.

**Carriage Equipment:** shall mean any equipment used for the transportation of cargo.

**Charterer:** shall include a Charterer and Slot-Charterer. Charter Party and charter shall be construed accordingly. A Slot Charterer is a party chartering space (slots) on a vessel, but not the whole vessel.

**CMR :** shall mean the Convention on the Contract for the International Carriage of Goods by Road and/or the Carriage of Goods by Road Act 1965.

**Co-Insured:** A Co-Insured is insured to the same extent as the Insured and subject to the same rights and obligations for insured operations whether carried out by the Insured or the Co-Insured. In the event of a claim under the Policy by the Insured, Insurers shall not claim against the Co-Insured.

**Consequential Loss:** Direct loss and/or damage arising out of and referable to other insured loss and/or damage, but excluding loss of profit, business interruption, market or revenue.

**Container:** shall mean a standard container including but not limited to refrigerated containers, high cubes and open tops, transportable tanks or flat racks, all in conformance with ISO standards and used for the transportation of cargo.

**Costs:** shall mean fees and expenses relating to surveyors, adjusters, lawyers, experts and other professional advisers.

**Employee:** shall mean any person employed by the Insured or a self-employed person contracted by the Insured.

**Error / Omission:** denotes an act or conduct or failure or omission to act that in each case as aforesaid is negligent (thus not an intentional or reckless act or omission, which is excluded from the Policy).

**Excluded cargo:** shall mean:

- a) Bullion and precious metals
- b) Bank notes , coins, cheques and credit cards
- c) Bonds, negotiable instruments, securities, and other financial instruments
- d) Jewellery, works of art, antiques and precious stones
- e) Live animals, birds, reptiles, fish and insects.



**Excluded Contract Terms:** shall include any oral or written contract terms and conditions (a) to ship or deliver by a specified time/date or (b) providing for a higher limit of liability or greater responsibility than under the Policy (unless agreed by Insurers) or (c) providing for a declared or agreed value of cargo.

**FIATA:** means International Federation of Freight Forwarders Associations.

**Freight Services:** shall mean the provision of services relating to freight forwarding.

**General Trading Terms and Conditions:** shall mean standard contractual trading terms and conditions on which the Insured conducts its business, including but not limited to carriage by road, sea or air.

**Geographical Limit:** shall mean the geographical scope of the Policy.

**Greenwich Mean Time:** shall be referred to as GMT.

**Gross Weight:** shall mean the weight of the cargo together with weight of packaging, and weight of container if containerised.

**Handling Equipment:** shall mean equipment for the handling, lifting or movement of cargo and/or containers.

**Hazardous Cargo:** shall mean cargo which is inherently dangerous or liable by virtue of its state or nature to cause loss/damage or give rise to the risk of loss/damage to other property or persons.

**High Risk Cargo:** shall mean:

- a) wines, spirits and other alcoholic beverages
- b) cigarettes and tobacco based products
- c) furs and leather, and clothes made from fur and leather
- d) televisions, plasma and other electronic screens; CD players, DVD players and other electronic players;
- e) computers, laptops, games consoles, MP3 players, I-pods and similar electronic items
- f) cellular or mobile phones of any description
- g) CD's, DVD's, Blue Ray discs, video tapes, electronic computer games, computer micro-chips
- h) clocks and watches, or parts of either.

**Incident or Occurrence:** shall mean any one incident or occurrence, or a series of incidents or occurrences arising from one event.

**Insolvency:** shall mean the inability to pay debts when due and payable.

**Institute Warranty Limits:** shall mean geographical limits as defined by the Institute of London Underwriters / International Underwriting Association from time to time.

**Insurance Act:** shall mean the Insurance Act 2015 including any amendment or re-enactment of any of its provisions.

**Insured:** shall mean the Insured on the Policy Form but does not include an associate, subsidiary, or other related company, corporation, association, partnership or individual (unless specified on the Policy Form).

**Insurers:** XXX Underwriting Limited acting on behalf of certain Underwriters at Lloyd's.

**In Transit:** shall mean in the normal course of transport between place of departure and final destination, and "Transit" shall be interpreted accordingly.

