



This is to certify that in accordance with the authorization granted under the Contract, the number of which is specified in the Schedule, to Hanson Insurance Services Limited by certain Underwriters at Lloyd's, whose definitive numbers and the proportions underwritten by them, which will be supplied on application, can be ascertained by reference to the said Contract which bears the Seal of Lloyd's Policy Signing Office, the said Underwriters are hereby bound, severally and not jointly, their Executors and Administrators, to insure in accordance with the terms and conditions contained herein or endorsed hereon.

INSURING CLAUSE

The Proposal Form and other information submitted by the Insured shall form the basis of this Policy. In consideration of the payment of the Premium specified in the Schedule, the Insurer agrees to indemnify the Insured to the extent and in the manner as hereinafter provided.

DEFINITIONS

The following definitions shall apply to this Policy. Words in the masculine include the feminine and vice versa. Words in the singular include the plural and vice versa. Any word or expression to which a specific meaning has been assigned shall bear such meaning throughout.

Deductible shall mean the amount specified in the Schedule of this Policy as Deductible which shall be deducted from each and every adjusted loss which is otherwise payable under this Policy.

Policy shall mean this policy, including the Schedule, Clauses, Warranties and/or Endorsements which altogether shall be read as one document.

Territorial Limit shall mean the operating area of the Property Insured.

Underwriters are interchangeable with Underwriter, Insurer or Insurers.

Writing includes facsimile, telex, printing and any other permanent method of representing words in a visible form, including email.

SCOPE OF COVERAGE

The Insurer agrees that if at any time during the Period of Insurance, the Property Insured or any part thereof, whilst at the Territorial Limit, shall suffer any unforeseen and sudden physical loss or damage from any cause not otherwise excluded, the Insurer will pay the Insured the value of the Property Insured at the time of the happening of such loss or damage or at the Insurer's option reinstate or replace such property or any party thereof, provided that the liability of the Insured shall in no case exceed:

1. in respect of any item its Sum Insured or in the whole the Total Sum Insured at the time of such loss or damage, or
2. if any other loss or damage shall have occurred during the same Period of Insurance, the Sum Insured remaining after payment for such loss or damage unless the Insurer shall have agreed to reinstate any such Sum Insured.

This Policy shall apply whether the Property Insured is at work or at rest, or being dismantled for the purpose of cleaning or overhauling or in the course of the aforesaid operations themselves or in the course of subsequent re-erection, but in any case only after successful commissioning.

LIMIT OF LIABILITY OF THE INSURER

The liability of the Insurer, before the application of Deductible, shall not exceed the Sum Insured of any item or in whole the Total Sum Insured specified in the Schedule or any Endorsement(s) of this Policy.

EXCLUSIONS

The Insurer shall not be liable for:

1. the Deductible stated in the Schedule to be borne by the Insured.

2. loss or damage due to electrical or mechanical breakdown, failure, breakage or derangement, freezing of coolant or other fluid, defective lubrication or lack of oil or coolant, but if as a consequence of such breakdown or derangement an accident occurs causing external damage, such consequential damage will be indemnifiable.
3. loss of or damage to replaceable parts and attachments such as bits, drills, knives or other cutting edges, saw blades, dies, moulds, patterns, pulverizing and crushing surfaces, screens and sieves, ropes, belts, chains, elevator and conveyor bands, batteries, tyres, conducting wires and cables, flexible pipes, jointing and packing materials regularly replaced.
4. loss or damage due to explosion of any boiler or pressure vessel subject to internal steam or fluid pressure or of any internal combustion engines.
5. loss of or damage to vehicles designed and licensed for general road use unless these vehicles are exclusively used on construction sites.
6. loss of or damage to waterborne or craft.
7. loss or damage due to total or partial immersion in tidal waters.
8. loss or damage whilst in transit unless otherwise agreed by the Insurer.
9. loss or damage as a direct consequence of the continual influence of operation (e.g. wear and tear, corrosion, rust, deterioration due to lack of use and normal atmospheric conditions).
10. loss or damage occurring whilst the Property Insured is undergoing a test of any kind or is being used in any manner or for any purpose other than that for which it was designed.
11. loss of or damage to plant and/or machinery working underground unless otherwise agreed by endorsement.
12. loss or damage directly or indirectly caused by or contributed to or arising from:
 - A. war, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, by:
 - 1) any government or sovereign power, de jure or de facto, or by any authority maintaining or using military, naval or air forces; or
 - 2) military, naval, or air forces; or
 - 3) an agent or any such government, power, authority or forces;
 - B. any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
 - C. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence;
 - D. seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.
13. by nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this Policy. But whenever this Policy does insure against the peril of fire, then the preceding clause will NOT be effective, and the following clause will apply: by nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this Policy, however, subject to the forgoing and all provisions of this Policy, direct loss by fire resulting from nuclear reaction, radiation or radioactive contamination is insured against by this Policy.
14. loss or damage due to any faults or defects existing at the time of commencement of this Policy within the knowledge of the Insured or his representative, whether such faults or defects were known to the Insurer or not.
15. loss or damage directly or indirectly caused by or arising out of or aggravated by the wilful act or wilful negligence of the Insured or his representatives.
16. loss or damage for which the supplier or manufacturer is responsible either by law or under contract.
17. consequential loss or liability of any kind or description.

