

**BASIS OF VALUATION  
AND**

**LOSS SETTLEMENT:**

**(A) New Interest**

The cost of manufacture / suppliers invoice cost, plus insurance, plus freight including all duties and taxes, plus 10%.

**(B) Second-hand Interests**

In respect of Second-hand Interests, "As Declared" by the Assured subject to:

- a maximum of the Original Purchase Price or
  - the Second-hand Replacement Value (Subject to the 100% co-insurance clause contained herein)
- whichever the lesser, plus any additional freight, packing or similar transit costs incurred.

**DEDUCTIBLE:**

Nil

**CONDITIONS:**

Institute Cargo Clauses (A) CL382 dated 1/1/09.

Institute Cargo Clauses (Air) CL387 dated 1.1.09

Institute War Clauses (Cargo) CL385 dated 1.1.09.

Institute War Clauses (Air Cargo) CL388 dated 1.1.09.

Institute War Clauses (Sendings by Post) CL390 dated 1.3.09.

Institute Strikes Clauses (Cargo) CL386 dated 1.1.09.

Institute Strikes Clauses (Air Cargo) CL389 dated 1.1.09

Institute Cyber Attack Exclusion Clause CL380 dated 10/11/2003.

Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause CL.370 dated 10/11/03

Institute Marine Policy General Provisions (Cargo) CL.269 dated 1.10.82

Sanction Limitation and Exclusion Clause JC2010/014

Termination of Transit Clause (Terrorism) JC2009/056 (01/01/2009)

Excluding mysterious disappearance and/or stocktaking losses at locations owned by or operated by the Insured.

**ACCUMULATION CLAUSE**

Should there be an accumulation of interest beyond the transit limits expressed in this contract by reason of any interruption of transit and/or occurrence beyond the control of the Insured, or by reason of any casualty and/or at a transhipping point and/or in a connecting vessel or conveyance, then, provided notice is given to the Insurers as soon as known to the Insured, the Insurers shall be liable for the full amount at risk, but in no event shall they be liable for more than twice the transit Limit of Liability.

### **APPORTIONMENT OF RECOVERIES**

Where a recovery is obtained from a carrier or other third party, such recovery shall be apportioned between the Insured and the Insurers in the same proportion as the respective parties hereto have borne the loss.

### **ATTACHMENT AND TERMINATION OF RISK**

The insurance hereunder attaches from the time the subject matter becomes at the Insured's risk or the Insured assumes interest anywhere in the world and continues whilst the subject matter is in transit and/or in store or elsewhere including during delays within or beyond the Insured's control and including whilst held as stock including whilst at showrooms and/or at sub-contractors and/or undergoing processing, assembly, manufacture, renovation, reconditioning, or repair and/or on exhibition, whether or not in the course of transit, and further including any interest held for the purpose of packing and/or preparation and/or consolidation and/or deconsolidation and until finally delivered to intended final destination and/or the Insured's responsibility ceases anywhere in the world, irrespective of terms of purchase and/or sale.

Including risks in Customs as required, and transshipment, craft and barge risks, when customary.

Also including loss of or damage to the subject-matter during all loading and unloading operations and, in the case of containers, during the stuffing and unstuffing thereof.

Including whilst in transit to or from and whilst located at demonstrations, exhibitions, trade fairs or similar displays.

War risks and Strikes risks cover (as provided for by the inclusion of the relevant Institute Clauses specified above) shall always be subject to the provisions regarding attachment and termination of risk incorporated in the said clauses.

### **BRANDS CLAUSE**

The Insured shall have full rights to possession of all goods bearing embossed or indented brands or labels or other permanent markings and/or packed within trade marked cartons identifying the Insured as the manufacturer thereof, or the sale of which carries or implies a guarantee of the supplier or of the Insured, or exclusive and/or secret formulas that may be involved in any loss hereunder, and shall retain control of all such goods.

On shipments covered under this insurance, Insurers are to pay a total loss on any and all goods and/or packaging damaged by risks insured against, which the Insured elects to either destroy or return to their factory, or recondition, Insurers being entitled to such salvage as may be obtained.

The Insured, in conjunction with underwriters shall judge as to whether the goods involved in any loss hereunder are suitable for marketing and no goods deemed by the Insured to be unfit for marketing shall be sold or otherwise disposed of except by the Insured or with the Insured's consent,

but the Insured shall allow Insurers any salvage obtained on any sale or other disposition of such goods.

