

MARINE OPEN CARGO POLICY NO. CH0A1WOH01
OF
NAVIGATORS INSURANCE COMPANY
(hereinafter called the Assurers)

1. INSURING CLAUSE:

On the basis of the Proposal Form and the other information submitted by You, or on Your behalf, We are pleased to confirm that coverage has been arranged on the terms set out in this Policy. The Policy is subject to the terms set forth below, together with any applicable endorsements.

Named Insured:

For Account of Whom It May Concern

Miami, FL 331

2. DEFINITIONS:

The following definitions apply unless the context requires otherwise. Individual sections of coverage may also contain definitions. Such definitions are to be read in conjunction with those listed below.

Occurrence	A fortuitous happening, arising directly or indirectly from one event, that takes place at an identified time and place during the Policy Period, which results in loss or damage to goods insured neither expected nor intended from Your standpoint.
Policy Limit(s)	The relevant Policy limit(s) as set out in the Schedule.
We	Navigators Insurance Company. "Us" and "Our" shall be construed accordingly.
You	The Named Insured and any Additional Insured. Where there is more than one Insured, "You" applies to each of You as well as all of You. "Your" shall be construed accordingly.
Writing	This includes facsimile, telex, printing, and any other permanent method of representing words in a visible form, including e-mail.

Words in the masculine include the feminine and *vice versa*.

Words in the singular include the plural and *vice versa*.

3. GOODS INSURED:

To cover 100% interest upon lawful goods consisting of new approved general merchandise subject to the Restricted/ Unapproved Commodity Index.

4. SHIPMENTS INSURED:

- a. This insurance shall attach to all shipments where the Assured is acting as the agent for others and the Assured receives electronic instruction through the Magaya software interface to insure the shipment, prior to sailing of vessel and prior to any known or reported loss or accident, and issues a certificate of insurance hereunder for that shipment.

b. Other Returned Goods:

Returned goods other than as defined in d or e above, are insured: Free of particular average, unless caused by the vessel being stranded, sunk, burnt, on fire or in collision at additional premium to be agreed otherwise subject to all other terms and conditions of this policy.

c. FOB/FAS SHIPMENTS:

It is understood and agreed that this policy is extended to cover shipments sold subject to F.O.B., F.A.S., Cost and Freight or similar terms whereby the seller is not obliged to furnish ocean marine insurance. This insurance attaches, subject to policy terms and conditions and continues, until the goods are loaded on board the overseas vessel or until the seller's interest ceases, whichever shall first occur. The particulars of all such shipments on which the Assured has received instructions to insure shall be reported promptly to this Assurer and premium paid on the amounts so declared at rates as agreed for coverage not exceeding 30 (thirty) days after attachment of risk. Extension of risk beyond 30 (thirty) days held covered at rates to be agreed.

d. AVERAGE TERMS AND CONDITIONS:

- 1. UNDER DECK SHIPMENTS:** All goods and/or merchandise shipped except while On Deck of ocean vessel under an On Deck bill of lading and except as may be hereinafter especially provided, are insured:

Warranted free from Particular Average unless the vessel or craft be stranded, sunk, or burnt, but notwithstanding this warranty this Company is to pay any loss of or damage to the interest insured which may reasonably be attributed to fire, collision or contact of the vessel and/or craft and/or conveyance with any external substance (ice included) other than water, or to discharge of cargo at port of distress. *The foregoing warranty, however, shall not apply where broader terms of Average are provided for hereinafter.*

BROADER TERMS:

- (a). New approved merchandise except as specified below in approved overseas packing is insured (unless otherwise specially agreed upon prior to attachment of risk):

Against all risks of physical loss or damage from any external cause, irrespective of percentage, but excepting those risks excluded by the F.C. & S., Nuclear Exclusion and S.R. & C.C. warranties of this policy.

Optional Terms

Option is hereby granted the assured (except while on deck of ocean vessel) when exercised and so declared to these Assurers prior to sailing of vessel and before any known or reported loss or accident, of insuring approved merchandise in approved overseas packing against the perils named in Clause 8.A.(i) subject to either of the following terms of average:

Warranted free from particular average unless the vessel or craft be stranded, sunk or burnt, jettison or washing overboard but notwithstanding this warranty, the assurer to pay any loss or damage to the interest insured which may reasonably be attributed to fire, collision or contact of the vessel and/or conveyance with any external substance (ice included), other than water, or to discharge of cargo at port of distress.

or

Subject to particular average if amounting to three percent of the shipment.

or either of the above with

Including theft and/or non-delivery of an entire shipping package only.

- (b). Personal vehicles such as automobiles & motorcycles (less than ten years old), etc. and household goods and personal effects (including works of art and/or antiques), professionally packed are insured:

Against all risks of physical loss or damage from any external cause, irrespective of percentage, but excepting those risks excluded by the F.C. & S., Nuclear Exclusion and S.R. & C.C. warranties of this policy. However, each claim shall be subject to a deductible of 3 (three) percent of insured value but subject to a minimum deductible of \$250.00 (Two Hundred Fifty Dollars), and as respects vehicle shipments, each claim shall be subject to a deductible of 3 (three) percent of insured value but subject to a minimum deductible of \$250.00 (Two Hundred Fifty Dollars) each vehicle separately insured.

All certificates or declarations for insurance of household goods and/or personal effects must be accompanied by an itemized inventory showing value per item.

Fragile articles are limited to 15% percent of the total insured value. A single item of artwork and/or antique piece may not exceed \$10,000.00.

Household goods and/or personal effects not professionally packed are insured:

Warranted free from particular average unless the vessel or craft be stranded, sunk or burnt, jettison or washing overboard but notwithstanding this warranty, the assurer to pay any loss or damage to the interest insured which may reasonably be attributed to fire, collision or contact of the vessel and/or conveyance with any external substance (ice included), other than water, or to discharge of cargo at port of distress.

No coverage shall be granted hereunder while any vehicle is being operated under its own power.

- (c). Wines, Liquors, Beers and Similar Spirits in approved overseas packing are insured:

Against all risks of physical loss or damage from any external cause, irrespective of percentage, but excepting those risks excluded by the F.C. & S., Nuclear Exclusion and S.R. & C.C. warranties of this policy, and excluding loss or damage caused by heat or cold. However, claims for pilferage and breakage shall be subject to a deductible of 1 (one) percent of the insured value of the entire shipment, but subject to a minimum deductible of \$250.00. (Two Hundred Fifty Dollars).

- (d). Bagged Commodities Are Insured:

Warranted free of particular average unless caused by the vessel being stranded, sunk, burnt, on fire or in collision, but including risk of jettison and/or washing overboard, irrespective of percentage. However, bagged commodities shipped in door-to-door containers and providing so declared prior to sailing and prior to any known or reported loss are insured:

Against all risks of physical loss or damage from any external cause, irrespective of percentage, but excepting those risks excluded by the F.C. & S., Nuclear Exclusion and S.R. & C.C. warranties of this policy. However, each claim shall be subject to a deductible of 3 (three) percent of the insured value of the entire shipment but subject to a minimum deductible of \$250.00 (Two Hundred Fifty Dollars). This deductible shall not apply to claims for total loss, general average or salvage charges.

- (e). Ceramic, Chinaware, Crystal, Glass Tubes, Glassware, Mirrors, Light Bulbs, Marble and/or Stone Tile of any kind, Porcelain, and Vitreous China, Blown Glass, Glass Doors (excluding windows, plate glass, blocks, slabs, antiques, works of art, and similar merchandise), properly packed for export, are insured:

Against all risks of physical loss or damage from any external cause, irrespective of percentage, but excepting those risks as are excluded by the F.C. & S., Nuclear Exclusion, and S.R. & C.C. warranties of this

policy. However, each claim shall be subject to a deductible of 5 (five) percent of the insured value of the entire shipment but subject to a minimum deductible of \$250.00 (Two Hundred Fifty Dollars). This deductible shall not apply to claims for total loss or constructive total loss, general average or salvage charges.

- (f). Frozen/ Chilled Foods and/or Other Frozen/ Chilled Merchandise, properly packed for export, shipped under refrigeration in containers or in a ship's refrigerated holds, are insured:

Against all risks of physical loss or damage from any external cause, irrespective of percentage, but excepting those risks as are excluded as follows:

- a. the risks excepted by the F.C. & S. Warranty and the S.R. & C.C. Warranty incorporated in the conditions of this policy;
- b. loss or damage due to inherent vice and/or gradual deterioration.

Provided that, notwithstanding the provisions of Exclusion B., while the cargo is stowed in the vessel's refrigeration chambers and/or in refrigerated containers, this policy covers loss or damage due to or caused by derangement, breakdown or malfunction of the refrigeration machinery and/or refrigeration plant and/or insulation, but only if such derangement, breakdown or malfunction has lasted for a period of at least twenty-four (24) consecutive hours;

Provided further that, notwithstanding the provisions of Exclusion B., this policy covers loss or damage caused by the negligence of any person who has possession or custody of or responsibility for the cargo insured hereunder during the time that this policy is in force;

- c. claims for or consequent upon detainment, delay, loss of time or loss of market, whether arising from a peril insured against or otherwise.

WARRANTIES: Coverage under the above is conditioned upon the insured's compliance with the following warranties:

- a. It is warranted, that, in the event of transportation by land or inland waterway and/or other connecting conveyances prior to loading on an overseas vessel and/or subsequent to discharge therefrom, such conveyances be properly equipped for maintaining temperatures required for proper preservation of the cargo insured hereunder.
- b. It is warranted that a temperature recording device shall be used in each and every refrigerated container used to transport the covered cargo.
- c. Warranted by the Assured that the interest is in sound condition at the time of commencement of risk.

- (g). Watercraft, new and used (not more than 3 years old) not exceeding \$50,000.00 in value nor in excess of 30 (thirty) feet in length, are insured:

Against all risks of physical loss or damage from any external cause, irrespective of percentage, but excepting those risks as are excluded by the F.C. & S., Nuclear Exclusion and S.R. & C.C. warranties of this policy. However, each claim shall further be subject to a deductible of 3 (three) percent of the insured value but subject to a minimum deductible of \$250.00 (Two Hundred Fifty Dollars), each boat separately insured. This deductible shall not apply to claims for total loss or constructive total loss, general average or salvage charges.