18. loss or damage discovered only at the time of taking an inventory or during routine servicing.
19. arising from the insolvency or financial default of the Insured.
20. **Cyber Attack Exclusion (CL380).** This clause shall be paramount and shall override anything contained in this Policy inconsistent therewith.
- A. subject only to Clause B. below, in no case shall this Policy cover loss, damage, liability, cost 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 a political motive, Clause 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.
21. **Electronic Date Recognition Exclusion**
This insurance excludes loss or damage caused by, resulting from, contributed to or made worse by the failure of any owned or non-owned:
- A. computer system, computer equipment, hardware, program or software; or
 - B. micro-chip, integrated circuit or similar device in computer equipment or non-computer equipment;
- to correctly recognize any date as its true or correct date. Losses which ensue from such failure are only insured against if they are caused by or resulted from fire, lightning, explosion, aircraft or vehicular impact, failing objects, windstorm, hail, tornado, hurricane, cyclone, riot, strikes, civil commotion, vandalism, malicious mischief, theft or freezing of plumbing or sprinkler system.
- This exclusion also excludes costs or expenses incur by the Insured to repair or modify any:
- A. computer system, computer equipment, hardware, program or software; or
 - B. computer equipment or non-computer equipment containing a micro-chip, integrated circuit or similar device,
- in order to correct deficiencies or failures of logic or operation.
22. **Terrorism Exclusion**
Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- For the purpose of this exclusion, an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government (s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.
- This exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.
- In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
23. **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.

In any action, suit for other proceeding where the Insurer allege that by reason of the provision of Exclusion 12 to 16 and 22 above, any loss, destruction or damage is not covered by this Policy, the onus of proving that such loss, destruction or damage is covered shall be upon the Insured.

CONDITIONS

1. The due observance and fulfilment of the terms of this Policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statement and answers in the questionnaire and proposal made by the Insured shall be a condition precedent to any liability of the Insurer.
2. The Schedule shall be deemed to be incorporated in and form part of this Policy and the expression "this Policy" wherever used in the contract shall be read as including the Schedule. Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such meaning wherever it may appear.
3. The Insured shall at his own expense take all reasonable precaution and comply with all reasonable recommendations of the Insurer to prevent loss or damage and comply with statutory requirement and manufacturer's recommendations.
4.
 - A. Representative of the Insurer shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representative of the Insurer with all details and information necessary for the assessment of the risk.
 - B. The Insured shall immediately notify the Insurer in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require, and the scope of cover and/or premium shall, if necessary, be adjusted accordingly.

No material alteration shall be made or admitted by the Insured whereby the risk is increased, unless the continuance of the cover provided under this Policy be confirmed in writing by the Insurer.
5. In the event of any occurrence which might give rise to a claim under this Policy, the Insured shall:
 - A. Immediately notify the Insurer in writing, giving an indication as to the nature and extent of loss or damage.
 - B. Take all necessary steps within his power to minimize the extent of the loss or damage.
 - C. Preserve the parts affected and make them available for inspection by a representative or surveyor of the Insurer.
 - D. Furnish all such information and documentary evidence as the Insurer may require.
 - E. Inform the police authorities in case of loss or damage due to theft or burglary.

The Insurer shall not in any case be liable for any loss or damage of which no notice has been received by the Insurer within fourteen (14) days of its occurrence.

Upon notification being given to the Insurer under this condition, the Insured may carry out the repairs or replacement of any minor damage. In all other cases, a representative of the Insurer shall have the opportunity of inspecting the loss or damage before any repairs or alterations are affected. If a representative of the Insurer does not carry out the inspection within a period of time which could be considered adequate under the circumstances, the Insured shall be entitled to proceed with the repairs or replacement.

Nothing contained herein shall prevent the Insured from taking such steps as are absolutely necessary for the upkeep of operations at the respective construction site.