#### **CIVIL AUTHORITY CLAUSE**

The subject-matter insured is covered against the risk of damage or destruction by civil, governmental or military authority for the purposes of preventing further damage or to prevent or mitigate a conflagration, pollution hazard or threat thereof provided that such damage or destruction is not caused or contributed to by war, invasion, revolution, rebellion, insurrection or other hostilities or warlike operations or by any risk specifically excluded in this insurance.

This insurance also covers, subject to its insuring terms and conditions, physical loss of or damage to the subject-matter insured arising out of the performance of inspection duties by customs service agents or other duly constituted governmental agencies.

#### **CONCEALED DAMAGE CLAUSE**

In respect of shipments insured hereunder, which are received by the consignee at destination and placed in storage but not unpacked, this insurance also covers losses discovered upon the opening of the case, container or package, which shall be deemed to have occurred during transit unless conclusive proof to the contrary be established, and shall be paid for accordingly provided the case, container, or package is opened not later than 90 days after arrival in store. Cases containers or packages showing outward signs of loss and/or damage are to be opened immediately on arrival at site.

#### **CONTAINER CLAUSE**

Where cargo, insured hereunder is carried in containers, it is agreed, as between the Insured and Insurers, that the seaworthiness and/or cargoworthiness of the container is hereby admitted.

It is further agreed that to the extent that cover for shortage is provided hereunder, claims for shortage from a sealed container shall not be invalidated by the fact that seals appear intact upon arrival.

Shortage in this context shall be determined as the difference between the number of packages loaded or alleged to have been loaded according to the shippers or suppliers invoice or packing list and the tally made by the Insured and/or their agents of packages removed at the time the container is unloaded.

#### **CUSTOMS AND/OR IMMIGRATION AUTHORITY INSPECTION(S)**

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

subject-matter into or from the applicable State or Territory, or covering whilst said subject-matter is passing through such State or Territory prior to coming within the jurisdiction of the State or Territory of destination.

**100% CO-INSURANCE CLAUSE**

If Saudi Post Customers fail to insure for the full replacement value of goods at destination, they will only be entitled to recover from Underwriters the proportion of the loss as the declared value bears to the total value of the property they shipped.

**DELIBERATE DAMAGE POLLUTION HAZARD CLAUSE**

This contract is extended to cover loss of or damage to the subject matter insured hereunder directly caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard or threat thereof, provided a recoverable claim would have resulted under the contract (subject to all its terms, conditions and warranties) had the subject matter insured sustained physical loss or damage as a direct result of the accident or occurrence which gave rise to the threatened pollution hazard.

This clause shall not increase the Limits of Liability provided for in this contract.

**DEMURRAGE / LATE RETURN CHARGES**

If the Insured is required by the actions of Insurers or their Agents or Surveyors to hold onto any property leased or hired by the Insured for the purpose of the carriage or the storage of the subject-matter insured hereunder and if the Insured is assessed a late return penalty and/or demurrage charge for holding said property passed the due return date, these Insurers will pay the late return penalties and/or demurrage charges as a consequence of such late return.

The amount these Insurers will pay shall be the charges assessed from the time the Insured is required to hold onto said property until the time the Insured is informed that the property can be released. Coverage under this clause is separate from and in addition to the limits of liability provided elsewhere herein.

**DIFFERENCE IN CONDITIONS CLAUSE**

With respect to goods and/or merchandise and/or property owned by or at the risk of The Insured, where insurance is placed under another policy due to customer or contractual requirement, The Insured shall continue to have the full benefit and protection of this insurance for any difference between the terms, limits, conditions and warranties in this insurance and the terms, limits, conditions and warranties in the insurance arranged elsewhere.

All goods and/or merchandise and/or property insured under this clause shall be valued as per the valuation provisions set forth elsewhere in this policy.

Nothing in this clause shall be construed to extend the obligation of The Insurer to pay more than the limit(s) of liability set forth elsewhere in this policy.