Warranted professionally packed as determined by mode of transportation.

No coverage shall be granted hereunder while the watercraft is being operated under its own power.

- (h). Steel Products, properly packed for export, are insured:

Against all risks of physical loss or damage from any external cause, irrespective of percentage, but excepting those risks as are excluded by the F.C. & S., Nuclear Exclusion and S.R. & C.C. warranties of this policy, however, excluding the risks of rust, oxidation and discoloration.

It is further understood and agreed that in addition to the above, sheets, coils and similar merchandise shall further be subject to the exclusion of crimping.

It is further understood and agreed that in addition to the above, non-containerized shipments of pipe, tubing, rods and similar merchandise shall further be subject to the exclusions of corrosion, bending, twisting, and end damage.

- (i). Unapproved Commodities as per Unapproved Commodity Index Attached;

In approved overseas packing are insured:

Warranted free of particular average unless caused by the vessel being stranded, sunk, burnt, on fire or in collision, but including risk of jettison and/or washing overboard, irrespective of percentage.

Additional Terms, Conditions and Definitions:

Improper Packaging. In no case shall this insurance cover loss, damage or expense caused by insufficiency or unsuitability of packing, packaging or preparation of the subject matter insured (for the purpose of this clause "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the assured or their servants).

Inherent Vice. In no case shall this insurance cover loss damage or expense caused by inherent vice or nature of the subject matter insured.

Temperature or atmospheric pressure changes. In no case shall this insurance cover loss, damage or expense caused by changes in temperature or atmospheric pressure (except as may be specifically included elsewhere herein).

2. ON DECK SHIPMENTS: All goods and/or merchandise shipped while On Deck of ocean vessel under an On Deck bill of lading are insured:

Free of Particular Average unless caused by the vessel and/or interest insured being stranded, sunk, burnt, on fire or in collision with another ship or vessel or with ice or with any substance other than water, but liable for jettison and/or washing overboard, irrespective of percentage. *The foregoing clause, however, shall not apply where broader terms of Average are provided for herein.*

3. CONTAINERIZED SHIPMENTS: All goods and/or merchandise shipped on board the ocean vessel in containers and/or vans and/or lighters are insured subject to the provisions of this policy applying to Under Deck shipments, provided such goods are subject to an Under Deck or an optional Under Deck/On Deck bill of lading.

5. SHIPMENTS NOT INSURED:

This policy excludes shipments:

- a. purchased by the Assured on terms which include ocean marine insurance for the benefits of the Assured; and/or
- b. sold by the Assured on terms which do not oblige the Assured to provide ocean marine insurance for the benefit of the buyer.

In case of shipments by air, these exclusions shall apply as though the phrase "ocean marine insurance" reads "insurance during the air voyage."

6. CONVEYANCE:

- a. Shipments can only be transported by steamer and/or motor vessels and/or aircraft and/or mail and/or parcel post and including connecting conveyances. Shipments can not be transported by sailing vessels with or without auxiliary power except as connecting conveyances.

b. **CRAFT, ETC., CLAUSE:** Including transit by craft and/or lighter to and from the vessel. Each craft and/or lighter to be deemed a separate insurance. The Assured are not to be prejudiced by any agreement exempting lightermen from liability.

7. **TERRITORIAL SCOPE:**

a. **Geographical Limits:** To be insured lost or not lost, at and from ports and/or places in the world to ports and/or places in the world and vice versa via any route, direct or via port or ports in any order, including risks of transshipment and lighterage, whether customary or otherwise.

b. **South American Clause:** It is hereby mutually understood and agreed that the following Clause will apply to all shipments insured in U.S. Currency and shipped to South America. Notwithstanding anything contained elsewhere herein to the contrary (particularly the Warehouse to Warehouse and Marine Extension Clauses) the insurance provided hereunder shall continue to cover for sixty (60) days (ninety [90] days on shipments via the Magdalena River) after completion of discharge of the overseas vessel at port of destination or until the goods are delivered to the final warehouse at destination, whichever may first occur, and shall then terminate.

The time limit referred to above to be reckoned from midnight of the day on which the discharge of the overseas vessel is completed.

8. **PERILS:**

A. **Covered Perils**

(i) **PERILS:** Touching the adventures and perils which these Assurers are contended to bear, and take upon themselves, in this voyage, they are of the seas, fires, jettisons, assailing thieves, barratry of the Master and Mariners, and all other like perils, losses and misfortunes that have or shall come to the hurt, detriment or damage of the said goods and merchandise, or any part thereof except as may be otherwise provided for herein or endorsed hereon.

(ii) **EXPLOSION CLAUSE:** Including the risk of explosion, howsoever or wheresoever occurring during the currency of this insurance, unless excluded by the F. C. & S. Warranty or the S. R. & C.C. Warranty set forth herein.

(iii) **SHORE CLAUSE:** Where this insurance by its terms covers goods while on docks, wharves or elsewhere on shore, and/or during land transportation, it shall include the risks of collision, derailment, overturning or other accident to the conveyance, fire, lightning, sprinkler leakage, cyclones, hurricanes, earthquakes, floods (meaning the rising of navigable waters), and/or collapse or subsidence of docks or wharves, even though the insurance be otherwise F.P.A.

(iv) **INCHMAREE CLAUSE:** This insurance is also specially to cover any loss of or damage to the interest insured hereunder, through the bursting of boilers, breakage of shafts

or through any latent defect in the machinery, hull or appurtenances, or from faults or errors in the navigation and/or management of the vessel (within the meaning of Section 3 of the Harter Act, 1893) by the master, mariners, mates, engineers or pilots.

B. Non-Covered Perils

(i) **F.C. & S. Warranty:** NOTWITHSTANDING ANYTHING HEREIN CONTAINED TO THE CONTRARY THIS INSURANCE DOES NOT COVER LOSS, DAMAGE OR EXPENSE RESULTING FROM:

- (a) capture, seizure, arrest, restraint, detainment, confiscation, preemption, requisition or nationalization, and the consequences thereof or any attempt thereat, whether in time of peace or war and whether lawful or otherwise;
- (b) (i) any weapon or war employing atomic or nuclear fission and/or fusion or other reaction or radioactive force or matter or (ii) any mine or torpedo;
- (c) hostilities or warlike operations (whether there be a declaration of war or not), but this warranty shall not exclude collision or contact with aircraft, or with rockets or similar missiles (other than weapons of war) or with any fixed or floating object (other than mine or torpedo), stranding, heavy weather, fire or explosion unless caused directly (and independently of the nature of the voyage or service which the vessel concerned or, in the case of a collision, any other vessel involved therein, is performing) by a hostile act by or against a belligerent power; and for the purposes of this warranty "power" includes any authority maintaining naval, military or air forces in association with a power;
- (d) civil war, revolution, rebellion, insurrection, or civil strife arising therefrom; or from the consequences of the imposition of martial law, military or usurped power; or piracy.

(ii) **S.R. & C.C. Warranty:** NOTWITHSTANDING ANYTHING HEREIN CONTAINED TO THE CONTRARY THIS INSURANCE DOES NOT COVER LOSS, DAMAGE OR EXPENSE RESULTING FROM:

- (a) strikes, lockouts, labor disturbances, riots, civil commotions, or the acts of any person or persons taking part in any such occurrences or disorders,
- (b) vandalism, sabotage or malicious act, which shall be deemed also to encompass the act or acts of one or more persons, whether or not agents of a sovereign power, carried out for political, terroristic or ideological purposes and whether any loss, damage or expense resulting therefrom is accidental or intentional.

(iii) **NUCLEAR EXCLUSION:** NOTWITHSTANDING ANYTHING HEREIN CONTAINED TO THE CONTRARY, INCLUDING BUT NOT LIMITED TO IN THE EVENT THAT THIS POLICY IS EXTENDED TO COVER PROPERTY PRIOR TO THE ATTACHMENT OR SUBSEQUENT TO THE EXPIRATION OF THE COVER PROVIDED BY THE MARINE EXTENSION CLAUSES, THIS INSURANCE DOES NOT COVER LOSS, DAMAGE OR EXPENSE RESULTING FROM:

(a) any claim for loss, damage or expenses arising directly or indirectly from any nuclear incident, reaction, radiation or any radioactive contamination, all whether controlled or uncontrolled, occurring while said property is within the United States or any territory of the United States, the Canal Zone or Puerto Rico, or arising from a source therein, and whether the loss, damage or expense be proximately or remotely caused thereby, 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 foregoing and all provisions of this Policy, if this Policy insures against the peril of fire, then direct loss by fire resulting from nuclear incident, nuclear reaction, or nuclear radiation or radioactive contamination is insured against by this Policy.

(iv) **INSTITUTE EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE 01/11/02**

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

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
 - 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

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(v) **INSTITUTE CHEMICAL, BIOLOGICAL, BIO-CHEMICAL, ELECTROMAGNETIC WEAPONS AND CYBER ATTACK EXCLUSION CLAUSE 01/11/02**

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

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1.1 any chemical, biological, bio-chemical or electromagnetic weapon
 - 1.2 the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, computer virus or process or any other electronic system.

(iv) **Y2K Warranty:** This Policy does not cover any 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 Insured or Additional Insured(s): -
- (b) the ability to correctly and unambiguously assign any date to the correct day, week, year or century;
- (c) the ability to correctly recognize, sequence or compute any date, which is or is intended to be beyond 31st December 1998;
- (d) the ability 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;
- (e) the use of any arbitrary, ambiguous or incompletely defined date or date-like code in any data, software or embedded program;
- (f) Any measures taken with the intention of averting or minimizing any of the above.

C. DELAY/ LOSS OF MARKET: This policy does not cover claims for loss of market or for loss, damage or deterioration arising from delay, whether caused by a peril insured against or otherwise, unless expressly assumed in writing hereon.

9. ATTACHMENT DATE: To apply to all shipments made on and after April 1, 2012.

10. 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.
- b. We may, at our discretion, on giving 30 days" written notice of cancellation referring to this sub-clause, terminate this Policy without giving a reason. You

must give Us 30 days' written notice of cancellation. If this Policy is terminated under this sub-clause, no further liability shall accrue against Us after termination comes into effect, 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.

