HANSON LOGISTICS LIABILITY INSURANCE POLICY

Hanson Insurance Services Limited A/F Certain Underwriters at Lloyd's
35/F, Morrison Plaza, 9 Morrison Hill Road, Wanchai, Hong Kong
Tel.: 2891 0298 Fax: 2891 7063
Website: www.hansongroup.hk

INSURING CLAUSE

The Proposal Form and other information submitted by you is the basis of this Policy. In consideration of the payment of the Premium specified in the Schedule, we agree, subject to the Schedule, General Exclusions, General Conditions and the terms of the respective applicable Section(s), to indemnify you to the extent and in the manner hereinafter provided.

In the event that the terms appearing in any Section are inconsistent with the General Exclusions and General Conditions, the former shall apply.

If for any reason any portion of this Policy shall be held invalid or unenforceable, it is agreed that this will not affect the validity or enforceability of the remainder of this Policy. Further, you and we agree that if any of this Policy provisions are determined to be invalid or unenforceable, such provision or provisions shall be deemed removed from this Policy for purposes of enforcing it. Any such deletion will only apply in the jurisdiction in which it is made, provided, further, that if any provision is considered unenforceable to its fullest extent, you and we agree that such provision shall nonetheless be enforceable to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought.

DEFINITIONS AND QUALIFICATIONS

The following definitions and qualifications apply, unless the context requires otherwise. Individual sections of coverage may also contain definitions and these are to be read in conjunction with those listed below. Words in the masculine include the feminine and vice versa. Words in the singular include the plural and vice versa.

Approved Contract : A contract which has been agreed in writing by us.
Approved Standard Trading Conditions : Standard terms of trading, including conditions of storage or carriage, which have been agreed in writing by us.
Bodily Injury : All physical injury to a person, including death, sickness, disability and disease.
Cargo : Goods capable of being transported by land, sea, water or air and including packaging material or a Container that is neither owned nor supplied by the person presenting the goods for shipment. Unless otherwise agreed by us, Cargo excludes trailers or any licensed vehicles, plants, flowers, living creatures, cash, bullion, bonds, treasury notes, securities, stamps, manuscripts, deeds, documents, lottery tickets, plans and the like, jewellery, precious stones, precious metals or articles made from them, works of art and other high value or precious goods.
Condition Precedent : A provision of this Policy with which you must strictly comply.
Container : A unit load device, including a rigid container and derivatives therefrom, tank containers and the like, generally complying with the definition in Article II Clause 1 of the current International Convention for Safe Containers. Also, including flats and pallets, spares and accessories in every day usage to perform the Insured Service.
Contractual Carrier : A person who has entered into an agreement to carry Cargo.
Discretion : Absolute and unfettered discretion.
Document : This term includes any permanent or semi-permanent record of information whether on paper or in a digital format, whether or not requiring electronic processing.
Expiry Date : The date identified as such in the Schedule.
General Exclusions and General Conditions : Mandatory terms and conditions and warranty applying to the Policy issued by us.
Inception Date : The date identified as such in the Schedule.
Insured Service : The business identified as such in the Schedule.
Joint Insured : The party or parties described as such in the Schedule and having a financial interest with the Main Insured.
Limited Charter : Your operation as a charterer but restricted only to space, slot or voyage chartering, without taking on any administration, operation or technical maintenance of the vessel nor recruitment or employment of crews on behalf of the vessel owner.
Limited Charter Vessel : The vessel you have entered into a Limited Charter agreement.
Main Insured : The party described as such in the Schedule.
Occurrence : A fortuitous happening that takes place at an identified time and place. This shall mean loss or damage arising directly or indirectly from one event.
Policy : The INSURING CLAUSE, DEFINITIONS AND QUALIFICATIONS, SECTION 1, 2, 3 and/or 4 but only if specified as such in the Schedule, GENERAL EXCLUSIONS, GENERAL CONDITIONS and SCHEDULE together shall form the Hanson Logistics Liability Policy.

Policy Limit : The relevant Policy Limit as set out in the Schedule.
Policy Period : The period described as such in the Schedule.
Premium : The agreed sum(s) that you pay in recognition of the agreement between us as evidenced by this Policy. When Premium is to be paid in installments or other stages, this term includes each installment or stage separately.
Project Cargo : Substantial movements of commodities to facilitate the construction of a commercial project during a known and demonstrable period of time.
Reckless Act or Omission : An act or omission made with an awareness of the possible consequences, but an indifference as to whether they might result.
Schedule : The Schedule forming part of this Policy.
Special Cargo : Any of the following type(s) of lawful goods or merchandise:

1. Wine, spirit and other alcoholic beverage.
2. Cigarette, cigar, tobacco and other tobacco based product.
3. Fur, leather and garment or item made from fur and/or leather.
4. Computer, server, hard drive, micro-chip, memory card/stick, electronic display, audio, video and/or gaming equipment, device, media and software of all kinds, including parts, accessories, components and peripherals of all kinds.
5. Clock and/or watch, including parts, accessories, components and peripherals of all kinds.
6. Cellular or mobile telephone of all kinds, including SIM-card, parts, accessories, components and peripherals of all kinds.

Territorial Limit : As described in the Schedule. References to any country shall include the territorial waters of that country.
Third Party : Any person, party or entity but excluding you or us.
Third Party Property : Tangible Property belonging to a Third Party. Third Party Property does not include Cargo or any property belonging to or leased to or chartered to you.
Third Party Property Damage : Physical loss of or damage to or destruction of Third Party Property, including loss of use of the property so lost, damaged or destroyed.
We or we : The Insurers as specified in the Schedule. We or we also mean the Underwriters. Us or us and Our or our shall be construed accordingly.
Writing : This include facsimile, telex, printing and any other permanent method of representing words in a visible form, including email.
You or you : The Main Insured and/or any Joint Insured. Where there is more than one Insured, you applies to each of you as well as all of you. Your or your shall be construed accordingly.