### **DIFFERENCE IN LIMIT AND/OR CONDITIONS CLAUSE**

It is understood and agreed that where goods purchased by the Insured are already insured and the Insured receive by assignment from their seller insurance documents in accordance with the purchase contract which are

- a) less comprehensive than those for which insurance would be effected hereunder and/or
- b) for a lesser amount than that for which the Insured require the goods to be insured or
- c) deemed unsuitable for transmission to buyers or other third parties for any other reason,

the Insured may issue contract insurance documents for the full value to be insured in accordance with contract terms and conditions.

This shall not be deemed by Insurers hereon a double insurance.

Insurers to be subrogated to all rights of the Insured against sellers and/or other third parties. It is agreed to prosecute claims under such insurances as if this insurance were not in existence and the Insured agree to provide the brokers with such letters of authority as may be necessary to enable this to be done.

Should the Insured sell goods on Cost, Insurance, Freight terms with insurance on restricted conditions only the Insured elect at any time to insure on this provision the difference in conditions between the restricted conditions and the full conditions as above.

Where insurance hereunder is to be effected in a different currency from that of the insurance received from the sellers, such currencies shall be converted at the rate of exchange ruling on Bill of Lading date.

### **ERRORS AND OMISSIONS CLAUSE**

The Insured shall not be prejudiced by any unintentional delay or omission in the reporting hereunder nor any unintentional error in the amount or description of the subject-matter insured, interest, vessel or voyage, or if the subject-matter insured be shipped by any other vessel, if notice be given to Insurers as soon as practicable after said facts become known to the Insured's Corporate Risk Manager or equivalent, and deficiency of premium, if any, is made good.

### **EXPOSURE FLUCTUATION**

This Insurance contract automatically provides cover for the subject matter insured whilst at locations advised at the inception of this contract and/or whilst at utilised locations and that throughout the duration of the contract period exposures may increase or decrease within and between contracts and/or new layers as necessary without advice to Insurers hereon.

### **FRAUDULENT DOCUMENTS**

This contract covers physical loss of or damage to goods and/or merchandise insured hereunder through the acceptance by the Insured and/or their Agents and/or Shippers of fraudulent shipping documents, including but not limited to Bill(s) of Lading and/or Shipping Receipt(s)

and/or Messenger Receipt(s) and/or Warehouse Receipts and/or other shipping document(s)

This contract is also to cover physical loss of or damage to goods insured caused by utilisation of legitimate Bill(s) of Lading and/or other shipping documents without the authorisation and/or consent of the Insured or their Agents and/or Shippers.

#### **FUMIGATION CLAUSE**

Subject to there being no compulsory order in existence or published at the time of attachment of any risk under this insurance, then in the event of fumigation being required, Insurers agree to indemnify the Insured for:

1. the costs of fumigation if payable by the Insured;
2. any loss or damage that arises therefrom;

and the Insured hereby agrees to subrogate to the Insurers any recourse they may have for recovery of such costs, loss or damage from others.

#### **GENERAL AVERAGE CLAUSE**

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

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

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

#### **GOODS PURCHASED BY THE INSURED ON "F.O.B.", "C.F.R." OR SIMILAR TERMS**

It is hereby understood and agreed that where the goods are at the Insurers' risk and that their liability to the Insured commences from the time the goods leave the Suppliers' Factory, Warehouse, Store or Mill as if the contract of Sale was "ex Suppliers' premises notwithstanding that the goods and/or interest may have been purchased on "F.O.B.", "C.F.R." or similar terms. In all cases the Insurers shall be subrogated to the Insured's rights of recourse against the Suppliers or other parties unless such rights have been waived in accordance with any Subrogation Waiver Clause contained herein.

#### **GOODS PURCHASED BY THE INSURED ON INSURED OR DELIVERED TERMS**

Where goods are purchased on terms whereby the Insured are not responsible for insurance, such goods shall be covered hereunder on the normal Cover Conditions.

In all such cases the Insurers shall be subrogated to the Insured's rights of recourse against the Suppliers or other parties unless such rights have been waived in accordance with any Subrogation Waiver Clause contained herein.

In no case shall this insurance contribute in double insurance.

Insurers also guarantee the collection in full of all losses that would otherwise be recoverable under the terms of this insurance had such other insurance not been in effect. Insurers hereon agree to advance the amount as a loan without interest repayable only to the extent of any recovery effected by the Insured, less charges incurred in making such recovery.