However, We will issue a 10 day notice of cancellation for non-payment of premium.

c. The insurance provided by this Policy shall terminate automatically if:

(1) You cease to have any interest in the goods insured.

(2) 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.

(3) If this Policy is terminated under this clause, no further liability 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.

11. SET-OFF:

- a. We may set-off against any sum due to any of You, in respect of outstanding debts to Us.
- b. We may provisionally set-off against any of You, any damages claimed against any of You, for breach of duties under this Policy.

12. CARRIER CLAUSE:

Warranted that this insurance shall not inure, directly or indirectly, to the benefit of any carrier or bailee.

13. **LIMIT OF LIABILITY:** Generally these Assurers shall not be liable for more than \$3,000,000.00 in respect of goods shipped per conveyance. Regarding the specific following cases, liability shall be limited as follows:

a. \$300,000.00 in respect of shipments while stowed on deck any one vessel under an on deck bill(s) of lading;

b. \$3,000,000.00 per any one aircraft;

c. \$1,000.00 in any one package shipped by U.S. Mail, or U.S. Parcel Post;

d. \$ in any one Courier Service (i.e. FedEx, UPS, DHL, etc.);

e. \$NIL per any one barge, except as a connecting conveyance, but not exceeding NIL in any one tow;

It is understood that, in the absence of a written agreement to the contrary, the Assured will pay premium on the full value at risk, even if in excess of the above limits. In turn, the underwriter will pay 100% of all losses up to but not in excess of the above limits.

14. **ACCUMULATION:** Should there be an accumulation of interests beyond the limits expressed in this policy by reason of any interruption of transit beyond the control of the Assured, or by reason of any casualty or at a transshipping point or on a connecting steamer or conveyance, this policy shall attach for the full amount at risk (but in no event for more than twice the policy limit) provided written notice be given to these Assurers as soon as known to the Assured.

15. **VALUATION:** The value of shipments insured under this policy shall be the amount of shipper's invoice, including all charges therein plus any prepaid and/or advanced and/or guaranteed freight not included in the invoice plus 10 %.

All amounts expressed in foreign currencies are to be converted to US dollars at bankers' sight rate of exchange on the date of the ocean bill of lading or air waybill.

16. **FPA CLAUSE:** Warranted Free from Particular Average unless the vessel or craft be stranded, sunk or burnt, but notwithstanding this warranty these Assurers are to pay any loss of or damage to the interest insured which may reasonably be attributed to fire, collision or contact of the vessel and/or craft and/or conveyance with any external substance ice (included) other than water, or to discharge of cargo at port of distress. **The forgoing warranty, however, shall not apply where broader terms of Average are provided for herein or endorsed hereon.**

17. **WAREHOUSE TO WAREHOUSE CLAUSE:** This insurance attaches from the time the goods leave the Warehouse and/or Store at the place named in the special policy or declaration of insurance for the commencement of the transit and continues during the ordinary course of transit, including customary transshipment if any, until the goods are discharged overseas from the overseas vessel at the final port. Thereafter the insurance continues whilst the goods are in transit and/or awaiting transit until delivered to final warehouse at the destination named in the special policy or declaration of insurance or until the expiry of 15 days (or 30 days if the destination to which the goods are insured is outside the limits of the port) whichever shall first occur. The time limits referred to above to be reckoned from midnight of the day on which the discharge overseas of the goods hereby insured from the overseas vessel is completed. Held covered at a premium to be arranged in the event of transshipment, if any, other than as above and/or in the event of delay in excess of the above time limits arising from circumstances beyond the control of the Assured.

Note: It is necessary for the Assured to give prompt notice to these Assurers when they become aware of an event for which they are "held covered" under this policy and the right to such cover is dependent on compliance with this obligation.

18. **MARINE EXTENSION CLAUSES:** Notwithstanding anything to the contrary contained in or endorsed on this policy it is understood and agreed that in consideration of premium as agreed, the following terms and conditions shall apply to all shipments which become at risk under this policy.

a. This insurance attaches from the time the goods leave the warehouse at the place named in the special policy or declaration for the commencement of the transit and continues until the goods are delivered to the final warehouse at the destination named in the special policy, or declaration, or a substituted destination as provided in Clause c. hereunder.

b. This insurance specially to cover the goods during,

- (1) deviation, delay, forced discharge, re-shipment and transshipment.
- (2) any other variation of the adventure arising from the exercise of a liberty granted to the shipowner or charterer under the contract of affreightment.

c. In the event of the exercise of any liberty granted to the shipowner or charterer under the contract of affreightment whereby such contract is terminated at a port or place other than the original insured destination, the insurance continues until the goods are sold and delivered at such port or place; or, if the goods be not sold but are forwarded to the original insured destination or to any other destination this insurance continues until the goods have arrived at final warehouse as provided in Clause a.

d. If while this insurance is still in force and before the expiry of 15 days from midnight of the day on which the discharge overseas of the goods hereby insured from the overseas vessel at the final port of discharge is completed, the goods are re-sold (not being a sale within the terms of Clause a) and are to be forwarded to a destination other than that covered by this insurance, the goods are covered hereunder while deposited at such port of discharge until again in transit or until the expiry of the aforementioned 15 days whichever shall first occur. If a sale is effected after the expiry of the aforementioned 15 days while this

insurance is still in force the protection afforded hereunder shall cease as from the time of the sale.

e. Held covered at a premium to be arranged in case of change of voyage or of any omission or error in the description of the interest, vessel or voyage.

f. This insurance shall in no case be deemed to extend to cover loss, damage or expense proximately caused by delay or inherent vice or nature of the subject-matter insured.

g. It is a condition of this insurance that there shall be no interruption or suspension of transit unless due to circumstances beyond the control of the Assured.

All other terms and conditions of the policy not in conflict with the foregoing remain unchanged, it being particularly understood and agreed that F.C. & S. clause remains in full force and effect, and that nothing in the foregoing shall be construed as extending this insurance to cover any risks of war or consequences of hostilities.

19. **WAREHOUSING & FORWARDING CHARGES, PACKAGES TOTALLY LOST LOADING, ETC.:** Notwithstanding any average warranty contained herein, these Assurers agree to pay any landing, warehousing, forwarding and special charges for which this policy in the absence of such warranty would be liable. Also to pay the insured value of any package or packages which may be totally lost in loading, transshipment or discharge.
20. **LABELS CLAUSE:** In case of damage affecting labels, capsules or wrappers, these Assurers, if liable therefor under the terms of this policy, 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 these Assurers be liable for more than the insured value of the damaged merchandise.
21. **BRANDS:** In case of damage to property bearing a Brand or Trade Mark, or the sale of which carries or implies a guarantee of the supplier or Assured, the salvage value of such damaged property shall be determined after the removal of all Brands or Trade Marks.
22. **MACHINERY CLAUSE:** When the property insured under this policy includes a machine consisting when complete for sale or use of several parts, then in case of loss or damage covered by this insurance to any part of such machine, these Assurers shall be liable only for the proportion of the insured value of the part lost or damaged, or at the Assured's option, for the cost and expense, including labor and forwarding charges, of replacing or repairing the lost or damaged part; but in no event shall these Assurers be liable for more than the insured value of the complete machine.
23. **G/A CLAUSE:** General Average and Salvage Charges payable according to United States laws and usage and/or as per Foreign Statement and/or as per York-Antwerp Rules (as prescribed in whole or in part) if in accordance with the Contract of Affreightment. Failing

any provision in or should there be no Contract of Affreightment, payable in accordance with the Laws and Usages of the Port of New York.

This policy shall pay in full (up to this policy's limit of liability) a claim for General Average or Salvage Charges even though the sum insured may be less than the contributing value or actual value of the goods.

24. **BILL OF LADING CLAUSE:** The Assured are 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. The seaworthiness of the vessel as between the Assured and these Assurers is hereby admitted and the wrongful act or misconduct of the shipowner or his servants causing a loss is not to defeat the recovery by an innocent Assured if the loss in the absence of such wrongful act or misconduct would have been a loss recoverable on the policy. With leave to sail with or without pilots, and to tow and assist vessels or craft in all situations, and to be towed.
25. **BOTH TO BLAME CLAUSE:** Where goods are shipped under a Bill of Lading containing the so called "Both to Blame Collision" Clause, these Assurers agree as to all losses covered by this insurance, to indemnify the Assured for this policy's proportion of any amount (not exceeding the amount insured) which the Assured may be legally bound to pay to the shipowners under such clause. In the event that such liability is asserted, the Assured agrees to notify these Assurers, in accordance with paragraph 27 of this policy, who shall have the right at their own cost and expense to defend the Assured against such claim.
26. **CONSTRUCTIVE TOTAL LOSS CLAUSE:** No recovery for a Constructive Total Loss shall be had hereunder unless the property insured is reasonably abandoned on account of its actual total loss appearing to be unavoidable, or because it cannot be preserved from actual total loss without an expenditure which would exceed its value if the expenditure had been incurred.

27. **CLAIMS:**

a. Notice to Us.

It is a condition precedent to coverage that You will give Us, as soon as practicable, written notice of any circumstances of which any of You or any of Your Directors, Officers, Senior Management, or employees become aware, which has given, or may give rise to a claim under this Policy. You may comply with this obligation by ensuring that notice is given to Your local Navigators office.

b. Notice to potentially responsible parties.

It is a condition precedent to coverage that You provide timely statutory or contractual notice, as the case may be, to all parties potentially responsible for any circumstances of which any of You or any of Your Directors, Officers, Senior

Management, or employees become aware, which has given, or which may give rise to a claim under this Policy.

- c. If You fail to comply with the requirements of Clauses a. or b. and thereafter accept in writing that such failure releases the carrier 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 Clauses a. and b.
- d. You will keep Us fully informed of all facts and make available documents within Your custody, possession, or power, in connection with any claim or circumstance which may give rise to a claim under this policy. You will allow Us to take copies (including in digital format) of all such documents and allow access to Your computer software and hardware to the extent necessary.
- e. You will allow Us and Our agents to interview any person who is, or was Your Director, Officer, Employee, Manager or Agent in connection with any claim or circumstance which may give rise to a claim under this policy. As regards any person who was a Director, Officer, Employee, Manager or Agent, You will use Your best efforts to secure their co-operation.
- f. 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.