SECTION 1 – CARGO AND VESSEL LIABILITY (This Section is in force only if specified as such in the Schedule. It insures losses occurring during the Policy Period. The coverage granted by this Section is subject to the Schedule, General Exclusions and General Conditions of this Policy.)

1. Cargo Liability
   A. We will indemnify you in respect of your liability following fortuitous loss of or damage to Cargo, including consequential loss, and arising from your Approved Standard Trading Conditions.
   B. In respect of consequential loss, we will pay only up to a limit of HK$400,000 any one Occurrence, unless otherwise agreed by us in writing.
   C. In respect of Special Cargo, we will pay only up to a Limit of HK$800,000 or the Policy Limit (including duties and taxes), whichever is the lesser, any one Occurrence, unless otherwise agreed by us in writing. If an indemnity is provided under this clause, any additional amount of such claim shall not be recoverable under any other Section of this Policy.
   D. In all cases nothing shall be construed as a waiver of your Approved Standard Trading Conditions.
   E. If you engage in the movement of Project Cargo, then it is a Condition Precedent to cover being in place that all such movements are notified to us prior to that transport commencing.
2. Vessel Liability
   A. We will indemnify you in respect of your liability to the Limited Charter Vessel arising from Limited Charter and only if Limited Charter is specified as an Insured Service in the Schedule.
3. General Average and Salvage
   A. We will indemnify you in respect of General Average and Salvage contributions for which you are liable.
   B. It is a Condition Precedent to making a claim that you have, at your own expense, taken all reasonable steps to obtain recovery from the party or parties concerned.
4. Exclusions
   In no case shall insurance under this Section cover loss, damage, liability or expense caused by:
   A. Inherent vice, ordinary leakage, ordinary loss in weight or volume or ordinary wear and tear.

B. Defective or unsuitable packing or preparation of the Cargo for carriage by your customer, or any other person claiming an interest in the Cargo concerned, unless you are legally responsible as an owner of Cargo having issued negotiable way-bills in the operation of the Insured Service. In such cases we will indemnify you, but only to the extent that such loss or damage is recoverable in accordance with the terms and conditions enacted by you or imposed upon you by Act or Statute.

C. Breach of professional duty by reason of any negligent act, error or omission committed or alleged to have been committed by any of you or any of your directors or any person employed at the material time by any of you, in your professional capacity.

D. Loading of the Limited Charter Vessel with Container and/or Cargo in excess of the limits permissible by the authorities concerned.

Nothing in this clause shall be construed as a waiver of restrictions to this Policy that apply in respect of your liability arising in the United States of America or Canada, unless to the extent that we have agreed otherwise.

SECTION 2 – THIRD PARTY LIABILITY (This Section is in force only if specified as such in the Schedule. It insures losses occurring during the Policy Period. The coverage granted by this Section is subject to the Schedule, General Exclusions and General Conditions of this Policy.)

1. We will indemnify you in respect of your liability to pay damages to a Third Party imposed by law and arising from the Insured Service. In addition, we insure you for the tort liability of another party which you assume under an Approved Contract. Liabilities insured hereunder are in respect of:
   A. Bodily Injury, and/or
   B. Third Party Property Damage.
2. Exclusions:
   In no case shall insurance under this Section cover:
   A. Liability for any claim arising out of a service unless that service is insured under the Policy.
   B. Third Party Liability arising from the ownership or as an occupier of any office building or premises unless such liability is arising out of a service and that service is insured under the Policy.
   C. Liability for Bodily Injury to any person arising from or incurred in the course of a contract of employment, service or apprenticeship of such person with you or your agent, contractor or sub-contractor of any tier.
   D. Liability arising from or connected with the ownership, possession or operation of any aircraft, watercraft or mechanically propelled vehicle on a road designated for public usage.
   E. Liability for loss of or damage to property:
      1) belonging to, on hire, leased, or rented by or lent to you.
      2) in your custody or held in trust by you.
   F. Liability arising out of goods or products manufactured, sold or distributed by you, including any Container, chassis or trailer.
   G. Liability arising from breach of professional duty by reason of any negligent act, error or omission committed or alleged to have been committed by you or your directors or any person employed at the material time by you, in your professional capacity.

SECTION 3 – PROFESSIONAL INDEMNITY LIABILITY (This Section is in force only if specified as such in the Schedule. The insurance coverage provided is on a "claims made during the Policy Period" basis and this is described below in more detail. The coverage granted by this Section is subject to the Schedule, General Exclusions and General Conditions of this Policy.)

1. A. We will indemnify you in respect of your legal and/or contractual liability for any claim which is first made against you during the Policy Period for any negligent act, error or omission committed or alleged to have been committed by you or your agents or any person employed at the material time by you whilst carrying out the Insured Service stated on the Policy Schedule, arising out of the following:
      1) preparation and/or issuance of documentation;
      2) clerical and/or documentary procedures;
      3) delay in performing the Insured's contractual obligations;
      4) failure to follow and/or provide instructions;
      5) provision of advice or information;
      6) mis-delivery or wrongful delivery of cargo; and
      7) declaration or description of cargo.

   B. It is a Condition Precedent to your right to be indemnified under this Section that you give to us immediate notice in writing of:

1) Any claim made against you and the receipt of notice from any person of an intention to make a claim against you.
2) Any circumstance of which you become aware during the Policy Period which is likely to give rise to a claim against you. If such notice is given and accepted in writing by us and later gives rise to a claim which is within the scope of this Section, whether made during or after the Policy Period, such claim shall be deemed for the purpose of this Policy to have been first made during this Policy Period and we will indemnify you accordingly.

C. We will indemnify you for reasonable legal fees and expenses incurred with our written consent in the defence or settlement of any such claim.