#### **INCREASED VALUE ON ARRIVAL CLAUSE (INCLUDING DUTY / SURCHARGES)**

On Increased Value of Cargo as described herein (whether such cargo is insured herein or otherwise) by reason of liability for and/or payment of freight and/or duty and/or any charges on arrival at the place where these or any of them become due.

This contract covers all the risks and embodies all the liberties, clauses and conditions of the insurance on the cargo referred to above and is to be for the duration of such insurance on such cargo except that until the liability to pay freight and/or duty and/or charges arises this contract only covers particular and/or general average loss (other than liability for general average expenditure) of the cargo referred to above.

Should the liability to pay freight and/or duty and/or charges be extinguished or diminished, then this insurance in the proportion of such extinction or diminution shall be deemed to be reduced.

#### **INSTITUTE CLAUSES**

The Institute Clauses referred to herein are those current at the inception of this contract but should such Clauses be revised during the period of this contract, and provided that Insurers shall have given at least 30 days' notice thereof, then the revised Institute Clauses shall apply to risks attaching subsequent to the date of expiry of the said notice.

Notwithstanding the above, it is understood and agreed that the Institute Radioactive Contamination Exclusion Clause herein remains paramount.

#### **INTERRUPTION OF TRANSIT OF DAMAGED GOODS**

It is agreed that goods taken out of the ordinary course of transit upon the instructions of surveyors appointed by or on behalf of these insurers for the purposes of establishment of loss or damage, shall be covered, subject to original terms and conditions applying to such shipment.

#### **ISM AND/OR ISPS PROVISIONS**

1. In no event shall this Insurance be prejudiced where the subject-matter insured is shipped on a Vessel and/or Conveyance in breach of the SOLAS Convention 1974 as amended.

2. This insurance is extended to reimburse the Insured, up to the limit of the sum insured for the voyage, for any extra charges properly and reasonably incurred in unloading, storing and forwarding the subject-matter to the destination to which it is insured hereunder or to a substitute destination or until returned to the point of shipment, all at the Insured's election, following release of cargo from a vessel arrested and/or detained and/or restrained (including but not limited to restriction of access to port(s) and/or place(s) of loading and/or discharge and/or any other area in-between) at or diverted to any other port or place where the voyage is terminated due either

(a) to such vessel not being certified in accordance with the ISM and/or ISPS Code.

Or

(b) to a current Document of Compliance (ISM) not being held by her owners or operators as required under the SOLAS Convention 1974 as amended.

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

#### **LABELS CLAUSE**

In case of damage affecting labels, capsules or wrappers the Insurers, if liable therefore under the terms of this contract, shall not be liable for more than an amount sufficient to pay the cost of new labels, capsules or wrappers, and the cost of reconditioning the goods, but in no event shall the insurers be liable for more than the insured value of the damaged merchandise.

This contract is also to indemnify the Insured for actual expenses incurred in the reconditioning of or the replacing of the packaging of goods and/or merchandise hereunder

In case of damage to property bearing a Brand or the sale of which in any way carries or implies a guarantee of the Supplier or Insured, the salvage value of such damaged property shall be determined after removal of all Brands and any Trade Marks (on containers on which Brand cannot be removed, contents to be transferred to plain bulk containers) which might be taken to indicate that the guarantee or brand of the manufacturer or Insured attached to said property. The Insurers waive their right to take over any merchandise or containers from which it is impractical to destroy all evidence of the Insured's connection therewith, such merchandise or containers to be destroyed.

#### **LETTER OF CREDIT CLAUSE**

Notwithstanding the Conditions of this contract it is agreed, subject to the prior approval of Insurers, that Certificates and/or Policies may be issued hereunder to enable the Insured to comply with the insurance requirements of any Letter of Credit and/or Sales contract concerned, such agreement



being conditional on the payment of any additional premium which may be required in the event that the cover required is wider than that provided by this Insurance.

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

#### **LOCAL INSURANCE**

It is noted and agreed that where the Insured or any of their associated, subsidiary or affiliated Companies are obliged by legislation or otherwise to insure locally, whether such insurance is effected or not, they shall continue to have full benefit on a primary basis of the protection afforded by this Contract. It is also agreed that following the payment of a claim hereunder, the Insurers shall be subrogated to all rights and remedies of the Insured (as above defined) under such local insurance, where effected, and in no case shall this insurance contribute in double insurance.