28. SUBROGATION:

- a. You must take all necessary steps to preserve and pursue rights of recovery that may inure to Our benefit. If You obtain Our prior written approval of the steps to be taken, We will reimburse expense incurred by You in fulfilling Your obligations under this sub-clause. If requested by Us, You must assign such rights of recovery to Us.
- b. 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.
- c. If any recovery is made prior to settlement of Your claim, We shall be entitled to take credit for the recovery in arriving at Our liability.
- d. All recoveries and potential recoveries shall be held in trust first for the payment of reasonable legal fees incurred in making the recovery, then for Our benefit and finally for Your benefit.
- e. 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 any of the parties) at the Central Bank Lending Rate 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 of the following calculation and distribution.

(2) Your claim shall be re-calculated as though it were first to be paid on the day following the date of the recovery and appropriate payments shall be made to reflect the re-calculation. In no circumstances however shall the making of a recovery result in Our having to make any additional payment to You.

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

29. OPTION: In the event of claim under this policy these Assurers, at their election may either:

(1) make payment or

(2) make an advance, or loan, upon the terms of their usual loan receipt. Any advance or loan made pursuant thereto shall be without interest and repayable only out of net recoveries from third parties.

30. PARTIAL LOSS: In all cases of damage caused by perils insured against, the loss shall as far as practicable, be ascertained by a separation and a sale or appraisalment of the damaged portion only.

31. YOU WARRANT THAT:

All goods insured under this policy and under your care, custody and control shall be:

a. kept free from damage or injury from dampness, change of flavor or being spotted, discolored, musty or mouldy, except when caused by actual contact of sea water with the articles damaged, occasioned by sea perils unless (by endorsement hereon or by additional terms inserted in paragraph No. 4 hereof) this insurance has been expressly extended to include such losses.

b. any vessel to be loaded at any United States Port with grain in bulk is to be loaded in accordance with the regulations of the United States Coast Guard and under the inspection of a surveyor appointed by the National Cargo Bureau, Inc. or a surveyor appointed by these Assurers and such surveyor(s) shall issue a certificate of compliance with the regulations, or the insurance under this policy shall not attach.

c. 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.

d. You will at all times act in a prudent and business like manner and as if uninsured.

If any of You breach any of the above warranties a.-d., 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.

e. You will declare to these Assurers all shipments coming within the terms and conditions of this Policy, on the date of receiving advice thereof, or as soon thereafter as may be practicable, and to pay the premiums thereon monthly. Wilful failure to so declare or to pay premiums when due shall (at the option of these Assurers) render this Policy null and void as and from the date of such failure.

f. You will notify Us of any increase in the risk immediately as You become aware of it, unless We agree otherwise.

(1) You must also give written details of the increase within 7 days of becoming aware of it.

(2) If the increase is material, We will alter the terms of this Policy to reflect the increased risk.

(3) If You fail to provide immediate notice and the increase is material, We will not be liable for any loss, damage, liability or expense that would have been excluded, if the increase in the risk had been excluded from the time We should have been notified.

g. You will not 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. Should you do so, 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 making a misrepresentation or concealing material facts.

32. SUE AND LABOR: In case of any actual loss or misfortune, it shall be lawful and necessary to and for the Assured, his or their factors, servants and assigns, to sue, labor and travel for, in and about the defense, safeguard and recovery of the goods and merchandise, or any part thereof without prejudice to this insurance; nor shall the acts of the Assured or this Assurer in recovering, saving and preserving the property insured in case of disaster be considered a waiver or an acceptance of abandonment. To the charges associated with sue and labor, this Assurer will contribute according to the rate and quantity of the sum hereby insured.

33. OTHER INSURANCE: In case the interest hereby insured is covered by other insurance (except as hereinafter provided) the loss shall be collected from several policies in the order of the date of their attachment, insurance attaching on the same date to be deemed

simultaneous and to contribute pro rata. However, where any fire insurance, or any insurance (including fire) taken out by any carrier or bailee is available to the beneficiary of this policy, or would be so available if this insurance did not exist, then this insurance shall be void to the extent that such other insurance is or would have been available. It is agreed, nevertheless, that where these Assurers are thus relieved of liability because of the existence of other insurance, these Assurers shall receive and retain the premium payable under this policy and, in consideration thereof, shall guarantee the solvency of the companies and/or underwriters who issued such other insurance and the prompt collection of the loss thereunder to the same extent (only) as these Assurers shall have been relieved of liability under the terms of this clause, but not exceeding, in any case, the amount which would have been collectible under this policy if such other insurance did not exist.

- 34. ISSUANCE OF CERTIFICATES:** Authority is hereby granted the Assured to countersign and issue the form of Certificate of Insurance furnished by these Assurers for any or all shipments in respect of which insurance is provided hereunder and in consideration thereof the Assured warrants that no Certificate of Insurance will be issued with terms thereon varying from the conditions of this Policy and/or any written instructions that are or may be given by these Assurers and/or their Agent from time to time. In the event the Certificate is issued incorrectly, the Assured shall be responsible for any amounts paid that would not have been incurred if the Certificate of Insurance was issued as per policy conditions or as per special written agreement.

The Assured further warrants and agrees to mail or deliver a full and complete copy of each Special Policy of Insurance issued, on date of issuance or as soon thereafter as may be practicable, to Navigators Marine Management, Inc., 1375 E. Woodfield Road, Suite 720, Schaumburg, IL 60173.

- 35. OUR RIGHT TO INSPECT:** You agree to let us inspect the insured property and business operation during normal business hours while this Policy is in effect. However, We are not required to make inspections; nor will We guarantee that Your property or operations are safe, or that they conform to any laws, rules or regulations. You also agree to allow us to examine Your business records that relate to this insurance at any time up to three years after this agreement ends or the last claim was reported, whichever is later.

- 36. DEVIATION CLAUSE:** This insurance shall not be vitiated by any unintentional error in description of vessel, voyage or interest, or by deviation, over-carriage, change of voyage, transshipment or any other interruption of the ordinary course of transit, from causes beyond the control of the Assured. It is agreed, however, that any such error, deviation or other occurrence mentioned above shall be reported to these Assurers as soon as known to the Assured, and additional premium paid if required.

- 37. WHAT LAW GOVERNS:**

This Policy is to be interpreted in accordance with New York law.

38. JURISDICTION AND ARBITRATION:

- a. 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 You. You submit to the jurisdiction of the New York state court in New York City as regards such claims.
- b. Subject to the above sub-clause, any controversy or claim arising out of or relating to this Policy (including disputes about its formation or retrospective termination), or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitration shall proceed in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and New York law shall apply.
- c. No action against this Assurer for the recovery of any claim by virtue of this insurance shall be sustained unless commenced within 1 (one) year from the date of the happening out of which the claim arises, provided that if such limitation is not valid by the law of the place where the policy is issued then such action or proceeding shall be barred unless commenced within the shortest limit of time permitted by the laws of such state.

39. SEVERABILITY CLAUSE: If any part of this agreement is found to be unenforceable or invalid, the remainder of this agreement continues to be effective.

40. INTERNATIONAL FREIGHT FORWARDERS CONSOLIDATION AND PACKING COVERAGE/CUSTOMS BROKERS DECONSOLIDATION AND UNPACKING COVERAGE: This policy is extended to cover, subject to its terms and conditions, goods and/or merchandise, which have been or will be covered under this policy for the import or export voyage, owned by the Assured or held by the Assured in trust or otherwise held or sold, or on joint account with or belonging to others, and for which the Assured can be liable while temporarily detained by the Assured at packers, forwarders, customs brokers, warehouses, transportation carriers, customs or elsewhere while awaiting shipment consolidation, repacking and other preparations for export or entry, including storage pending commencement of transit to final insured destination, for a period not to exceed 30 (thirty) days. Held covered beyond 30 (thirty) days at premiums to be agreed.

This extension of coverage shall not apply to goods and/or merchandise for which a charge has been made by the Assured or his agent for this temporary storage.

The insurance afforded by this coverage shall be in excess of any other valid and collectible insurance available to the insured.

41. CONTINGENCY CLAUSE: All shipments sold by the Assured on cost and freight or other terms whereby the assured is not required to furnish ocean marine insurance, this

policy is extended, (subject to all its terms and conditions), to cover only the interest of the Assured as an unpaid vendor from the time shipments become at the risk of the customer under the terms of sale until payments of draft but in no event beyond the time when this Assurer's risk would normally cease under the terms of this policy.

It is further understood and agreed that in no event shall this insurance inure to the benefit of the buyer or his underwriter but in the event of a loss occurring which would be collectible hereunder but for such terms of sale and the Assured is unable to collect the purchase price from the buyer in regular course, this Assurer will advance the amount of such loss pending collection from the buyer. The Assured hereby agrees to use all reasonable means to collect the full amount due from the buyer and reimburse this Assurer, the latter sharing the expense of such collection in proportion to its interest herein.

The Assured agrees to declare to this Assurer the value of shipments covered under the terms of this endorsement and to pay premium thereon at 40% of the marine rate.

42. DEBRIS REMOVAL: This insurance also covers, subject to policy AVERAGE TERMS AND CONDITIONS (Clause 4 h.), the risk of default or failure of any carrier or bailee to meet their contractual or legal obligations for the removal of debris of property insured. This coverage provides for expenses incurred by the Insured for removal and disposal of the debris of the property insured, by reason of damage thereto caused by an insured peril, but excluding absolutely:

- a. Any expenses incurred in consequence of or to prevent or mitigate pollution or contamination, or any threat or liability therefor.
- b. The cost of removal of cargo from any vessel or connecting craft.

In no case shall the Assurer be liable under this clause for more than 10% of the insured value of the damaged property insured or \$25,000.00, whichever is less, any one occurrence.