**ISM:** shall mean International Safety Management Code.

**Locked:** shall mean secured by means of a deadlock or mortise lock or other similar locking mechanism.

**Loss Payee:** shall mean the person or party (not being insured under the Policy) to whom payment shall be made in full discharge of a claim under the Policy.

**Policy Endorsement:** an endorsement issued in writing to amend the Policy.

**Policy Limit:** shall be the maximum sum including indemnity and costs that Insurers shall pay under the Policy to the Insured per Incident or Occurrence, less any applicable deductible

**Policy Period:** shall mean the period of Policy cover, from midnight (GMT) on the date of commencement to midnight (GMT) on the date of expiry, unless otherwise specified on the Policy Form.

**Property:** shall include real and personal property.

**Reckless :** shall mean careless or heedless of consequence and shall include but not be limited to (a) ignoring the likely consequence of an act or omission and (b) the concept of "gross negligence" as may be applied in a legal system other than in England and Wales.

**Safe Working Load:** shall mean the maximum permitted load specified for equipment by the manufacturer or as may be authorised under any law, legal directive or regulation.

**Schedule Limit:** shall be the maximum sum including any claim indemnity and costs less deductible that Insurers shall pay to the Insured under a Schedule per Incident or Occurrence. In no event shall a Schedule Limit exceed the Policy Cover Limit.

**Schedule:** shall form part of the Policy where effected and a Schedule contains details of financial and geographical limits, deductibles and Policy Covers, limits and limitations effected.

**Ship's Agent:** shall mean an agent representing a principal involved with but not limited to ownership or operation of a vessel.

**Seepage and Pollution:** shall include but not be limited to discharge, dispersal, release or escape of smoke, vapour, soot, fumes, alkalis, toxic substances or derivatives (any chemical, oil ,oil refuse or mixed waste or other irritant, contaminant or pollutant) into or upon land, the atmosphere, property, persons, animals or other living creatures, watercourse or body of fresh or salt water.

**Servant:** shall mean an employee or individual including a self-employed person, contracted by the Insured.

**SOLAS:** shall mean International Convention for the Safety of Life at Sea.

**Storage in Transit:** shall mean storage reasonably ancillary to the transport of cargo including but not limited to customs clearance, whilst cargo is in In Transit.

**Sub-Contractor:** shall mean a party engaged under a subordinate contract by another party which has itself contracted for work.

**Sub-limit:** shall be the maximum sum including claim indemnity and costs less deductible payable under the Policy per Incident or Occurrence, irrespective of Policy Cover Limit, Schedule Limit or Aggregate Limit.





**Temporary Storage:** shall mean storage of cargo, not exceeding fourteen days in duration , in a Warehouse or secure building suitable for care of the type nature and value of cargo in question, not being Storage in Transit.

**“Third Party”:** shall mean any person or legal entity other than a party with whom the Insured contracts.

**Total Loss:** subject to Clause 3.0 of the Container Schedule (if applicable), total loss shall mean actual total loss and shall include constructive total loss.

**Trailer:** shall mean chassis and/or trailer.

**Transport Equipment:** shall include (but not be limited to) a vessel, aircraft, road vehicle, container or trailer.

**USA:** shall mean the United States of America.

**US COGSA:** shall mean the United States Carriage of Goods by Sea Act 1936 as may be amended.

**Vessel:** shall mean a motor ship navigable in inland waterway and/or at sea.

**Vessel's Equipment:** shall mean vessel's hull machinery and equipment including but not limited to derricks and cranes.

**Warehouse:** shall mean a purpose built and designed building for the secure storage and warehousing of cargo but shall exclude the area outside the building whether used for storage or otherwise and whether or not surrounded by a security fence and /or gate.

**Waste Cargo:** shall mean waste cargo which is subject to the prior notification and consent procedures under the Regulations of the European Union on the shipments of waste.