D. In no circumstances whatsoever shall we indemnify you in respect of any act, error or omission committed or alleged to have been committed before the Retroactive Date stated in the Schedule.

2. Exclusions:

In no case shall insurance under this Section cover claims arising from:

A. Breach of any duty, regulation or statute by your principal, director or executive officer, including anything that can more properly be described as the accountability of "Directors and Officers" (more commonly known as "D & O" Insurance) in their sole capacity as representing you as individuals or collectively, whether or not acting with the consent of any principal, director or executive officer.

B. Any offence occasioned by any person arising from or incurred in the course of a contract of employment, service or apprenticeship of such person with you or your agent, contractor or sub-contractor of any tier.

C. Any announcement by any means whatsoever on your part in any media publication or broadcast by any telecommunication system whatsoever.

D. You acting as an intermediary for offering, arranging or placing for your customer any insurance business.

E. Any fine or penalty for breach of any law, statute, rule, regulation or directive including but not limited to fine or penalty imposed by a Customs Authority or Governmental Authority (local or national).

F. Defamation (libel or slander), wrongful arrest, constraint or confinement of a person or malicious prosecution.

SECTION 4 – FINES AND PENALTIES LIABILITY (This Section is in force only if specified as such in the Schedule. The insurance coverage provided is on a "claims made during the Policy Period" basis and this is described below in more detail. The coverage granted by this Section is subject to the Schedule, General Exclusions and General Conditions of this Policy.)

1. We will indemnify you in respect of your liability for any claim which is first made against you during the Policy Period, provided always that such claim arose from the Insured Service provided during the Policy Period, for:

A. Notwithstanding General Exclusions 1.D.4), sums which you are legally liable to pay to an Authority or a Third Party in satisfaction of fines or penalties resulting from:

1) Innocent misdescription of the nature or quantity of Cargo manifests, waybills, bills of lading, mates' receipts and Document prepared for the purpose of customs clearance.
2) Innocent breach of:
   a) Regulations concerning the import and export of goods.
   b) Regulations concerning documentation in relation to Cargo whether imported or exported.
   c) Customs or immigration law.
   d) Regulations in respect of safe working conditions.

In the context of this clause, Innocent means without deliberate wrongdoing.

B. Notwithstanding General Exclusions 3.B., sums which you are legally liable to pay to a Third Party in satisfaction of a claim made against you in respect of Third Party Property confiscated by an Authority but only when as a direct result of the commission of acts of the type listed in Clause 1.A. of this Section.

2. Exclusions

In no case shall insurance under this Section cover claims arising from:

A. Any offence committed by your principal, director or executive officer, including anything that can more properly be described as the accountability of "Directors and Officers" (more commonly known as "D & O" Insurance) in their sole capacity as representing you as individuals or collectively, whether or not acting with the consent of any principal, director or executive officer.

B. Any offence committed with the knowledge or consent of you or your principal, director or executive officer.

C. Any fine or penalty levied by the Federal Maritime Commission of the United States of America in respect of:

1) Failure to post a required tariff.
2) Failure to post a bond.
3) Failure to appoint an agent.
4) Any offence of strict liability arising from the completion of customs documents.

D. Any offence concerning Bodily Injury to any person arising from or incurred in the course of a contract of employment, service or apprenticeship of such person with you.

GENERAL EXCLUSIONS

1. This Policy does not insure:
   A. Loss, damage, liability or expense arising directly or indirectly from the carriage of passengers.
   B. Loss, damage, liability or expense to the extent that it is caused or aggravated by your deliberate or Reckless Act or Omission, or that of your directors, officers or senior management.

   C. The ownership, leasing or chartering by you or on your behalf of any vessel or aircraft, other than the Limited Charter Vessel and only if Limited Charter is specified as an Insured Service in the Schedule.
   D. Liability to the extent that it consists of:
      1) Punitive, exemplary, aggravated or any other type of damages, fines or penalties, which are not purely compensatory.
      2) Penalty clauses, demurrage clauses, liquidated damages clauses or other such liabilities whether or not based on delay.
      3) Any liability that is pursued in the courts of a place that is outside the Territorial Limit.
      4) Direct or indirect liability for fines or penalties, whether criminal or administrative, except as specifically covered under SECTION 4 - FINES AND PENALTIES, if that Section is in force.
      5) Loss, damage, liability or expense directly or indirectly resulting from or incurred in the course of any activity that is illegal, criminal, fraudulent, dishonest and/or malicious committed alone or in collusion with others by you, your partner, director, employee, any one directly or indirectly authorized to act for you or any one to whom you have directly or indirectly entrusted the Cargo for any purpose, including their employee and agent.
      6) Loss, damage, liability or expense to the extent that it is caused by, contributed to or aggravated by insolvency or financial default of any person.
      7) Exposure to the natural consequences, including both mental and physical consequences, of trade involving the handling, inhalation or absorption of substances derived from asbestos, coal, lead, pesticides, drugs of any kind or any similar products.
      8) Loss, damage or liability discovered during stock-taking and any mysterious disappearance of property, except to the extent that you prove that the loss or damage can reasonably be attributed to a particular fortuitous insured event at a particular time and place.
      9) Loss arising out of discharge, dispersal, release, or escape of smoke, vapours, soot fumes, alkalis, toxic chemicals, liquids or gases, waste materials, oil or other petroleum substance or derivative, including any oil refuse or oil mixed wastes or other irritants, contaminants or pollutions, into or upon land, the atmosphere or any watercourse or any body of water.
         This exclusion shall not apply, however, provided that you can establish that all of the following conditions have been met:
         a) The Occurrence was accidental and was neither foreseeable nor intended by you.
         b) The Occurrence can be identified as commencing at a specific time and date during the Policy Period.
         c) You became aware of the Occurrence within 72 hours of its commencement.
         d) You reported the Occurrence to us within 30 days of having become aware of it.
         e) The Occurrence was not the result of your intentional or wilful violation of any governmental statute, rule or regulation.