43. CONSEQUENTIAL DAMAGE: In consideration of the premium paid, it is hereby understood and agreed that if any part or parts of insured property (provided such part or parts are clearly identifiable as being a component part or parts of single order, shipment or consignment), are physically lost or damaged within the coverage of this policy, thereby rendering the remaining undamaged part or parts unmerchantable, then this Company will pay subject to the liability limits stated herein, the difference between (a) the amount for which it would be liable according to the Valuation Clause contained herein if all parts of such property had been physically lost or damaged and (b) the realizable value of the remaining undamaged part or parts of said property, and meaning further that if, in consequence of any direct physical loss or damage insured hereunder, a full lot or range of sizes or colors (provided such property is customarily sold by the Assured in lots or ranges of sizes or colors and are clearly indentifiable as being a component part or parts of single order, shipment or consignment) is broken so as to reduce the value of the undamaged property remaining in such lot or range, then this Company will pay (subject to the liability limits stated herein and provided the Assured is unable to reassemble said lots or ranges of

sizes or colors from the remaining undamaged property or from any other source) the difference between (a) the amount for which it would be liable according to the Valuation Clause container herein if all property in said lots or ranges of sizes or colors had been physically lost or damaged, and (b) the realizable value of the undamaged property remaining in said broken lots or ranges of sizes or colors.

No claim shall be payable for consequential damage unless the Assured has, for a period of forty-five (45) days from the date of the physical loss or damage, made a bona fide effort to replace the lost or damaged property and to refill or complete the lots or range of sizes or colors, which effort the Assured hereby agrees to make. This Company may at its option require the Assured to surrender to it the remaining property damaged or undamaged, upon paying or offering to pay any loss in accordance herewith.

The Company shall not be liable for more than the insured value of the shipment damaged or the applicable limit of liability per conveyance contained elsewhere herein, whichever is the lesser amount.

44. **FUMIGATION:** In the event of a conveyance or location, being fumigated and loss or damage to the Assured's goods results therefrom, this Assurer agrees to indemnify the Assured for such loss or damage and the Assured agrees to subrogate to this Assurer any recourse that the Assured may have for recovery of such loss or damage from others.
45. **DELIBERATE DAMAGE – POLLUTION HAZARD:** This policy covers, but only while the goods insured are on board a waterborne conveyance, loss of or damage to said goods directly caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard or threat thereof, provided that the accident or occurrence creating the situation which required such governmental action would have resulted in a recoverable claim under the policy (subject to all of the policy terms, conditions and warranties) if the goods insured would have sustained physical loss or damage as a direct result of such accident or occurrence.

This coverage shall not increase the Limits of Liability provided for in Clause 13.

46. **DELIBERATE DAMAGE – CUSTOMS SERVICE:** This insurance also covers (notwithstanding the Free of Capture and Seizure warranty contained in this policy) physical loss or damage to the goods insured arising out of the performance of inspection duties while in the care, custody or control of a duly authorized governmental agency or Customs Service while performing inspection duties.
47. **CONTAINER DEMURRAGE:** This policy also covers demurrage charges and/or late penalties, subject to AVERAGE TERMS AND CONDITIONS Clause 4h., assessed against, and paid by, the Assured for late return of containers when said containers are retained by the Assured at the instruction of the Assurers for inspection by an appointed surveyor in investigation of loss or damage recoverable under the policy.

48. **ERRORS AND OMISSIONS:** This policy shall not be prejudiced by any unintentional delay or omission in reporting hereunder or any unintentional error in the amount or the description of the interest, vessel or voyage, or if the subject matter of the insurance be shipped by another vessel, if prompt notice be given to the Assurer as soon as said facts become known to the Assured and additional premium paid if required.
49. **RELEASED BILL OF LADING:** Privilege is hereby granted the Assured to ship goods covered by this Policy under released or limited Bills of Lading, shipping receipts or other contracts of affreightment without prejudice to this insurance; subject to payment of additional premium, if required.
50. **FRAUDULENT BILLS OF LADING:** This policy covers financial loss or damage occasioned through the acceptance by the Assured and/or their agents or shippers of fraudulent bills of lading and/or shipping receipts and/or messenger receipts.

In no event, however, does this endorsement cover financial loss or damage arising from the shipper's fraud or misstatement. It shall be the Assured's burden to demonstrate fraud to support any claim hereunder.

51. **TERMINATION OF TRANSIT CLAUSE (TERRORISM) U.S.A.:** This clause shall be paramount and shall override anything contained in this policy or any of its endorsements inconsistent therewith.

1. Notwithstanding any provision to the contrary contained in this policy, its endorsements, or the clauses referred to therein, it is understood and agreed that in so far as this policy covers loss of or damage to the subject matter insured directly caused by the act or acts of one or more persons, whether or not agents of a sovereign power, carried out for political, terroristic or ideological purposes and whether any loss, damage or expense resulting therefrom is accidental or intentional, 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 Warehouse to Warehouse clause contained within the policy;

or

- 1.2 on delivery to the Consignee's or other final warehouse or place of storage at the destination named herein,
- 1.3 on delivery to any warehouse or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either for storage other than the ordinary course of transit or for allocation or distribution,

or

- 1.4 in respect of marine transits, on the expiry of 60 days after completion of discharge overside of the goods hereby insured from the overseas vessel at the port of discharge,
- 1.5 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 policy, its endorsements, 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 above.
3. This clause is subject to English law and customs, except in the United States and its possessions where the law and customs of the United States will prevail.

52. AIRFREIGHT REPLACEMENT: In the event of loss of or damage to the subject-matter insured, underwriters agree to pay the costs of airfreight for the damaged parts to manufacturers for repair and return, or the airfreight of replacement parts from suppliers to destination, notwithstanding that the insured goods were not originally dispatched by airfreight. In no case shall the Assurer be liable under this clause for more than 10% of the insured value of the damaged property insured or \$25,000.00, whichever is less, any one occurrence.

53. PAYMENT ON ACCOUNT: Assurer agrees that where claim papers submitted demonstrate that only the quantum of the claim is in question, the Assurer will make a „payment on account“ equal to 75% of the lower of the amounts claimed and agreed by Assurer.

54. CONCEALED DAMAGE: In consideration of additional premium, as agreed, with respect to shipments insured hereunder which are received at destination but not unpacked, this policy is extended to cover losses arising from perils insured against while in transit, which are not ascertained until the opening of the case or container, provided such opening occurs no later than 30 days after arrival at destination and, in the absence of proof to the contrary, such losses are to be considered as having occurred during the voyage covered under this policy.

Nothing contained herein, however, shall be construed to limit the coverage elsewhere provided herein.

Warranted: Packages showing external evidence of damage are to be opened immediately upon arrival. Failure to comply with this warranty shall eliminate this extension to coverage.

55. SHORTAGE FROM CONTAINERS: It is hereby understood and agreed that this policy is also to pay for shortage of contents (meaning thereby the difference between the number of packages as per shipper’s and/or supplier’s invoice and/or packing list loaded or alleged

to have been laden in the container and the count of packages removed therefrom taken by the Assured and/or their agent at time of container emptying) however, wheresoever and whensoever occurring providing evidence is produced in support of quantities stuffed in containers, but excluding liability for any such loss which can be attributed unequivocally to the forcible entry of the container which occurred following its delivery to store, warehouse or factory of the consignee at the destination of which the goods are insured.

- 56. DIFFERENCE IN CONDITIONS** – It is hereby understood and agreed that on all shipments purchased by the Assured on C.I.F. terms, this policy is extended to cover the difference in conditions between such other insurance and the terms and conditions of insurance provided by this policy for the goods insured.

All shipments insured hereunder to be valued at the amount of the seller's insurance but subject always to the limits of insurance provided in this policy.

The Assured agrees to declare all such shipments to this Company and pay premium thereon at a rate of 40% of the applicable marine rate, subject to a minimum rate of .08 per \$100.00 of insured values.

- 57. AIMU U.S. ECONOMIC AND TRADE SANCTIONS CLAUSE:** Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void.

Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.

- 58. TERRORISM EXCLUSION CLAUSE:** This Policy excludes any loss, damage, liability or expense arising from:

- a. Terrorism; and or
- b. 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 organization(s) involving:

1. The causing, occasioning or threatening of harm of whatever nature and by whatever means;
2. 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 organization(s) concerned are wholly or partly of a political, religious, ideological or similar nature.

Notwithstanding the foregoing, this exclusion shall not be applicable to the following:

- a. vessels, crafts and units afloat, under construction or repair, in dock or whilst in store ashore.
- b. Seawalls, wharves, piers, jetties, docks, berths, pontoons, and associated dockside equipment all whilst in the confines of the port, terminal, shipyard, harbor or marina.
- c. Offshore platforms whilst exploring, drilling or producing including all associated construction operations.
- d. Cargo in the ordinary course of transit per Joint Cargo Committee Termination of Transit Clause (Terrorism) JC2001/056 or Termination of Transit Clause (Terrorism) U.S.A.

In witness whereof, this Insurance Company has executed and attested these clauses; but this Policy is not valid unless countersigned by a duly authorized representative of the Company.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED REMAIN UNCHANGED.



Authorized Representative

Signature Date: April 1, 2012

ENDORSEMENT NO. 1
COVERING DUTY CLAUSES
American Institute
May, 1944
Effective: April 1, 2012

Endorsement to be attached to and made a part of Policy No. CH0A1WOH01

Issued to Magaya Insurance Services, Inc.; For Account of Whom It May Concern

This insurance also covers, subject to policy terms of average, the risk of partial loss by reason of perils insured against on the duties imposed on goods imported into the United States and insured hereunder, it being understood and agreed, however, that when the risk upon the goods continues beyond the time of landing from the overseas vessel, the increased value, consequent upon the payment of such duties, shall attach as an additional insurance upon the goods from the time such duty is paid or becomes due, to the extent of the amounts thereof actually paid or payable.

Any limit of liability expressed in this policy shall be applied separately to such increased value.

The Assured warrants that on all risks insured hereunder a separate amount shall be reported sufficient to cover the said duty, upon which the rate of premium shall be an agreed percentage of the merchandise rate.

The Assured will, in all cases, use reasonable efforts to obtain abatement or refund of duties paid or claimed in respect of goods, lost, damaged or destroyed. It is further agreed that the Assured shall, when these Assurers so elect, surrender the merchandise to the customs authorities and recover duties thereon as provided by law, in which event the claim under this policy shall be only for a total loss of the merchandise so surrendered and expenses.