**Wilful:** shall mean deliberate or intentional.



**GENERAL POLICY TERMS, CONDITIONS AND EXCLUSIONS (SUBJECT TO THE POLICY GENERAL GUIDANCE TO THE INSURED)**

**Where the Policy provides for anything to be done by the Insured within a specified period, unless expressly stated to the contrary, time for performance is of the essence of the Policy.**

## **1.0 INDEMNITY**

- 1.1 Payment under this indemnity Policy will only be made to the Insured or Loss Payee and only in relation to a claim arising out of an incident or occurrence during the Policy period upon provision of a written discharge as required by Insurers.
- 1.2 Other than cover under the Port and Terminal Handling Equipment Schedule (Loss and Damage) and Container Schedule, Policy cover is for the legal and/or contractual liability of the Insured.
- 1.3 This Policy is non-assignable and shall not benefit a third party under the Contracts (Rights of Third Parties) Act 1999.
- 1.4 The Marine Insurance Act 1906 as amended will apply to marine risks under this Policy, save as amended by express terms and conditions and the General Guidance to the Insured incorporated into the Policy.
- 1.5 This Policy shall comprise General Guidance to the Insured, the Policy Form, Schedule(s), Terms and Conditions applicable to the effective Schedules, Endorsements, General Policy Terms Conditions and Exclusions, Definitions, Additional Cover wording and Policy variations as agreed, which shall all be read together and construed as one contract.

## **2.0 ERRORS AND OMISSIONS**

- 2.1 Liability arising out of a negligent act error or omission under the Errors and Omissions Additional Cover is not insured under the Policy unless Errors and Omissions Additional Cover is effected.
- 2.2 Insurer's liability in respect of claims insured under Errors and Omission Additional Cover shall cease 24 calendar months after the expiry of the Policy, unless Insurers have been previously notified of a claim. Where the Policy is renewed the 24 calendar month period shall run from the expiry of the period as renewed.

## **3.0 DUTY OF FAIR PRESENTATION**

- 3.1 The Insured shall be under a duty of fair presentation of risk prior to and at the inception of the Policy (as may be varied or renewed) as set out in the General Guidance to the Insured, and Insurers shall have the rights as set out in the General Guidance to the Insured.
- 3.2 The Insured, its servants, or agents shall disclose to Insurers any change in material information or circumstance during the Policy Period. Failure to comply shall entitle Insurers to avoid a claim arising from failure to disclose.

## **4.0 CLAIMS NOTIFICATION**



It is a condition precedent to Insurer's liability in relation to a claim under the Policy that the Insured and /or its employees and/or agents shall give to Insurers notice in writing and copies of relevant documents in relation to the following:

- 4.1 any incident or matter that would likely result in a claim under the Policy;
- 4.2 notification of any claim , whether or not made in writing, holding the Insured responsible for any matter for which the Insured may claim to be indemnified under the Policy;
- 4.3 any legal or administrative step process, procedure notification submission statement of case pleading Court proceeding arbitration, mediation or alternative dispute resolution;
- 4.4 Notice as aforesaid to Insurers shall be given as soon as is reasonably practicable but in any event no later than 5 working days of any matter under clauses 4.1-4.3 above. In the event of non-compliance, Insurers may avoid liability for any claim under the Policy.

## **5.0 CLAIMS PROCEDURE**

It is a condition precedent to Insurer's liability in relation to a claim under the Policy (so that in the event of non-compliance Insurers may in their sole option avoid liability for the claim under the Policy) that the Insured: -

- 5.1 shall continue to keep Insurers fully informed of material developments in any matter under Clause 4.2 above and provide copies at no cost to Insurers of all relevant documents
- 5.2 shall take, procure or permit any step or action, including but not limited to provision to Insurers of documentation (at no cost to Insurers) and information, as may reasonably be required by Insurers for the purpose of (a) investigating and/or defending any claim or legal step or process against the Insured and/or (b) enforcing any right or remedy and/ or (c) obtaining relief (including but not limited to security) or indemnity from any other party to which Insurers shall or become entitled or subrogated upon paying any claim regardless of whether such action shall be or become necessary or required before indemnification by Insurers;
- 5.3 shall give proper and timely notice to any other party and ensure that any time limit or other legal step or procedure is protected;
- 5.4 shall take reasonable steps to avoid, minimise or mitigate loss/damage or liability. Insurers shall indemnify the Insured for any costs/expense thereby incurred subject to prompt notice in writing to Insurers and subject to Policy limits;
- 5.5 shall not admit liability or agree to compromise or settle any claim unless authorised by Insurers;