         Nothing contained within this exclusion shall operate to provide any coverage with respect to:
         a) loss of or damage to or the loss of use of property directly or indirectly resulting from subsidence caused by any sub-surface operations carried out by you or on your behalf;
         b) removal of, loss of or damage to subsurface oil, gas or any other substance;
         c) any site or location used in whole or in part for the handling, processing, treatment, storage, disposal or dumping of any hazardous waste materials or substances or the transportation of any hazardous waste materials or substances.
      10) Loss, damage, liability or expense incurred in the course of any hazardous trade that has not been agreed in writing by us including, without limitation:
         a) Dredging, dumping of spoil, drilling, core sampling, oil production or distribution, cable-laying, blasting, pile driving and sub-sea operation.

         b) The carriage of Cargo that does not comply with the IMCO Dangerous Goods Code or other recognised code for the mode of transport utilised, unless you prove that you or your

directors, officers or senior management were not aware and could not reasonably have ascertained that such Cargo was being carried.

11) Loss, damage, liability, or expense arising from the adherence to or breach of rules of a Trade Association or similarly constituted body, such as a Line Conference or Freight Association, whether or not you are a member of such association or body at the time of such breach or at the time when any relevant allegation is made against you.

12) Any claim arising from a deliberate misrepresentation in a bill of lading or similar negotiable instrument or any attempt thereat.

E. Loss, damage, liability or expense resulting from or arising out of or connected in any way whatsoever with the delivery, release or discharge of Cargo by you or your agent or representative without presentation of the original Bill of Lading, Air Waybill, Carriage Order or other similar shipping Document by the consignee or the consignee's agent or representative, with or without your knowledge or agreement.

F. Loss, damage, liability or expense to Cargo originated from or destined to Balkans, Belarus, Comoros, Congo, Cuba, Iran, Iraq, Ivory Coast, Lebanon, Liberia, Myanmar (Burma), North Korea, Russia, Sudan, Syria, Ukraine, Zimbabwe and/or any countries that would expose the (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.

2. This Policy does not insure loss, damage, cost, Bodily Injury, personal injury, liability, alleged liability, expense, fine or penalty and/or duty to defend arising out of or resulting from any actual or alleged unlawful acts, whether such acts are or are alleged to be intentional or otherwise, relating to:

A. Any refusal to employ or retraction of any employment offer;

B. Any suspension or termination of employment of any person employed by you;

C. Any employment-related practices, policies, acts or omissions such as but not limited to:

1) The coercion, demotion, evaluation, reassignment, discipline, civil or criminal prosecution, defamation or humiliation of any person employed by you;

2) Discrimination or harassment of any nature whatsoever against any person employed by you, including but not limited to discrimination based on race, colour, creed, religion, sex, age, national origin, alienage, disability or sexual orientation;

D. Actual or alleged violations of the "Americans with Disabilities Act";

E. Claims made by relatives of any person at whom any of the foregoing is/are directed.

This exclusion applies:

A. Whether you may be liable as an employer or in any other capacity; and

B. To any obligation to share damages with or repay someone else who must pay damages because of injury.

3. Notwithstanding any other provision whatsoever, other than provisions referring specifically in this clause, this Policy does not insure loss, damage, liability or expense directly or indirectly caused by or contributed to or arising from:

A. War, civil war, revolution, rebellion, insurrection, military or usurped power, civil strife, civil commotion, civil unrest or riots, or any hostile act by or against a belligerent power, and the consequences of any of these.

B. Capture, seizure, arrest, restraint, detainment, confiscation, nationalization, requisition or pre-emption and the consequences of, or any attempt at any of these.

C. Derelict mines, torpedoes, bombs or other derelict weapons of war.

D. Strikers, locked-out workmen, or persons participating in labour disputes and disturbances, whether legal or otherwise, and the consequences of strikes, lock-outs, labour disputes and disturbances.

E. Destruction of or damage to property by or under the order of any Government or public or local authority.

4. This Policy excludes any loss, damage, liability or expense arising from terrorism and/or steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism. For the purpose of this clause, "terrorism" means any act(s) of any person(s) or organisation(s) involving the causing, occasioning or threatening of harm of whatever nature and by whatever means or putting the public or any section of the public in fear, in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organisation(s) concerned are wholly or partly of a political, religious, ideological or similar nature.

5. This Policy shall exclude and be free of any claim for any direct, indirect and/or consequential liability, expense and/or duty to defend arising out of exposure to mould, mildew or fungus.

This clause also applies to:

A. The cost of abatement, mitigation, removal or disposal,

B. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; and

C. Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.

6. This Policy does not insure loss, damage, liability or expense arising from or in any way connected, whether directly or indirectly, with:
   A. The actual or anticipated failure or inability of any computer or electronic device or component or system or embedded programming or software, whether or not belonging to or in the possession of the Main Insured or Joint Insured, in any of the following respects, but without prejudice to the generality:
      1) Correctly and unambiguously to assign any date to the correct day, week, year or century;
      2) Correctly to recognise, sequence or compute any date, which is or is intended to be beyond 31st December 1998;
      3) To continue to operate as it would have done had its current date, the true date and any other date relevant to any function being carried out by it been prior to 1st January 1999;
   B. The use of any arbitrary, ambiguous or incompletely defined date or date-like code in any data, software or embedded programme;
   C. Any measures taken with the intention of averting or minimising any of the above.
7. Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons (CL370).
   This clause shall be paramount and shall override anything contained in this Policy inconsistent therewith. In no case shall this Policy cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:
   A. Ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.
   B. The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
   C. Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
   D. The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this 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.
   E. Any chemical, biological, bio-chemical, or electromagnetic weapon;
8. Cyber Attack Exclusion (CL380).
   This clause shall be paramount and shall override anything contained in this Policy inconsistent therewith.
   A. Subject only to General Exclusions 8.B. below, in no case shall this Policy cover loss, damage, liability or expense, directly or indirect, 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.
   B. 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 apolitical motive, General Exclusions 8.A. above 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.
9. Notwithstanding anything to the contrary contained in this Policy, it is hereby agreed that the coverage afforded by this Policy does not apply to Bodily Injury, personal injury or Third Party Property Damage arising out of:
   A. Inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos; or
   B. The use of asbestos in constructing or manufacturing any goods, product or structure; or
   C. The removal of asbestos from any good, product or structure; or
   D. The manufacturing, transportation, storage or disposal of asbestos or goods or products containing asbestos.
10. 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 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, United Kingdom or United States of America.
11. Excluding absolutely, the provisions of the Contracts (Rights of Third Parties) Ordinance. This insurance does not inure to the benefit of any Third Party in respect of any right or benefit conferred upon you by the existence of this insurance.