This insurance on duty and/or increased value shall terminate at the end of the import movement covered under this policy (including the Warehouse to Warehouse and/or Marine Extension Clauses if incorporated therein), but nothing contained in these clauses shall alter or affect any coverage granted elsewhere in the policy during the storage or transit subsequent thereto.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED REMAIN UNCHANGED.



Authorized Representative

Signature Date: April 1, 2012

ENDORSEMENT NO. 2

SCHEDULE OF RATES
Effective: April 1, 2012

Endorsement to be attached to and made a part of Policy No. CH0A1WOH01

Issued to Magaya Insurance Services, Inc.; For Account of Whom It May Concern

Rates are for shipments of merchandise as specified herein (in approved type packing), made Under Deck unless otherwise stated specifically.

Per approved iron or steel steamers or motor vessels not less than 1,000 tons net register operating in their regular trade, whether owned, or managed and operated under bareboat charter, and per other iron or steel steamers or motor vessels not over 20 years of age nor less than 1,000 tons net register and classed A1 American Record, 100 A1 Lloyd's Register or equivalent, excluding however (a) vessels built solely for service on the Great Lakes and (b) vessels built for military or naval service, (c) vessels built during World War II, including shipments made via regularly scheduled certificated airlines.

Rates for interest, vessels or voyages which are covered by the Policy but which are not provided for herein will be named on application.

PER \$100.00 OF INSURED VALUE

FREE OF PARTICULAR AVERAGE (FPA) AS PER POLICY:

To or From World (*subject to Unapproved Countries list*)

(*Including theft and/or non-delivery of an entire shipping package only -- .04 additional except shipments of Computers, Computer Components, Computer Peripherals, Pagers, Personal Digital Assistants (PDA), Cellular Telephones, no theft and/or non-delivery coverage is available*)

FOB/FAS:

SHIPMENTS OF NEW APPROVED GENERAL MERCHANDISE, INSURED ALL-RISK AS PER POLICY:

OCEAN

To or From: Ports and/or places in the World

From or To:

(*subject to Unapproved Countries list*)

Far East, Asia and Australia

Europe

UGG'TC VG'TGHGTGPEG'UJ GGV'HQT'CNN'TCVGU

Africa, Middle East and Pakistan

India

South and Central America (excluding Paraguay)

Mexico

Caribbean

Hawaii

Russia and Former Eastern Bloc (*subject to policy terms*)

SCHEDULE OF RATES
Effective: April 1, 2012

Endorsement to be attached to and made a part of Policy No. CH0A1WOH01

Issued to Magaya Insurance Services, Inc.; For Account of Whom It May Concern

Rates are for shipments of merchandise as specified herein (in approved type packing), made Under Deck unless otherwise stated specifically.

Per approved iron or steel steamers or motor vessels not less than 1,000 tons net register operating in their regular trade, whether owned, or managed and operated under bareboat charter, and per other iron or steel steamers or motor vessels not over 20 years of age nor less than 1,000 tons net register and classed A1 American Record, 100 A1 Lloyd's Register or equivalent, excluding however (a) vessels built solely for service on the Great Lakes and (b) vessels built for military or naval service, (c) vessels built during World War II, including shipments made via regularly scheduled certificated airlines.

Rates for interest, vessels or voyages which are covered by the Policy but which are not provided for herein will be named on application.

PER \$100.00 OF INSURED VALUE
3% DEDUCTIBLE / \$500.00 MINIMUM

SHIPMENTS OF GOODS AND MERCHANDISE CONSISTING OF HOUSEHOLD GOODS, PERSONAL EFFECTS AND AUTOMOBILES (VEHICLES), INSURED ALL-RISK AS PER POLICY:

OCEAN

To or From: Ports and/or places in the World

From or To:

(subject to Unapproved Countries list)

REFER TO UNDERWRITER PRIOR TO SHIPPING

AIR

To or From U.S. Refer to Underwriter for Rates
(Subject to Unapproved Countries list)

INLAND TRANSIT (U.S.): Refer to Underwriter for Rates

UNAPPROVED COUNTRIES: Shipments to or from any of the following countries may only be insured only after obtaining the underwriters' approval:

Afghanistan	Iran	North Korea	Togo
Algeria	Iraq	OFAC Restricted Countries	Yemen/People's Republic of
Angola (including Cabinda)	Ivory Coast	Paraguay	Yemen (North and South Yemen)
Burma(Myanmar)	Jordan	Sierra Leone	Zaire (Congo)
Burundi	Liberia	Sri Lanka	Zimbabwe
Congo, Democratic Republic of	Libya	Sudan	
Congo (formerly Zaire)	Nigeria	Syria	
Cuba			

On Deck shipments at rates to be agreed. Transshipments at rates to be agreed. Other merchandise, vessels or voyages not provided for herein, at rates to be agreed. The above rates are subject to change on thirty (30) days notice.

Risks of war, strikes, riots and civil commotions are included in the above rates except to "On Application" countries so long as the separate War Risk Only Open Policy and/or strikes, riots and civil commotions endorsement remain in force.

***AUTOMOBILES HELD COVERED AT 50% OF THE ABOVE OCEAN RATES.
MINIMUM PREMIUM ON ANY ONE SHIPMENT: N/A
ABOVE MARINE RATES ARE NET OF ANY DISCOUNTS.***

ALL OTHER TERMS AND CONDITIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED REMAIN UNCHANGED.



Authorized Representative

Signature Date: April 1, 2012

ENDORSEMENT NO. 3
Strikes, Riots & Civil Commotions (March 1, 2002)

S.R. & C.C. ENDORSEMENT (FORM NO. 11)

Effective: April 1, 2012

Endorsement to be attached to and made a part of Policy No. CH0A1WOH01

Issued to Magaya Insurance Services, Inc.; For Account of Whom It May Concern

It is hereby agreed that all shipments insured under this policy are covered against Strikes, Riots and Civil Commotions risks upon the terms and conditions set forth in the following clauses:

THIS INSURANCE ALSO COVERS:

- (1) Physical loss of or damage to property insured directly caused by strikers, locked-out workmen, or persons taking part in labor disturbances or riots or civil commotions;
- (2) Physical loss of or damage to the property insured directly caused by vandalism, sabotage or malicious acts; and,
- (3) Physical loss of or damage to the property insured directly caused by the act or acts of one or more persons, whether or not agents of a sovereign power, carried out for political, terroristic or ideological purposes and whether any loss, damage or expense resulting therefrom is accidental or intentional; PROVIDED that any claim to be recoverable under this subsection (3) be not excluded by the F.C. & S. Warranty in the Policy to which this endorsement is attached. Notwithstanding the foregoing, coverage under this subsection is conditional upon the property insured being in the ordinary course of transit and, in any event, **shall terminate:**
 - (a) As per the Warehouse to Warehouse Clause, Marine Extension Clause, 60 Day South American Clause and any other clauses relating to duration of transit contained in or endorsed onto the Policy; *or*,
 - (b) on delivery to the consignee's or other final warehouse or place of storage at the destination named herein; *or*,
 - (c) on delivery to any warehouse or place of storage, whether prior to or at the destination named herein, which the Assured elects to use either for storage other than in the ordinary course of transit or for allocation or distribution; *or*,
 - (d) in respect of marine transits, on the expiry of 60 days after completion of discharge overside of the property insured from the vessel at the port of discharge; *or*,
 - (e) in respect of air transits, on the expiry of 30 days after unloading the property insured from the aircraft at the place of discharge;

whichever shall first occur.

While the property insured is at risk under the terms and conditions of this insurance within the United States of America, the Commonwealth of Puerto Rico, the U.S. Virgin Islands and Canada, this insurance is extended to cover physical loss of or damage to the property insured directly caused by acts committed by an agent of any government, party or faction engaged in war, hostilities or other warlike operations, provided such agent is acting secretly and not in connection with any operation of military or naval armed forces in the country where the described property is situated.

Nothing in this endorsement shall be construed to cover any loss, damage or expense directly or indirectly arising from, contributed to or caused by any of the following, whether due to a peril insured against or otherwise:

- (a) change in temperature or humidity;
- (b) the absence, shortage, or withholding of power, fuel, or labor of any description whatsoever during any strike, lockout, labor disturbance, riot or civil commotion;
- (c) loss of market or loss, damage or deterioration arising from delay;
- (d) hostilities, warlike operations, civil war, revolution, rebellion or insurrection, or civil strife arising therefrom, except to the limited extent that the acts of certain agents acting secretly have been expressly covered above; or,
- (e) nuclear reaction, radiation or radioactive contamination.

The Assured agrees to report all shipments attaching under this cover and to pay premiums therefore at the rates established by the Assurer from time to time.

This endorsement may be canceled by either party upon forty-eight hours written, telegraphic or telefaxed notice to the other party, but such cancellation shall not affect any risks which have already attached hereunder.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED REMAIN UNCHANGED.



Authorized Representative

Signature Date: April 1, 2012

ENDORSEMENT NO. 4
RESTRICTED COVERAGE: GOODS SHIPPED TO RUSSIA,
FORMER EASTERN BLOC COUNTRIES AND THE COMMONWEALTH OF
INDEPENDENT STATES (CIS)

Effective: April 1, 2012

Endorsement to be attached to and made a part of Policy No. CH0A1WOH01
Issued to Magaya Insurance Services, Inc.; For Account of Whom It May Concern

Ocean Shipments

Until further notice the following restriction applies for all ocean shipments (Insured or Legal Liability) to Russia and former Eastern Bloc Countries:

Containerized Shipments

"Coverage ceases when the merchandise is unloaded from the container or the expiration of 30 days from the date the vessel arrives at the port, whichever shall first occur."

Non-Containerized Shipments

"Coverage ceases when the merchandise is off loaded from the vessel."

Air Shipments

Until further notice the following restriction applies for all air shipments (Insured or Legal Liability) to Russia and the former Eastern Bloc Countries:

"Coverage ceases upon touchdown of the aircraft."

Former Eastern Bloc Countries:

For your reference, the following is a list of Former Eastern Bloc countries:
Albania, Bosnia and Herzegovina (restricted), Croatia, Macedonia, and Yugoslavia.

The Commonwealth of Independent States (CIS):

For your reference, the following is a list of the CIS:
Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Turkmenistan, Ukraine and Uzbekistan.