## **6.0 COSTS AND CLAIMS HANDLING**

- 6.1 It is a condition precedent to Insurer's liability in relation to a claim under the Policy (so that in the event of non-compliance Insurers may at their sole option avoid liability for the claim under the Policy) that Insurers shall have the sole right (at Insurer's cost and expense without application of deductible but subject to Clause 6.4 below) to appoint and/or retain surveyors, adjusters, lawyers, experts and other professional advisors , and the sole right to control claims investigation, defence and handling.
- 6.2 Should Insurers agree in writing to claims investigation, defence and handling by the Insured, subject to Clauses 5.1, 5.3, 5.4 and 5.5 and provided costs are not referable to a claim under the deductible (even if the amount of costs when added to the claim exceeds the deductible), Insurers shall pay reasonable costs incurred by the Insured in the investigation, defence and handling of a claim but in no circumstances shall this include staff and management costs of the Insured.

6.3 Agreement by Insurers in relation to a claim under Clause 6.2 above shall not be taken or construed as similar agreement by Insurers in relation to any other claim (whenever occurring) under the Policy.

6.4 Subject to Clause 6.5 below, Insurers shall pay reasonable costs incurred with their prior written consent relating to monies owed to the Insured, if those monies are being withheld by a third party solely due to a claim for which the Insurers may be liable under the Policy.

6.5 If costs exceed the Policy Limit, Schedule Limit, Sub-Limit or Aggregate Limit, or if costs combined with any amount payable under the Policy exceed any applicable limit, Insurers shall not be liable to pay that portion of the costs that exceeds the applicable limit.

6.6 Claims control by Insurers under Clause 6.1 or Insurer's consent to the incurring of costs or the requirement that the Insured takes, permits or procures any step or action, or any other requirement or request whatsoever by Insurers, shall not be construed as an admission of liability by Insurers under this Policy.

## **7.0 INSURER'S RIGHT TO SETTLE**

7.1 Where, in the sole opinion of Insurers, a claim under the Policy should be settled or compromised with a Third Party, the Insured may be required to settle or compromise the claim.

7.2 If the Insured unreasonably refuses to settle or compromise the claim after Insurers have required such course to be taken, Insurers may discharge their Policy obligations either:

- a) by payment to the Insured of a sum representing the amount at which the claim could (in the opinion of Insurers) have been settled or compromised less the applicable deductible, or
- b) if the claim might have been settled or compromised under such deductible, then by giving written notice to the Insured that Insurers consider their liability to have been discharged, and by giving such notice Insurers shall be discharged from liability in respect of the claim.

## **8.0 SUBROGATION**

It is a condition precedent to Insurer's liability that the Insured shall take all reasonable steps to enable Insurers to pursue a subrogated claim, including but not limited to the provision to Insurers of a form of written subrogation as required by Insurers and, where also required, formal assignment of claim.

## **9.0 PREMIUM PAYMENT WARRANTY**

Premium is strictly payable to Insurers in full in accordance with payment terms, without deduction set-off or counterclaim. Insurers shall give written notice of non-payment of premium under payment terms and failing payment within 7 clear days of the notice, Insurer's liability under the Policy will be automatically discharged. Payment to the Insured's Broker shall not constitute payment to Insurers. This clause excludes any rights conferred on the Insured by clauses 10 and 11 of the Insurance Act 2015.

## **10.0 BROKERS**

The Insured's insurance broker shall be deemed to be the agent of the Insured at all times. Where Insurers pay a commission to a broker it shall not be construed as an appointment of the broker as agent of Insurers and such commission shall be disclosed to the Insured if requested. Any information held by the broker concerning the Insured or otherwise relevant to the Policy is



#### **11.0 POLICY COVER LIMITS/DEDUCTIBLES**

- 11.1 The Policy Cover Limit shall apply even where an Incident or Occurrence falls under more than one effective Schedule and/or more than one Additional Cover, where combined limits would but for this clause exceed the Policy Cover Limit.
- 11.2 Where a claim falls under more than one Schedule/Additional Cover or combination as aforesaid, the claim as limited by the Policy Cover Limit will be apportioned pro rata between the applicable Schedule/Additional Cover and the deductible (if any) under each shall then be applied.

#### **12.0 DOUBLE INSURANCE**

If a claim under the Policy is insured under another policy of insurance or the claim would have been so insured but for avoidance of cover by other insurers, then the claim shall not be payable under this Policy.