#### **MACHINERY**

In case of loss or damage to any part of a machine or other article, consisting when complete for sale or use of several parts, Insurers (if liable therefore under the terms of this Insurance) shall only be liable for the proportion of the insured value applicable to the part or parts lost or damaged or, at the Insured's option, for the cost and expense of replacing, duplicating, assembling and repairing the part or parts lost or damaged (including forwarding charges via vessel or via air) and labour and installation charges necessary to restore the damaged machine or article to its condition at time of shipment.

#### **NEGLIGENCE CLAUSE**

The Insured is not to be prejudiced by the presence of the negligence clause and/or latent defect clause in the bills of lading and/or charter party and/or contract of affreightment. The seaworthiness of the vessel as between the Insured and Insurers is hereby admitted and the wrongful act or misconduct of the shipowner, charterer, their agents or servants causing a loss is not to defeat the recovery by an innocent Insured if the loss in the absence of such wrongful act or misconduct would have been a loss recoverable under this insurance. With leave to sail with or without pilots, to save or attempt saving life or property at sea, to tow and assist vessels or crafts in all situations, and to be towed.

#### **NON-ADMITTED INSURANCE -TAX CLAUSE**

In the event of a loss payable under this contract to a foreign subsidiary of the Insured, where it is not legally permissible to pay the claim in the country of loss, it is agreed that Insurers will pay the Insured the income tax the Insured must pay on the recovered claim.

### **NON DELIVERY LOSSES CLAUSE**

In the event of a claim for non-delivery of goods insured, and after the Insured has taken all responsible steps to locate the cargo, Insurers agree that they will make settlement to the Insured if the cargo has not been located after the expiration of 60 days, counting from the date of arrival of the overseas vessel at the port of discharge, or 30 days counting from the date of arrival of the aircraft at the airport of discharge or, 60 days counting from the date that the goods should have arrived at final destination via land conveyances, as applicable.

### **ON-DECK SHIPMENTS CLAUSE**

Shipments made on deck, whether in containers or not, are covered by this insurance subject to cover conditions including jettison, loss or washing overboard at the cover rate.

### **OTHER INSURANCE**

Notwithstanding that a third party may have arranged insurance covering the Insured's goods and/or merchandise with or without the Insured's instructions to so insure, at the sole option of the Insured, the Insured may deem this contract to be primary insurance with full rights of subrogation against any such other insurance to be maintained. In no case shall this insurance contribute in double insurance.

### **PACKAGING CLAUSE**

Loss, damage or the non-arrival of a parcel that was insufficiently packaged, was packaged in violation with the packaging requirements or was wrongly addressed does not come into consideration for a claim. A parcel may not be provided with a label that describes the content of the parcel. The responsibility for the packaging (inner and outer packaging) and labelling of the parcels as well as the provision of documentation regarding the content of parcels, in accordance with the retrievable requirements, lies exclusively with the shipping party.

Goods to be shipped must be properly packaged (in a strong box, suitable for the content, with a good shockproof buffering) and provided with labels, in accordance with the requirements. The packaging must be as such that the parcel cannot get lost or damaged during transport or cause damage (including injury) due to the packaging. The packaging must be as such that the parcel is protected against wear and tear during road transport and automatic sorting processes and is protected against a fall of a height of 100 cm regardless of whether the parcel lands on a flat side or a corner.

Moreover, the parcel must be resistant to rain, wind, snow and other forms of precipitation and to atmospheric pressure differences. The packaging must also be as such that the parcel cannot be opened without leaving visible traces.

### **PARTIAL LOSS**

- a) In case of a covered partial loss to the goods and/or merchandise and/or property insured under this contract caused by risks insured against, the loss shall be determined by a separation of the damaged

portion of the insured goods and/or merchandise and/or property from the sound and shall be the percentage of damage on the damaged portion as agreed by the Insured and Insurers.

- b) If no percentage is mutually agreed upon, then by public sale of the damaged portion for the account of the Insured and by comparison of the amount so realised with the market value of the damaged portion if it were in sound condition on the day of sale.
- c) At the option of the Insured, claims for insured goods and/or merchandise and/or property arriving at destination in a damaged condition may be settled on a "salvage adjustment" basis, with Insurers paying the insured value of the damaged portion after taking credit for any salvage proceeds.