The special conditions illustrated above must be noted on each and every certificate for which the wording applies.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED REMAIN UNCHANGED.



Authorized Representative

Signature Date: April 1, 2012

ENDORSEMENT NO. 5
RESTRICTED/ UNAPPROVED COMMODITY INDEX
Effective: April 1, 2012

Endorsement to be attached to and made a part of Policy No. CH0A1WOH01
 Issued to Magaya Insurance Services, Inc.; For Account of Whom It May Concern

Commodities listed as **unapproved** require prior approval from underwriter prior to attachment for coverage broader than F.P.A. excluding theft, pilferage and non delivery.

RESTRICTED COMMODITIES: The following goods are insured subject to limited conditions as per policy (summary of conditions shown, refer to policy for specific wording and rates), packed in approved overseas packing.

Commodity	Summary of Insuring Conditions
Alcoholic beverages	All-Risk, pilferage and breakage, Subject to a 1% (minimum \$250.) deductible.
Automobiles & Motorcycles (Less than 10 model years old)	All-Risk subject to a 3% (minimum \$250.) deductible
Bagged Commodities in Door-to-Door Containers	All-Risk subject to a 3% (minimum \$250.) deductible.
Watercraft (subject to age, length and value restrictions)	All-Risk subject to a 3% (minimum \$250.) deductible.
Ceramic, Chinaware, Crystal, Glass Tubes, Glassware, Mirrors, Light Bulbs, Marble and/or Stone Tile of any kind, Porcelain, Vitreous China, Blown Glass, Glass Doors (excluding Window, Plate Glass, Blocks, Slabs, Antiques, Works of Art, and Similar Merchandise)	All-Risk subject to a 5% (minimum \$250.) deductible.
Frozen/ Chilled Foods and/or Other Frozen/ Chilled Merchandise	All-Risk subject to 24-hour breakdown clause.
Household Goods and Personal Effects	All-Risk subject to 3% (minimum \$250.) deductible. Itemized valued inventory and professional packing required.
Steel Sheets, Coils and Similar Merchandise	All-Risk excluding rust, oxidation, discoloration, and crimping.
Steel Pipe, Tubing, Rods and Similar Merchandise	Containerized: All-Risk excluding rust, oxidation, discoloration, and corrosion. Non-Containerized: All-Risk excluding rust, Oxidation, discoloration, corrosion, bending, twisting, and end damage.

UNAPPROVED COMMODITIES: The following goods are insured subject to limited conditions - ocean shipments insured FPA, excluding theft, pilferage and non-delivery at policy FPA Rates - Air shipments insured at rates and conditions to be specified and agreed upon at time of declaration.

Antiques	Currency	Ocean Containers/ Chassis/ Trailers
Art works	Cryogenic Containers	Perfume/Fragrances
Automobiles/ Motorcycles over 10 model years old and/or over \$100,000.00 each in value	Eggs in the shell	Precious Metals
Bagged Commodities – Non Containerized	Flowers (Not Artificial)	Sanitary goods
Bouillon	Furs	Sheet Rock/Dry Wall/Gypsum Board
Bulk Commodities	Gemstones	Statuary
Cast iron pipe & stoves	Household Goods/ Personal Effects – Owner Packed	Tin plate
Cellular telephones	Semi precious and precious jewelry	Tobacco
Ceramic blocks, slabs	Live plants and animals	Used merchandise
Cigarettes/Cigars	Lumber – Non Containerized	Valuable Paper
Coins/ Stamps	Marble and/or stone (except tile)	Windows, Plate Glass, Float Glass
Computers/Laptops		Watercraft over 3 years old or over \$50,000.00 in value or over 30 feet in length
*Computer components (i.e. Memory, Chips, Motherboards, processors, etc.)		
Cotton		

*Computer Accessories such as Glare Screens, Wrist Rest, Monitors, Mice, Keyboards, Printers, etc. are approved.

UNAPPROVED COUNTRIES: Shipments to or from any of the following countries may only be insured only after obtaining the underwriters' approval:

Afghanistan	Iran	North Korea	Togo
Algeria	Iraq	OFAC Restricted Countries	Yemen/People's Republic of
Angola (including Cabinda)	Ivory Coast	Paraguay	Yemen (North and South Yemen)
Burma(Myanmar)	Jordan	Sierra Leone	Zaire (Congo)
Burundi	Liberia	Sri Lanka	Zimbabwe
Congo, Democratic Republic of	Libya	Sudan	
Congo (formerly Zaire)	Nigeria	Syria	
Cuba			

ALL OTHER TERMS AND CONDITIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED REMAIN UNCHANGED.



Authorized Representative

Signature Date: April 1, 2012

ENDORSEMENT NO. 6

INLAND TRANSIT EXTENSION

Endorsement to be attached to and made a part of Policy No. CHCA1W0H01

Issued to Magaya Insurance Services, Inc.; For Account of Whom It May Concern

1. Property Insured

In consideration of additional premium as set forth elsewhere herein, this Policy is hereby extended to cover lawful goods and merchandise which are the property of the Assured, or held by them in trust, or on commission, or on consignment, or otherwise, or sold but not delivered or removed, or on joint account with or belonging to others for which the Assured may be liable in the event of loss, while in transit within the limits of the United States and Canada subject further to terms and conditions as hereinafter provided.

2. Attachment and Termination

This insurance attaches on all goods and merchandise as described above which commence inland transit on or after APRIL 1, 2011

It is expressly understood and agreed that in the event the Policy to which this Special Transit Coverage endorsement is attached is cancelled, coverage under this endorsement shall automatically terminate as of the effective date of such cancellation.

3. Geographic Limits

This extension is specifically to cover all inland transit at and between places in the forty-eight contiguous states of the United States, the District of Columbia and Canada, including Inter-Warehouse transportation, by surface, air or waterborne, subject to Policy terms and conditions as applicable.

This section specifically excludes waterborne shipments between Alaska or Hawaii and the other United States or Canada and United States and/or Canada coastwise or intercoastal shipments.

4. Commencement of Coverage

Coverage commences from the time the goods clear customs or leave the docks, piers, wharves, transit sheds, bonded warehouses, warehouses or stores or other initial point of shipments, to final point of destination.

INLAND TRANSIT EXTENSION (continued)

5. Perils Covered

Shipments shall be insured as per "Average Terms and Conditions" as found in Clause 4.(h) "Average Terms and Conditions" of the policy to which this endorsement is attached.

6. Valuation

Unless a superseding basis of valuation appears hereafter, goods shall be valued at invoice plus 10%; or if no invoice, this Company shall not be liable beyond the actual cash value of the property insured at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however, caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like, kind and quality; unless a superseding basis of valuation appears hereafter:

7. Return Shipments

This section is extended to include coverage for return shipments and shipments which may have been refused and/or goods or merchandise temporarily held in custody of a carrier in charge of such carriers" so called "On Hand Department" awaiting disposition instructions.

8. Limits of Liability

This liability of this Company shall in no event exceed the individual limits of liability set forth in the following schedule:

\$250,000.00 by any one motor truck, common carrier, railcar or connecting conveyance at any one time;

\$250,000.00 by any one regularly scheduled domestic air carrier or connecting conveyance at any one time;

\$NIL by any one parcel delivery service except as otherwise excluded.

\$NIL by any one Courier Service (i.e. FedEx, UPS, DHL, etc.);

ENDORSEMENT NO. 2

SCHEDULE OF RATES
Effective: April 1, 2012

Endorsement to be attached to and made a part of Policy No. CH0A1WOH01

Issued to Magaya Insurance Services, Inc.; For Account of Whom It May Concern

Rates are for shipments of merchandise as specified herein (in approved type packing), made Under Deck unless otherwise stated specifically.

Per approved iron or steel steamers or motor vessels not less than 1,000 tons net register operating in their regular trade, whether owned, or managed and operated under bareboat charter, and per other iron or steel steamers or motor vessels not over 20 years of age nor less than 1,000 tons net register and classed A1 American Record, 100 A1 Lloyd's Register or equivalent, excluding however (a) vessels built solely for service on the Great Lakes and (b) vessels built for military or naval service, (c) vessels built during World War II, including shipments made via regularly scheduled certificated airlines.

Rates for interest, vessels or voyages which are covered by the Policy but which are not provided for herein will be named on application.

PER \$100.00 OF INSURED VALUE

FREE OF PARTICULAR AVERAGE (FPA) AS PER POLICY:

To or From World (*subject to Unapproved Countries list*)

(*Including theft and/or non-delivery of an entire shipping package only -- .04 additional except shipments of Computers, Computer Components, Computer Peripherals, Pagers, Personal Digital Assistants (PDA), Cellular Telephones, no theft and/or non-delivery coverage is available*)

FOB/FAS:

SHIPMENTS OF NEW APPROVED GENERAL MERCHANDISE, INSURED ALL-RISK AS PER POLICY:

OCEAN

To or From: Ports and/or places in the World

From or To:

(*subject to Unapproved Countries list*)

Far East, Asia and Australia

Europe

UGG'TCVG'TGHGTGPEG'UJ GGV'HQT'CNN'T

Africa, Middle East and Pakistan

India

South and Central America (excluding Paraguay)

Mexico

Caribbean

Hawaii

Russia and Former Eastern Bloc (*subject to policy terms*)

ENDORSEMENT NO. 7

PROFIT SHARING AGREEMENT

Endorsement to be attached to and made a part of Policy No. _____

Issued to _____ ; For Account of Whom It May Concern _____

Effective with respect to premium entered on this Company's books for the period April 1, 2012 to March 30, 2013 and annually thereafter. Annual gross marine premiums hereunder are subject to a profit sharing agreement. Fifty percent of the earned marine premium registered on the Company's books for each calendar year shall be set aside as a profit sharing fund. From this fund shall be deducted the net incurred losses for the same calendar year and 30 (thirty) percent of the remainder shall be returned to the Assured.

Any deficit for an individual accounting period is to be applied against the profit sharing fund for the following year and if any deficit should then remain such deficit shall be applied to the next following year and shall then be dropped.

No profit sharing calculations shall be made for periods less than 8 (eight) months.

No profit sharing calculations shall be made on reinsured items.