#### **13.0 CANCELLATION AND RENEWAL**

- 13.1 Insurers and the Insured respectively may give the other 60 clear days written notice of cancellation under the Policy and upon cancellation there shall be a pro rata return of the premium subject to any minimum and deposit premium applicable, except that 7 clear days written notice may be given in respect of any cover in respect of War (whether or not declared), hostilities, civil war, rebellion, civil strife or commotion, terrorist act (or act by any person acting from political ideological or religious motive), weapons of explosion, detonation of a nuclear device, strike, lockout, stoppage, or labour disturbance.
- 13.2 Insurers shall be under no obligation to renew a Policy, nor to give notice of non-renewal, nor to give any reason for non-renewal.

#### **14.0 SUB-CONTRACTORS**

- 14.1 The Insured shall take reasonable care to ensure that any agent or subcontractor used is reasonably competent. In the event of failure to comply with the aforesaid Insurers may avoid a claim if thereby prejudiced.
- 14.2 The Insured shall take reasonable care to ensure that any agent or sub-contractor used shall have (a) sufficient financial means to satisfy any claim by the Insured and (b) have relevant, adequate and valid insurance cover. Should the Insured fail to comply with the aforesaid and Insurers are thereby prejudiced, Insurers may reduce the amount payable under the Policy by the amount attributable to failure to comply;
- 14.3 Clause 14.1 above shall not apply to the specific provisions of section A(B)1.4 of the Terms and Conditions applicable to Freight Services referable to sub-contractor's conditions of carriage and insurance.

#### **15.0 EXCLUDED CLAIMS**

Claims arising out of, caused by, or connected with (directly or indirectly) the following are excluded and not covered under the Policy:

- 15.1 Death, bodily or mental injury or illness relating to inhalation, ingestion or absorption of asbestos, tobacco or tobacco based products and coal dust;

- 15.2 Repetitive strain or stress whether physical or mental;
- 15.3 Infringement of a right under the European Convention on Human Rights or any enactment thereof ;
- 15.4 Sexual, racial or other discrimination;
- 15.5 Contract of employment , service contract, contract for supply of labour , employment practice, employer's liability or workman's compensation legislation, and disability / unemployment benefit;
- 15.6 The operation, use, management, ownership, lease, rental or licence of a motor vehicle, trailer, chassis or similar motorised conveyance which is covered by any law, statute, rule, regulation or directive (including but not limited to licensing) of any government (local or national) or international body relating the insurance of motor vehicles;
- 15.7 The use of any office building or office premises owned, leased or licensed by the Insured;
- 15.8 Charter of a vessel except under Charterer's Liability Schedule;
- 15.9 Operation or business activity of the Insured not notified to and agreed by Insurers;
- 15.10 Operation or business activity of the Insured outside the geographical limits or specified location under the Policy Cover;
- 15.11 Property including but not limited to containers and transport equipment owned or leased by the Insured or licensed out by the Insured to a third party;
- 15.12 Fine or penalty for breach of any law, statute, rule, regulation, customs regulation or directive, except where insured under Errors and Omissions Cover, subject to the terms and conditions thereof;
- 15.13 Unlawful, illegal, fraudulent, or dishonest act or omission by the Insured or its employees (other than theft of cargo by an employee) or by the Insured's agents;
- 15.14 Any Intentional or Reckless act or omission by the Insured or its employees
- 15.15 Seepage and/or Pollution, as defined, unless:
- Third Party Liability Cover is effected and
  - Seepage and/or Pollution is sudden and unexpected, and
  - Seepage and/or Pollution does not result from failure to comply with any international, national, or local law, rule, regulation or directive and
  - The Seepage and/or Pollution occurs during the period of the Policy, and
  - The Seepage and/or Pollution is notified to Insurers within 30 clear days of the occurrence, whether continuous or not.
- Insurer's liability shall not in any event exceed USD 2.500.000 per incident or occurrence and USD 2.500.000 in the aggregate;
- 15.16 1.1 Ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- 1.2 The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- 1.3 Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;