GENERAL CONDITIONS

1. Main Insured and Joint Insured
   - A. You agree that the Proposal Form, which is incorporated into and forms the basis of this Policy, was signed on behalf of each of you and that any error or omission in the Proposal Form, shall be treated as an error or omission by each of you.
   - B. Any failure to disclose material information within the knowledge of any of you shall be treated as a failure to disclose by each of you.
   - C. You agree to be jointly and severally liable for the Premium.
   - D. You agree to pay the Premium within thirty (30) days from the Effective Date. This Policy shall be cancelled ab initio if you fail to do so.
   - E. Any Policy Limit shall be construed as a limit on the aggregate amount payable to you all.
   - F. Any notice given to the Main Insured shall be treated as good notice to each of you.
   - G. You irrevocably authorise the Main Insured to be your agent to agree, receive payment of and give a good discharge for claims due from us under this Policy. We may therefore pay to the Main Insured any sum due to any of you.
   - H. Where more than one party comprises the Insured, each of the parties shall for the purpose of this Policy be considered a separate and distinct entity and the word "Insured" shall be considered as applying to each party in the same manner as if a separate Policy had been issued to each of the said parties. We hereby agree to waive all rights of subrogation or action we may have or acquire against any of the aforesaid parties arising out of any Occurrence in respect of which any claim is made hereunder, provided nevertheless that nothing in this clause shall be deemed to increase the limit of indemnity in respect of any one accident or Occurrence as stated herein.
2. Your Duties
   - A. You will use your best efforts to ensure that at all times your agents, contractors, sub-contractors and co-venturers have relevant expertise and are reliable, honest and credit-worthy and maintain insurance or other financial resources commensurate with the risks they face.
   - B. You will at all times act in a prudent and business like manner and as if uninsured.
   - C. If any of you breach any of the above duties, we shall be entitled to reduce any claim to the extent that we reasonably consider that your breach has caused, contributed to or aggravated a claim made against us.
   - D. You must notify us of any increase in the risk within 7 days of your becoming aware of it. If the increase is material, we will alter the terms of this Policy to reflect the increased risk. If you fail to provide immediate notice and the increase in the risk is material, we will not be liable for any loss, damage, liability or expense which we would have excluded if the increase in the risk had been duly notified to us.
3. Your Trading Conditions
   - A. You agree that the terms on which you deal with your customers are and will be no less favourable than those contained in your Approved Standard Trading Conditions.
   - B. To the extent that you are, or are deemed by law to be, the carrier of goods, whether internationally or domestically, you agree that your liability to your customers shall be no more extensive than that which applies compulsory by law.
   - C. You will not agree to waive or increase such limits of liability as may be available to you, unless previously agreed by us in writing.
   - D. If you are in breach of this clause and we have agreed to provide an indemnity, the sum recoverable under this Policy will be restricted to such limitation amounts as would apply pursuant to the foregoing provisions of this clause.
4. Claims
   - A. It is a Condition Precedent to our liability that immediate and written notice is given to us of any circumstances of which any of you or any of your directors, officers or senior management become aware, which has given or may give rise to a claim under this Policy.
   - B. If you fail to comply with the requirement of General Conditions 4.A. above and thereafter accept in writing that such failure releases us from liability, then we may at our Discretion agree to provide a partial indemnity. The partial indemnity shall not exceed our estimate of the amount that would have been due if immediate notice had been given in accordance with General Conditions 4.A. above.
   - C. You will keep us fully informed of all facts and make available Document within your custody, possession or power in connection with any claim or circumstance which may give rise to a claim against us. You will allow us to take copies, including in digital format, of all such Document and allow access to your records, computer software and hardware to the extent necessary.
   - D. You will allow us and our agents to interview any person who is or was your director, officer, employee, manager or agent. As regards any person who was a director, officer, employee, manage or agent, you will use your best efforts to secure their co-operation.

E. You will not, without our prior written agreement, settle or admit liability for any claim which may be wholly or in part covered herein.

F. We may direct or control the handling of any claim or proceedings relating to any liability insured under this Policy. If you refuse to consent to any settlement recommended by us but decide to contest or continue to contest legal proceedings, then our liability shall not exceed the amount for which we could have settled the claim plus legal costs, in accordance with General Conditions 10. if appropriate, incurred to the date of your refusal.

G. In no circumstances whatsoever shall we be obliged to issue bonds or guarantees, save for General Average or Salvage Guarantees as may have been agreed by us.

H. In respect of loss, damage or delay arising prior to the completion of the contract of affreightment, on-carriage to the appointed destination will be by the same mode as the original mode of carriage unless we shall determine otherwise.