#### **PAYMENT ON ACCOUNT CLAUSE**

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

#### **RELEASED BILL OF LADING**

Privilege is hereby granted to the Insured to ship goods and merchandise covered by this contract under released or limited bills of lading, express receipts or shipping receipts and to accept other usual contracts from carriers, bailees and warehousemen releasing or limiting their liability, without prejudice to this insurance.

#### **REMOVAL OF DEBRIS**

This insurance is extended to cover, in addition to any other amount recoverable under this insurance, extra expenses reasonably incurred by the Insured for the removal and disposal of debris of the subject-matter insured, or part thereof including packing materials, by reason of damage thereto caused by an insured peril, but excluding absolutely any expenses incurred in consequence of or to prevent or mitigate pollution or contamination, or any threat or liability thereof. In no case shall the insurers be liable under this clause for more than 10% of the contract limits of liability.

#### **RETURNED AND/OR REFUSED SHIPMENTS**

In the event of shipments insured under this contract being rejected or returned for any reason, such shipments are covered, subject to the insuring conditions applicable to the original voyage, continuously hereunder, including whilst in warehouses or elsewhere until finally disposed of by the Insured.

In instances where the Insured has not been responsible for the cargo insurance on the original voyage of goods which are subsequently rejected and/or refused or where cover hereunder has not been continuous and a return transit is then arranged where cargo insurance is to be the responsibility of the Insured, such return transit will be covered hereunder at rates to be agreed, subject to Institute Cargo Clauses (B) CL253 dated 1.1.1982. including heavy weather damage and loss overboard and the relevant Institute War and Strikes Clauses.

### **REPLACEMENTS BY AIR**

It is agreed where there is loss or damage which is the subject of a claim hereunder and the Insured considers it necessary to forward replacements by air, Insurers will pay the extra costs so involved, notwithstanding that the original consignment was not despatched by air.

### **SANCTION LIMITATION AND EXCLUSION CLAUSE**

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

### **SEGREGATION CLAUSE**

In the event of external signs of damage to goods resulting from an insured peril necessitating segregation and/or sorting, Insurers shall pay the reasonable costs incurred by the Insured on both sound and damaged packages, subject to the terms and conditions of this insurance. Insurers will extend this insurance to cover periods in excess of those provided for in Institute Clauses referred to, to allow for such segregation and/or sorting prior to delivery to final destination.

### **SELLERS' INTEREST / UNPAID VENDORS COVER**

In respect of shipments which are sold by the Insured on terms whereby the Insured is not obligated to furnish ocean marine cargo insurance, this contract is also to cover, subject to declaration of values and payment of any required premium thereon, to cover the interest of the Insured as Unpaid Vendor until payment is received. In no event shall Insurers risk extend beyond such time as it would normally cease under the terms of this insurance.

It is agreed that in no event shall this insurance inure to the benefit of the buyer or their insurers, but in the event of loss or damage covered by this insurance, if the Insured is unable to collect payment due from the buyer, Insurers shall advance the amount of such loss pending collection from the buyer, and the Insured shall use all reasonable means to collect the full amount due from the buyer and reimburse Insurers, the latter sharing in the expense of such collection in proportion to their interest.

It is a condition of this insurance that the existence of this insurance shall not be divulged to the buyer(s).

This insurance shall not contribute to any claim on the buyer's insurance.

### **SUBROGATION CLAUSE**

It is agreed that upon payment of any loss, damage or expense under this contract, Insurers shall become subrogated, to the extent of such payment, to the rights of the Insured against any carrier, bailee, seller, buyer, other insurer or other third party who may be liable for or who may have an obligation to pay, the loss, damage or expense.

Insurers may not bring suit in the Insured's name without prior permission from the Insured, but if granted, always at the Insurers expense.

The Insured agrees to render all reasonable assistance in the prosecution of subrogated claims by Insurers.

#### **SUBROGATION WAIVER CLAUSE**

Insurers agree to waive all rights of subrogation against the Insured as defined herein, and the Insured's rights of recovery under this insurance shall not be prejudiced by their having granted a waiver of recourse to carriers, bailees or other third parties in the course of their business.