- 1.4 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;
- 1.5 Any chemical, biological, bio-chemical, or electromagnetic weapon;
- 15.17 War (whether or not declared), hostilities, civil war, rebellion, civil strife or commotion, terrorist act (or act by any person acting from political ideological or religious motive), weapons of explosion, detonation of a nuclear device, but this exclusion shall not apply if such claims arise at sea. In any event, where there is outbreak of war involving any of the United States of America, Russia or former CIS States, People's Republic of China and European Union Member States this exclusion shall apply;
- 15.18 Strike, lockout, stoppage, or labour disturbance unless arising during vessel loading or unloading operations or within port confines;
- 15.19 Piracy, capture, seizure, arrest, restraint, detainment or any consequences of any of the aforesaid;
- 15.20 Confiscation, expropriation, nationalisation, requisition, detention, destruction or damage under the order or direction of any government or public, local or customs authority;
- 15.21 Libel, slander or malicious statement;
- 15.22 Insolvency or financial default of the Insured or a contracting party with the Insured;
- 15.23 Exercise of a lien and/or possessory claim (whether or not lawful) over property owned leased or licensed by the Insured, or bailed by the Insured;
- 15.24 Failure by the Insured to obtain payment from or to pay a party with whom the Insured has contracted or any third party;
- 15.25 Punitive, exemplary, aggravated, multiple or compound damages;
- 15.26 The Safe Working Load of any equipment overloaded other than for the purpose of inspecting or testing;
- 15.27 Inherent vice, latent defect or error in design or manufacture;
- 15.28 Error, fault, breakdown or defect in operation or function of Computer Equipment, computer or machinery programming or in data processing including but not limited to the sending or receipt of emails and data accessible via the internet;
- 15.29 Mechanical or electrical breakdown or derangement of any communication equipment or alarm system;
- 15.30 Incidents or Occurrences outside the Geographical Limits, Period of Insurance, Insured Location, Insured Operations and Policy Limits.

## 16.0 HAZARDOUS CARGOES/WASTE CARGOES

It is a condition precedent to liability of Insurers that the Insured shall have taken all reasonable steps and have in place suitable workplace systems, including but not limited to written operational procedures and regular relevant training of employees, to comply with all relevant and applicable laws, regulations and/or statutory provisions relating to the carriage handling and storage of hazardous and/or waste cargoes. It is a further condition precedent that the Insured shall have taken reasonable steps to ensure that any sub-contractor has applicable written

operational procedures and undertakes regular relevant training of its employees to ensure compliance as aforesaid.

## 17 SANCTION LIMITATION AND EXCLUSION CLAUSE

No Insurer shall be deemed to provide cover and no 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 the Insurer to any sanction, prohibition or restriction imposed under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

## 18 COMPUTERS ,SYSTEMS and SOFTWARE

- 18.1 Subject only to clause 18.2 below , in no case shall this insurance cover loss damage liability or expense directly caused by or contributed to, by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any electronic system.
- 18.2 Where this Policy covers 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 18.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system computer software programme, or any electronic system in the launch and/o guidance system and/or firing mechanism of any weapon or missile.

## 19 WORDS & HEADINGS

All words in the singular shall include, where the context permits, the plural and vice versa.

## 20.0 ALTERNATIVE DISPUTE RESOLUTION

- 20.1 In the event of dispute under the Policy, Insurers and Insured agree that they will first seek in good faith to resolve the dispute by submitting the matter to ADR, including but not limited to mediation;
- 20.2 Both parties will use best endeavours to expedite resolution and to complete ADR, which may take place outside England to facilitate the ADR, within three calendar months
- 20.3 By entering into ADR, neither Insurers nor Insured shall have waived nor be deemed to have waived their right to submit disputes to adjudication by the Turkey Court as below and all matters in the ADR procedure shall be and remain private and confidential.

## 21. DISPUTES

This Policy shall be subject to and construed according to Turkish Law. All disputes shall be submitted to the exclusive jurisdiction of the High Court of Justice, Turkey, to the exclusion of all other Courts.

## PREMIUM PAYMENT TERMS:

NET PREMIUM:

CONFIDENTIAL

TAX:

CONFIDENTIAL

GROSS PREMIUM:

CONFIDENTIAL





**Instalment Dates:**

14.07.2020	CONFIDENTIAL
14.10.2020	CONFIDENTIAL
14.12.2020	CONFIDENTIAL
14.02.2021	CONFIDENTIAL

**INSURED**

Bati Nakliyat ve Ticaret A.S.

**INSURANCE COMPANY**

UNICO SIGORTA A.Ş.