5. Appointment of Lawyers and Experts

When a claim is made against any of you in respect of which an indemnity may be payable under this Policy, we may appoint a lawyer or other expert on your behalf. We will pay the fees of a lawyer or expert so appointed. If, before our intervention, you have appointed a lawyer or expert, we shall only be liable to reimburse the reasonable fees of the lawyer or expert and then only on such basis as we shall at our Discretion decide.

6. Sue and Labour

A. We may sue and labour on your behalf. You agree to co-operate fully.

B. It is your duty and that of your agents in all cases to take such measures as may be reasonable for the purpose of averting or minimising loss, damage, liability or expense that is insured under this Policy.

C. If you obtain our prior approval of the steps you intend to take, we will reimburse expense incurred by you in fulfilling your obligations under General Conditions 6.B. Our liability under this clause shall be subject to the relevant limit and deductible and shall not be treated as a supplementary engagement.

D. General Conditions 4. shall prevail, in the event of any conflict with this clause.

7. Subrogation

A. You must take all necessary steps to preserve and pursue rights of recovery that may inure to our benefit. If requested by us, you must assign such rights of recovery to us.

B. If you obtain our written approval of the steps to be taken, we will reimburse expenses incurred by you in fulfilling your obligations under General Conditions 7.A. Our liability under this clause shall be subject to the relevant limit and deductible and shall not be treated as a supplementary engagement.

C. We are entitled to the benefit of any actual and potential recoveries from Third Parties who, whether through a civil wrong or breach of contract, may have caused or contributed to a claim recoverable under this Policy.

D. If any recovery is made prior to settlement of your claim, we shall be entitled to take credit for the recovery in quantifying our liability.

E. All recoveries and potential recoveries shall be held in trust first for the payment of reasonable legal or other experts' fees incurred in making the recovery, then for our benefit and finally for your benefit.

F. In apportioning the benefit of any recovery, the following principles will apply:

1) Interest shall be applied to all relevant sums, including Policy Limits, deductibles and all sums already paid by you or us, at the prime rate as published by HSBC Hong Kong for the currency concerned, in order to attribute to them a value as at the date of the recovery. The resulting figures shall be the basis for the allocation and distribution of the recovery.

2) Your claim shall be re-calculated as though payable by us on the day following the date of the recovery and the recovery shall be allocated and distributed to reflect the recalculation. In no circumstances however shall the making of a recovery result in our having to make any additional payment to you, save to account to you for interest notionally due pursuant to such re-calculation.

G. In no circumstances shall this insurance inure to the benefit of your contractor, sub-contractor, joint-venturer, customer or any other person.

H. You shall not, without our prior written consent, give any waiver of subrogation to any person not an Insured.

8. Deductibles and Policy Limits

A. In calculating our liability, credit will be given to us for any relevant deductible, as may be stated in the Schedule.

B. If a circumstance, accident or Occurrence gives rise to more than one claim, then the largest deductible alone shall apply.

C. The limit under each applicable insured Section shall, unless the contrary is stated, apply to limit our liability for any event or Occurrence or series of events or Occurrences arising out of one cause.

D. In no circumstances whatsoever shall our liability, including sue and labour, legal fees and costs, exceed the Policy Limit set out in the Schedule.

9. Territorial Limit
   This insurance only covers your Insured Service and risks situated within the Territorial Limit of this Policy.
10. Set-off
    We may effect a set-off against any sum due to any of you, in respect of outstanding debts to us. We may provisionally set-off against any sum due to any of you any damages claimed against any of you for breach of duties under this Policy, pending determination of our claims for such breach.
11. Coverage, Cancellation and Termination
    A. The insurance provided under this Policy shall, unless the Schedule otherwise provides, begin at 00.00 on the Inception Date and expire at 24.00 on the Expiry Date, local times.
    B. We may, in the event of non payment of Premium by you, on giving 7 days' written notice of cancellation referring to this clause to terminate this Policy ab initio. If this Policy is cancelled under this clause, no liabilities shall accrue against us after the effective time of termination, but liabilities accrued prior to then shall remain in force. We shall remain entitled to receive or retain Premium in proportion to the time on risk.
    C. We may, at our Discretion for any reason other than General Conditions 11.B. above, on giving 30 days' written notice of cancellation referring to this clause, terminate this Policy without giving a reason. You must give us 30 days' written notice of cancellation to terminate this Policy. If this Policy is terminated under this clause, no further liability shall accrue against us after termination comes into effect, but liabilities accrued prior thereto shall remain in force. We shall remain entitled to receive or retain Premium in proportion to the time on risk.
    D. The insurance provided by this Policy shall terminate automatically as regards all of you, in the event that any of you:
        1) As a natural person:
            a) Die.
            b) Are incapable of managing your property or affairs as determined by competent authorities.
            c) Become bankrupt or make an arrangement or composition with your creditors or a receiving order is made against you, or any of the equivalents in your country where the main business, the subject of such order, is situated or registered.
            d) You cease to have any interest in the subject of this insurance.
        2) As a corporate entity:
            a) A receiver, trustee, administrator or liquidator, whether provisional or otherwise, or any of the equivalent in your country is appointed where the main business, the subject of such appointment, is situated or registered, or an order is made for you to receive protection from your creditors or to be wound up. However, by prior agreement, we may at our Discretion waive this in the case of an amalgamation or reconstruction, not involving insolvency.
            b) You cease to have any interest in the subject of this insurance.
12. If the Premium of this Policy is based on a percentage of the gross receipt, you shall, within ninety (90) days after the expiry of the Policy Period or upon cancellation of this Policy, submit a declaration to us stating the actual gross receipt for the period this insurance has been in force. If the actual gross receipt is greater than the estimated gross receipt, you shall pay us a further amount representing the difference in premium. If the actual gross receipt is less than the estimated gross receipt, we shall refund to you an amount representing the difference in premium, subject always to the Minimum Premium specified in the Schedule.
13. You shall, at your own expense, maintain all such record(s) as deemed necessary for the purpose of calculating the actual gross receipt for the period this insurance has been in force and you agree, at all reasonable times, to allow us to inspect and obtain copy of all such record(s).
14. Fraud and Deliberate Misrepresentation and Non-Disclosure
    If you, or any of you, or any of your directors or officers deliberately mislead us, or attempt to do so, whether in connection with the negotiation of this Policy or any variation, extension, or renewal of it or in connection with a claim, we shall be entitled to declare this Policy void. In such a case, we will not be obliged to pay any further claims to any of you and will be entitled to recover from each of you in respect of any claims previously paid. For the purpose of this clause, “mislead" includes both making a misrepresentation and concealing facts.
15. Waiver
    No forbearance or delay by us shall result in a waiver of any of our rights.
16. Assignment
    You may not assign this Policy or any of its benefits.
17. Notices
    Any notice to you, or to any of you, will be valid if given in writing to the Main Insured.
18. No Third Party Benefit
    This Policy is not intended either to confer any benefit on any Third Party or to be enforceable by any Third Party.