#### **SUE AND LABOUR**

It is agreed that in case of actual or imminent loss or damage, it shall be lawful and necessary for the Insured, their Factors and Assigns, to sue, labour and travel for, in and about the defence, safeguard and recovery of the interests insured hereunder, or any part thereof, or to incur such other expenses as are reasonable and/or necessary for the purpose of reducing or attempting to reduce any potential loss or liability under this contract without prejudice to this Insurance, and subject always to the terms, conditions, limitations and exclusions of this Insurance, the charges thereof shall be borne by the Insurers. It is further agreed that no acts of the Insurers nor the Insured in recovering, saving or preserving the interests insured shall be considered as a waiver or acceptance of abandonment. The Insurers hereon agree to pay the charges described above in addition to amounts otherwise recoverable hereunder, subject however to the applicable limits of this insurance as contained herein or endorsed hereto, which would operate so as to restrict the amount of such charges payable by the Insurers hereon.

#### **SURVEY CLAUSE**

No survey is required for claims that appear on first notification unlikely to exceed SAR 35,000 (or the equivalent in any other currency) such figure being determined after application of any contract excess or deductible if applicable. In such circumstances the Insured's or Consignee's statement of the loss and, where applicable and available, independent documentary evidence to be accepted as sufficient proof of loss.

In the event of loss or damage which may result in a claim amounting to SAR 35,000 or over (or the equivalent in any other currency) under this insurance, immediate notice should be given to the appropriate Insurers agent at the port or place where the loss or damage is discovered in order that he may examine the goods and issue a survey report.

#### **TERMINATION OF TRANSIT CLAUSE (TERRORISM)**

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

1 Notwithstanding any provision to the contrary contained in the contract of insurance or the Clauses referred to therein, it is agreed that in so far as the contract of insurance covers loss of or damage to the subject-matter insured caused by

any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted or

any person acting from a political, ideological or religious motive, such cover is conditional upon the subject-matter insured being in the ordinary course of transit and, in any event, SHALL TERMINATE: either

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

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

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

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

or

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

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

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

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

This contract is subject to the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause CL370 10/11/03 (RACCBE). The inclusion of RACCBE in this contract is material to Insurers' willingness to provide coverage at the quoted terms, conditions and rates.

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

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

#### **VERMIN DAMAGE**

This insurance covers damage directly caused by rats or vermin to the interest at the risk of the Insured.

#### **WILFUL MISCONDUCT CLAUSE**

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

#### **WAR AND/OR STRIKES PREMIUM CLAUSE**

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

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

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

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06/09/04

#### **CLAIMS**

1. **Customers** will electronically file claims with Saudi Post via the [www.sp.com.sa](http://www.sp.com.sa) website within 90 days of the **Effective Date** (as defined herein) of coverage purchased by the **Customers**.
2. Claims may not be submitted earlier than:
  - a. 15 days after the **Effective Date** of coverage purchased by the **Customers** for lost claims; and

- b. 7 days after the **Effective Date** of coverage purchased by the **Customers** for damage claims.
3. All damaged property for which payment (not the repair costs) or replacement has been requested or made must on request be submitted to Tawuniya. If the damaged shipment is kept by the addressee, the claim will be rejected.
4. A covered loss will be paid to **Customers** or its Assignee within 15 business days of Tawuniya's receipt of all required claim documentation and requested damaged goods.
5. Upon payment or replacement for loss or damage, all **Customers's** rights to recover from the Carriers (Other than Saudi Post), are transferred to Tawuniya. **Customers** will assist Tawuniya in every reasonable manner to secure recovery.

This Policy is voidable if a Customer has intentionally concealed or misrepresented any material fact or circumstance relating to this insurance.

#### **DEFINITIONS**

**"Customers"** are either the senders or receivers of the Parcel, as stated on the consignment note, whichever has an insurable interest at the time of loss.

**"Replacement Value"** is the costs and expenses incurred necessary to repair and/or replace and/or reconstruct the documents with materials of like kind and quality. This would include costs and expenses for photocopying or retyping the document, costs and expenses to perform those tasks and the costs and expenses of the materials used and re-sending the documents by the Assured to the required destination.

**"Effective Date"** refers to the date a **Customers** ships a **Package** insured by this Policy.

**"Package"** refers to a single shipping unit bearing a single Carrier identification number and the contents therein. Banded boxes and pallets of boxes are considered one single Package.