The liability of the Insurer under this Policy in respect of the Property Insured sustaining damage shall cease if the Property Insured is not repaired properly without delay.
6. The Insured shall at the expense of the Insurer do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Insurer in the interest of any right or remedies or of obtaining relief or indemnity from parties (other than those insured under this Policy) to which the Insurer shall be or would become entitled or subrogated upon their paying for or making good any loss or damage under this Policy, whether such acts and things shall be or become necessary or required before or after the Insured's indemnification by the Insurer.
7. If any difference shall arise as to the amount to be paid under this Policy, such difference 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 hereby expressly stipulated that it shall be a condition precedent to any right of action or suit upon this Policy that an arbitration award shall be first obtained.
8.
 - A. If the proposal or declaration of the Insured is not true in any material respect, or if any claim made is fraudulent or substantially exaggerated, or if any false declaration or statement is made in support thereof, then this Policy shall be void and the Insurer shall not be liable to make any payment hereunder.
 - B. In the event of the Insurer disclaiming liability in respect of any claim and if an action or suit is not

commenced within three (3) months after such disclaimer or (in the case of arbitration taking place in pursuance of Condition 7 of this Policy) within three (3) months after the Arbitrator or Umpire have made their award, all benefit under this Policy in respect of such claim shall be forfeited.

9. This Policy may be cancelled at any time:
- A. by the Insured on notice to that effect being given in writing to the Insurer, in which case the Insurer will retain the customary short period rate for the time the Policy has been in force or the Minimum Retained Premium, whichever is the greater; or
 - B. by the Insurer on seven (7) days' advance notice to that effect being given in writing to the Insured's last known address, in which case the Insurer shall be liable to repay on demand a rateable proportion of the Premium for the unexpired term from the date of the cancellation.

provided that no refund of Premium for the unexpired term shall be made by the Insurer had any claim been made by the Insured under this Policy during the Period of Insurance immediately preceding such date of termination.

The short period rate specified in Clause 9. A. above shall be calculated in accordance with the following table:

<u>Number of month or part thereof being insured</u>	<u>Percentage of Premium to be charged</u>
1	10
2	20
3	30
4	40
5	50
6	60
7	70
8	80
9	85
10	90
11	95
12	100

10. If in respect of any claim under this Policy the Insured shall be entitled to indemnify under any other policy of insurance, the coverage provided by this insurance shall apply as excess insurance over and above any such other policy of insurance.
11. Any person or entity who is not a party to this Policy shall have no rights under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the laws of Hong Kong) to enforce any terms of this Policy.
12. No action in law or in equity shall be brought against the Insurer to recover on this Policy unless brought within one (1) year from the happening of the loss unless the claim of which is the subject of pending legal action or arbitration.
13. 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.
14. 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.
15. This Policy shall be subject to the laws of Hong Kong.

CLAUSES AND/OR WARRANTIES AND/OR EXTENSIONS AND/OR ENDORSEMENTS (applicable only if specified in the Schedule)

TRANSIT CLAUSE

It is noted and agreed that this insurance is extended to include loss or damage to the Property Insured whilst in transit unless more specifically insured (by road, rail, waterway or air), provided that the liability of the Insurer shall not exceed the Sum Insured as specified in the Schedule.

Subject otherwise to the terms, conditions and exclusions of this Policy.

REPLACEMENT COST EXTENSION ENDORSEMENT

It is a requirement for the cover provided under this Policy that the Sum Insured shall not be less than the cost of replacement of the Property Insured by new item of the same kind, quality and capacity.

For the purpose of this extension, replacement cost shall include freight, customs, duties, dues and erection cost, if any and if applicable.

If the Sum Insured is less than the amount required to be insured, the Insurer will pay only in such proportion as the Sum Insured bears to the amount required to be insured. Every item if more than one shall be subject to this condition separately.

In the event of any loss or damage, the basis of any settlement under this Policy shall be as follows:

1. In case where damage to the Property Insured can be repaired, the Insurer will pay the expenses necessarily incurred to restore the damage to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repair as well as ordinary freight to and from a repair shop, custom duties and dues, if any, to the extent such expenses have been included in the Sum Insured. If the repair is executed at a workshop owned by the Insured, the Insurer will pay the cost of materials and wages incurred for the purpose of the repair plus a reasonable percentage to cover overhead charges.
No deduction shall be made for depreciation in respect of parts replaced, but the value of any salvage shall be taken into account.
All damage which can be repaired shall be repaired but if the cost of repair as detailed hereinabove equals or exceeds the actual value of the Property Insured immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in 2. below.
2. In case where the Property Insured is totally destroyed, the Insurer will pay the actual value of the Property Insured immediately before the occurrence of the loss, including cost of ordinary freight, custom duties and dues, and erection, if any and if applicable, to the extent such expenses have been included in the Sum Insured. Such actual value to be calculated by deducting proper depreciation from the replacement value of the Property Insured. The value of any salvage shall be taken into account.

Any extra charges incurred for overtime, night-work, work on public holidays or express freight shall be covered by this Policy only if prior agreement in writing be given by the Insurer.

The cost of any alterations, additions, improvements or overhauls shall not be recoverable under this Policy.

The cost of any provisional repair will be borne by the Insurer if such repair constitute part of the final repair and do not increase the total repair expenses.

The Insurer will make payment only after being satisfied by the production of the necessary bills and documents that the repair have been effected or replacement has taken place, as the case may be.

Subject otherwise to the terms, conditions and exclusions of this Policy.