19. Law, Jurisdiction and Arbitration
    A. This Policy is subject to Hong Kong law.
    B. Any claim by us for Premium due may be made at our option, either under the Arbitration Clause below, or in any Court having jurisdiction over any of you. You submit to the jurisdiction of the Courts in Hong Kong as regards such claims.
    C. All differences arising out of this Policy shall be determined by arbitration in accordance with the prevailing Arbitration Ordinance. If the parties fail to agree upon the choice of arbitrators or umpires, then the choice shall be referred to the Chairman for the time being of the Hong Kong International Arbitration Centre. It is expressly stipulated that it shall be a Condition Precedent to any right of action or suit upon the Policy that an arbitration award shall be first obtained. If we shall disclaim liability to you for any claim hereunder and such claim shall not within 12 months from the date of such disclaimer have been referred to arbitration under the provisions herein contained then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.
    D. This clause shall be treated as a separate contract, which will survive the termination of this Policy in any circumstance.
20. The subscribing Insurers' obligation under this Policy to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing Insurers are not responsible for the subscription of any co-subscribing Insurer who for any reason does not satisfy all or part of its obligation.
21. All summons, notice, or process to Lloyd's Underwriters is to be served upon Lloyd's General Representative for Hong Kong, 1220, Two Pacific Place, 88 Queensway, Hong Kong, who has the authority to accept service and to appear on the Lloyd's Underwriters' behalf.

WARRANTIES AND ENDORSEMENTS (applicable only if specified in the Schedule)

Additional Insured Endorsement

It is noted and agreed that as required by the written contract entered into by you, the party named in the Schedule as Additional Insured is added as Additional Insured to this Policy but only:

1. In respect of liability arising from the fault and negligence of you, and
2. To the extend as required under the said written contract, and
3. To the extent that such liability is recoverable under this Policy.

This Policy applies separately to each of you against whom claim is made or suit is brought. The inclusion of any person, firm or organization as an Insured shall not affect any right which such person, firm or organization would have as a claimant had such person, firm or organization not been included as an Insured.

Provided that:

1. The Additional Insured shall observe, fulfill and be subject to the terms and conditions of this Policy insofar as they can apply.
2. The total amount payable by the Insurer under this Policy, whether in respect of indemnity to any of the Main Insured and/or Joint Insured and/or Additional Insured, individually or jointly, shall not exceed the Policy Limit as specified in the Schedule.

Alarm Warranty

It is a Condition Precedent to our liability under this Policy that the alarm system installed at the warehouse will be:

1. Put into full and effective operation at all times when the warehouse is closed for business or whenever the warehouse is left unoccupied.
2. Maintained in good working conditions by a qualified alarm installing company throughout the currency of this Policy.

Detached Container Warranty

This Policy shall not be prejudiced in the event a Container containing the Cargo covered by this Policy is detached from the tractor and/or trailer for temporary storage at your fixed storage yard, provided that you must comply with the following minimum security requirements at such fixed storage yard:

1. Entry and exit controls;
2. 24-hour supervision; and
3. Perimeter fencing.

Fidelity Guarantee Extension Endorsement

Notwithstanding anything contained herein to the contrary, SECTION 1 – CARGO AND VESSEL LIABILITY of this Policy is extended to cover your liability for loss of Cargo caused directly by any fraudulent or dishonesty act committed alone or in collusion with others by you and/or your partner and/or your director and/or your employee during the Policy Period and discovered not later than twelve (12) months after the termination of employment of such employee or of this Policy, whichever occurs first.

Provided that the total amount payable by us during the continuation of this Policy with such Fidelity Guarantee Extension, irrespective of how many times the Policy with such Fidelity Guarantee Extension has been renewed, shall not exceed the limit specified in the Schedule for this Extension, which is part of and not in addition to the Policy Limit of SECTION 1 – CARGO AND VESSEL LIABILITY of this Policy.

The following shall be deducted from any amount otherwise payable as indemnity under this Extension:

1. any money of the employee in your possession,
2. any money which but for the fraudulent or dishonesty act of the employee would have been due to the employee from you, and
3. the Deductible specified in the Schedule for this Extension.

You and we shall share any other recovery, excluding insurance and reinsurance and any counter security taken by us, made by either on account of any loss in the proportion that the amount of the loss borne by each bears to the total amount of the loss.

You shall not continue to entrust the employee with the Cargo after having knowledge of any material fact tending to cast doubt on the honesty of such employee.

For clarity, this Extension shall not cover loss of Cargo caused directly by any fraudulent or dishonesty act committed alone or in collusion with others by any one directly or directly authorized to act for you or any one to whom you have directly or indirectly entrusted the Cargo for any purpose, including their employee and agent.

We shall not be liable for loss of interest or consequential loss of any kind.