Determination of the loss ratio of the policy year shall be made twelve (twelve) months from the closing anniversary date and adjustment, if any, shall be made thereon. Those claims which have been incurred on shipments made during a policy year but have not been reported by the expiration of the 12 (twelve) month waiting period shall be applied against the proceeding year's record.

DEFINITIONS: Earned marine premiums shall be the total premiums entered on the Company's books including but not limited to: Marine Transportation (steamer and air), War, Warehouse, N.V.O.C.C., Legal Liabilities, etc., less any returns whether via cancellations, reductions in rates or discounts paid to the Assured.

Incurred losses shall be paid plus losses reserved less recoveries.

PARTICIPATION: To participate in profit sharing, the gross marine premium as defined above must be a minimum of \$50,000.00 (Fifty Thousand Dollars) for the described period.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED REMAIN UNCHANGED.



Authorized Representative

Signature Date: _____, 201

WAR RISK OPEN POLICY (CARGO)
(December 2, 1993)

Attached to and forming part of Policy No. _____

Issued to _____ ; For Account of Whom It May Concern _____

THIS POLICY OF INSURANCE WITNESSETH, that in consideration of premiums as agreed to be paid, the Assurer does make insurance and cause Magaya Insurance Services, Inc.; For Account of Whom It May Concern to be insured, lost or not lost, for account of whom it may concern, against War Risks only, in accordance with the terms and conditions hereinafter set forth.

To apply to shipments made on or after 1, 201 .

This Company shall not be liable hereunder for more than \$3,000,000.00 by any one vessel.

In cases where the total value(s) at risk on any one vessel exceed(s) the limit of liability as set forth in this Policy, the Assured agrees, nevertheless, to report to the Assurer full value(s) at risk and to pay premium thereon at the agreed rates. The Assured further agrees that acceptance of such reports and premium by the Assurer shall not serve to revoke or to overrule the limit of liability set forth in this Policy; however, subject to the limit of liability, the Assurer in accepting these reports does agree to pay partial losses covered by this Policy without reduction by reason of any coinsurance which otherwise may have existed in the absence of this special agreement.

Subject to the provisions of Clause 4 of this Policy, should there be an accumulation of interests exceeding the above limit of liability by reason of any interruption of transit beyond the control of the Assured or by reason of any casualty, and/or after the interests have been discharged from the incoming overseas Vessel at an intermediate port or place for on-carriage from that or any other port or place by another overseas Vessel, and/or on the on-carrying overseas Vessel, this Policy shall attach for the full amount at risk (but in no event for more than twice the Policy limit which would be applicable to any one Vessel) provided written notice be given to this Assurer as soon as known to the Assured.

This Policy shall cover only those shipments which are insured against marine risks under Policy No. CH0A1W0HE1 of this Company, it being agreed that the description of such shipments, the valuations thereof, the voyage, the designation of the overseas Vessel (which shall be construed to include aircraft if included under the marine policy) on which the goods are to be carried and the ports and/or places of loading and discharge, as reported under the said Policy against marine risks, shall be deemed incorporated herein. Notwithstanding the foregoing, this policy shall not cover purely domestic shipments by air between points in the United States of America (excluding Alaska and Hawaii).

Any loss payable hereunder shall be payable in funds current in the United States, to the order of thirty days after full proofs of loss and proofs of interest have been filed with the Assurer.

1. (a) This insurance is only against the risks of capture, seizure, destruction or damage by men-of-war, piracy, takings at sea, arrests, restraints, detainment's and other warlike operations and acts of kings, princes and peoples in prosecution of hostilities or in the application of sanctions under international agreements, whether before or after declaration of war and whether by a belligerent or otherwise, including factions engaged in civil war, revolution, rebellion or insurrection, or civil strife arising therefrom; the imposition of martial law, military or usurped power, and including the risks of aerial bombardment, floating or stationary mines and stray or derelict torpedoes. Warranted not to abandon (on any ground other than physical damage to ship or cargo) until after condemnation of the property insured.

WAR RISK OPEN POLICY – CARGO (continued)

- (b) This insurance also covers, but only while the property insured is on board a waterborne conveyance, loss of or damage to said property directly caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard or threat thereof, provided that the accident or occurrence creating the situation which required such governmental action would have resulted in a recoverable claim under this Policy (subject to all of its terms, conditions and warranties) if the property insured would have sustained physical loss or damage as a direct result of such accident or occurrence.
2. Warranted free from any claim based upon loss of, or frustration of, the insured voyage or adventure caused by arrests, restraints or detentions.
 3. This insurance does not cover any loss, damage or expense directly or indirectly arising from, contributed to, or caused by any of the following, whether due to a peril insured against or otherwise:
 - (a) commandeering, preemption, requisition or nationalization by the government (defacto or otherwise) of the country to or from which the goods are insured.
 - (b) Seizure or destruction under quarantine, environmental or customs regulations.
 - (c) Delay, deterioration and/or loss of market.
 - (d) Nuclear reaction, radiation or radioactive contamination, regardless of how it was caused.
 4. (a) The insurance against the risks enumerated in Clause 1, except the risks of floating or stationary mines and stray or derelict torpedoes, floating or submerged referred to in (b) below, shall not attach to the interest hereby insured or to any part thereof:
 - (i) prior to being on board an overseas Vessel (for the purpose of this Clause 4 an overseas Vessel shall be deemed to mean a Vessel carrying the interest from one port or place to another where such voyage involves a sea passage by that Vessel);
 - (ii) after being discharged overside from an overseas Vessel at the intended port or place of discharge, or after the expiry of 15 days from midnight of the day of arrival of the overseas Vessel at the intended port or place of discharge, whichever shall first occur;
 - (iii) after expiry of 15 days from midnight of the day of arrival of the overseas Vessel at an intermediate port or place to discharge the interest for on-carriage from that or any other port or place by another overseas Vessel, but shall reattach as the interest is loaded on the on-carrying overseas Vessel. During the said period of 15 days, the insurance remains in force whether the interest is awaiting transit or in transit between the overseas Vessels.
 - (iv) For the purpose of this Clause 4, arrival at the intended port or place of discharge shall be deemed to mean that time when the overseas Vessel first berths, anchors, moors or is secured in an area subject to regulation by the authorities of such port or place.

WAR RISK OPEN POLICY – CARGO (continued)

- (b) The insurance against the risks of floating or stationary mines and stray or derelict torpedoes, floating or submerged, attaches as the interest hereby insured is first loaded on a lighter, craft or vessel after leaving the warehouse at point of shipment in transit for the destination declared hereunder, and ceases to attach as the interest is finally landed from the vessel, craft or lighter prior to delivery to warehouse at such destination.
 - (c) If the contract of affreightment is terminated at a port of place other than the destination named therein, such port or place shall be deemed the intended port or place of discharge for the purpose of this Clause 4.
 - (d) Shipments by mail, if covered by this Policy, are insured continuously from the time of leaving the sender's premises until delivered to the place of address.
 - (e) Shipments by air (other than by air mail), if covered by this Policy, are insured subject to the same terms and conditions as shipments by overseas Vessel.
 - (f) It is a condition of this insurance that the Assured shall act with reasonable dispatch in all circumstances within their control.
 - (g) If anything contained in this Policy shall be inconsistent with this Clause 4, it shall to the extent of such inconsistency be null and void.
5. This insurance shall not be vitiated by deviation, overcarriage, change of voyage, or by any error or unintentional omission in the description of interest, vessel or voyage, provided the same be communicated to the Assurer as soon as known to the Assured and an additional premium paid, if required.
 6. And in case of any loss or misfortune, it shall be lawful and necessary to and for the Assured, his or their factors, servants and assigns, to sue, labor and travel for, in and about the defense, safeguard and recovery of the said goods and merchandise, or any part thereof, without prejudice to this insurance; nor shall the acts of the Assured or Assurers, in recovering, saving and preserving the property insured in case of disaster, be considered a waiver or an acceptance of an abandonment; and to the charges whereof, the said Assurers will contribute according to the rate and quantity of the sum hereby insured.
 7. General Average and Salvage Charges payable according to United States laws and usage and/or as per Foreign Statement and/or as per York-Antwerp Rules (as prescribed in whole or in part) if in accordance with the Contract of Affreightment.
 8. It is agreed that the reports of shipments made under the Policy against marine risks mentioned above shall be deemed to be reports under this Policy also, and the Assured agrees to pay premiums on all shipments insured under this Policy at the war risk rates of the Assurer as fixed from time to time.
 9. No claim shall be payable hereunder which arises from collision, contact with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather or fire unless caused directly (and independently of the nature of the voyage or service which the Vessel concerned or, in the case of a collision, any other Vessel involved therein, is performing) by a hostile act by or against a belligerent power; and for the purpose of this paragraph "power" includes any authority maintaining naval, military or air forces in association with a power.

WAR RISK OPEN POLICY – CARGO (continued)

10. No recovery for a Constructive Total Loss shall be had hereunder unless the property insured is reasonably abandoned on account of its actual total loss appearing to be unavoidable, or because it cannot be preserved from actual total loss without an expenditure which would exceed its value if the expenditure had been incurred.
11. It is agreed that this Policy is a separate and wholly independent contract and is not subject to any terms or conditions of the Policy against marine risks above mentioned (whether physically attached thereto or not).
12. This insurance may be canceled by either party upon forty-eight hours written, telegraphic or telefaxed notice to the other party, but such cancellation shall not affect any shipment on which this insurance has attached under the terms of Clause 4 hereof prior to the effective date of such notice. Shipments on which this insurance has not so attached but for which, prior to the effective date of such notice, bills of lading have been issued and (in the case of exports) Certificates or special policies have been issued and negotiated, shall be covered from the time of loading on the overseas Vessel, as provided in Clause 4, at the rates of the Assurer, provided that prior to said effective date, such shipments were at the risk of the Assured and were covered under the said Policy against marine risks.
13. **This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.**

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to or arising from an actual or threatened act involving a chemical, biological, bio-chemical or electromagnetic weapon, device, agent or material when used in an intentionally hostile manner.

In the event of loss which may give rise to a claim under this Policy, prompt notice shall be given to this Company.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED REMAIN UNCHANGED.



Authorized Representative

Signature Date: April 1, 2012