Inclusive Limit Endorsement – Section 2 Only

Notwithstanding anything contained herein to the contrary, it is noted and agreed that in respect of Section 2 – Third Party Liability:

1. "Costs" shall form part of and not in addition to the Policy Limit of this Policy.
2. "Costs" and any amount payable or indemnifiable under this Policy shall together be subject to the deduction of the applicable Policy Deductible.

For the purpose of this Endorsement, "Costs" shall be defined as any and all costs and expenses incurred under General Condition 5. Appointment of Lawyers, Experts, Adjusters and Investigators and General Condition 6. Sue and Labour.

Limitation of Liability Endorsement

You shall trade and continue to trade under Approved Standard Trading Conditions. In the absence of the Approved Standard Trading Conditions, our maximum liability under this Policy shall be limited to the amount as specified in Schedule per kilogram of gross weight of the Cargo lost or damaged.

Presentation of Bill of Lading Extension Endorsement

Notwithstanding anything contained herein to the contrary, SECTION 3 – PROFESSIONAL INDEMNITY LIABILITY of this Policy is extended to cover your liability for loss, damage, liability or expense resulting from or arising out of or connected in any way whatsoever with the delivery, release or discharge of Cargo by you or your agent or representative without presentation of the original Bill of Lading, Air Waybill, Carriage Order or other similar shipping Document from the consignee or the consignee's agent or representative, provided that:

1. Such delivery, release or discharge of Cargo is done by your agent or representative without your express agreement.
2. Our maximum liability under this Extension shall not exceed the limit specified in the Schedule for this Extension on any one Occurrence and in the aggregate in any one Policy Period, which is part of and not in addition to the Policy Limit of SECTION 3 – PROFESSIONAL INDEMNITY LIABILITY of this Policy.

Special Cargo Extension Endorsement

This Policy is extended to cover your liability for loss of or damage to Special Cargo up to the amount as specified in the Schedule for this Endorsement, which is part of and not in addition to the Policy Limit of SECTION 1 – CARGO AND VESSEL LIABILITY of this Policy.

Supplementary Payments Extension Endorsement

It is noted and agreed that SECTION 1 – CARGO AND VESSEL LIABILITY of this Policy shall be extended to cover the following Supplementary Payments:

1. Uncollected Cargo – extra costs incurred solely by the total failure of the consignee to collect or remove the Cargo at the place of delivery, provided that the following shall be deducted from the payment of such extra costs:
   A. Costs which you would have incurred in any event.
   B. Proceeds from the sale of the Cargo.
   C. Sums which you can recover from anyone else.
2. Completion of Carriage – costs incurred to complete your contractual obligation to transport the Cargo to the place of delivery, provided that such costs are:
   A. Arising solely from the failure of your subcontractor (or person acting on its behalf) to pay or to pay promptly its debts.
   B. Additional to costs which you would have incurred in any event.
3. Disposition of Cargo – costs of disposing the Cargo following an accident.
4. Quarantine and Disinfection – costs of quarantine and disinfection, including fumigation, of the Cargo following an accident.

It is further noted and agreed that our maximum liability on any or all of the above said Supplementary Payments shall not exceed HK$200,000 any one Occurrence and in the aggregate in any one Policy Period, which is part of and not in addition to the Policy Limit of SECTION 1 – CARGO AND VESSEL LIABILITY of this Policy.

Typhoon Warranty

When Typhoon Signal No. 3 or higher is hoisted, you shall adopt preventive measures, including but not limited to, lowering the height of Container, stepping Container in pyramid type, tie down Container, setting locking cone wherever and whenever it deemed fit, feasible and practical. You shall limit receiving and delivering Container and stop from receiving and delivering Container when container terminals in Hong Kong are closed for business. You shall continue to adopt the above said preventive measures for as long as practically feasible until such time when container terminals in Hong Kong are re-opened for business.

Unattended Cargo Exclusion Endorsement

This Policy does not insure any loss, damage, liability or expense incurred as a result of the Cargo being left unattended in any public areas, except in circumstances you or your representative have to unavoidably leave the Cargo unattended within the compound of the Hong Kong Customs or the China Customs for the purpose of custom clearing.

Unattended Vehicle Exclusion Endorsement

This Policy does not insure any loss, damage, liability or expense incurred as a result of the Cargo being left in or on any unattended vehicle, except in circumstance you or your representative have to unavoidably leave the vehicle with the Cargo unattended:

1. Within the compound of the Hong Kong Customs or the China Customs for the purpose of custom clearing.
2. For rest break, provided that at all times during such rest break:
   A. Such vehicle shall be parked in a recognized and designated parking area for road haulier.
   B. All doors and windows of such vehicle, or that of the trailer and/or Container attaching to such vehicle shall be securely closed and locked.
   C. All keys to such vehicle, or that of the trailer and/or Container attaching to such vehicle shall be kept in a secure place away from such vehicle.
   D. The alarm and GPS tracking systems of such vehicle, or that of the trailer and/or Container attaching to such vehicle, if installed, shall be activated and put into effective use.
   E. The driver of such vehicle shall remain within the immediate vicinity of such vehicle. For the purpose of this Endorsement, immediate vicinity shall mean an area within a radius of not exceeding 50 meters of such vehicle.
3. For parking overnight or during day time other than circumstances described in Clause 1. and/or 2. above, provided that at all times during such parking:
   A. Such vehicle shall be parked in a fully enclosed and locked location or legally licensed parking facility with 24 hours security guard or watchman.
   B. All doors and windows of such vehicle, or that of the trailer and/or Container attaching to such vehicle shall be securely closed and locked.
   C. All keys to such vehicle, or that of the trailer and/or Container attaching to such vehicle shall be kept in a secure place away from such vehicle.
   D. The alarm and GPS tracking systems of such vehicle, or that of the trailer and/or Container attaching to such vehicle, if installed, shall be activated and put into effective use.