

CARGO INSURANCE POLICY OF ANTWERP
dd. 20.04.2004 (PE100)

Free and non-committal translation

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Footnote :

1. The wording of this Cargo Insurance Policy of Antwerp dd. 20.04.2004 as published in the annexes of the "Belgian Official Gazette" is a result of a technical study done by insurer's and broker's representatives. This wording has a purely illustrative character and allows the use of other wording.
2. Parties are free at all time to derogate from this wording.
3. The use of this wording is free.

GENERAL CONDITIONS

TITLE A : SCOPE OF APPLICATION

Article 1 Subject to the following stipulations, this insurance applies to goods and objects during their transit and intermediate storage.

TITLE B : TIME AND PLACE OF COVER

Article 2 2.1 This insurance attaches at the moment when the insured goods and objects leave the agreed place of shipment.

2.2 This insurance terminates on the arrival of the insured goods and objects in the consignee's warehouse or in any other final warehouse or final location at the named destination.

2.3 Loading and unloading are included. Loading is the operation by which the goods and objects are lifted in the immediate vicinity of the means of conveyance, in order to be placed onto same. Unloading is the opposite operation.

2.4 This insurance shall remain in force without any interruption or limitation in time during the normal course of the transit.

However, in so far as the goods and objects are still in the normal course of transit and have not yet reached the final warehouse or final location such as defined above, the insurance shall remain in force during:

- 60 days after discharge of the goods and objects from the seagoing vessel at the final port of discharge,
- 30 days after unloading of the goods and objects from the aircraft at the final airport of discharge.

2.5 Any extension of the coverage beyond the aforementioned periods must be requested from the insurers, either at the time of acceptance of the risk or before the expiry of the above-mentioned periods of 60 or 30 days. This extension can be granted by the insurers, subject to an adjustment of the premium to be agreed.

Article 3 3.1 Notwithstanding any change of the intended voyage, route or means of conveyance, including intermediate storage, transshipment and re-forwarding, occurring beyond the Assureds' control, the insurance shall remain in force without any adjustment of the premium.

3.2 The insurance shall also remain in force, subject to an adjustment of the premium to be agreed when any one of the above changes occurs as a consequence of an act of the Assured.

TITLE C : INSURANCE CONDITIONS

Article 4

The goods and objects can be insured as follows :

either in accordance with the conditions of Article 6 :

FREE OF PARTICULAR AVERAGE (F.P.A.),

or in accordance with the conditions of Article 7 :

FULL CONDITIONS OF ANTWERP (F.C.A.),

or in accordance with the conditions of article 8 :

ALL RISKS (A.R.).

Unless provided otherwise, the insurance shall be deemed to be concluded subject to the conditions of article 8: "All Risks".

Article 5

general
average

5.1 Without derogation to the provisions of Article 11, the insurers shall at all times take for their account the contribution in General Average, calculated and adjusted in accordance with the laws and practice of the place of destination or of the place where the voyage is validly terminated, yet at least in accordance with the York-Antwerp Rules when same are applicable under the terms of the contract of affreightment or Bill of Lading.

5.2 General Average contributions, also those which consist of expenditures which are payable or have been advanced before the arrival at destination, shall not be deducted from the insured value.
In case of General Average, the insurers shall, if so requested by the Assured, act in the latter's place for providing all guarantees and deposits as well as for paying expenses related thereto.

Article 6

free of
particular
average

Without derogation to the provisions of article 11, the insurers shall take for their account in case of an insurance "**Free of Particular Average**":

6.1 every physical total loss arising from storm, shipwreck, stranding, collision, forced entry into a port of distress, forced change of route, voyage and/or vessel, jettison, fire, looting, capture and molestation by pirates, perils of the sea during quarantine, negligence of the Master and of the crew, barratry of the Master and, in general, from all accidents and perils at sea ;

There is a physical total loss when the insured object is destroyed, or is damaged to such a degree that it ceases to be a thing with the properties of the insured object, or when it is damaged to such an extent that the repair costs and the costs to be made in order to forward it to its final destination would exceed its value at destination, or when the Assured would be irrevocably deprived of the insured object, or when it is improbable that he will recover it, or that the costs to be made for this purpose would exceed the value of the insured object at the time when he would recover it.

6.2 all physical damage and/or losses occurred during the voyage by sea or inland waterways, when one or several of the following events has/have taken place :

- shipwreck;
- fire;
- stranding;
- collision;
- discharge as a consequence of forced entry into a port of distress;

6.3 all cases for which abandonment can be invoked under article 12;

- 6.4 all physical damage and/or losses caused by falling into the water during loading, unloading and transshipment of seagoing vessels and inland navigation craft;
- 6.5 all physical damage and/or losses during transit and/or intermediate storage on land or during transport by air, and caused by one or several of the following occurrences :
- an accident incurred by the means of conveyance on which the goods and objects are loaded and/or the building in which the goods and objects are stored;
 - fire;
 - lightning;
 - explosion;
 - collapse of bridges, tunnels and other engineering structures;
 - flood;
 - avalanche, snowfall, landslide;
 - emergency landing of an aircraft due to a technical failure of this conveyance;
- 6.6 all physical damage and /or losses caused by theft;
- 6.7 all physical damage and/or losses caused by adverse climatic conditions are also covered if subsequent to one of the events mentioned under article 6.5.

Article 7
full conditions of Antwerp

In case of insurance at the “**Full Conditions of Antwerp**”, the insurers shall indemnify – as an extension to the conditions of article 6 “Free of Particular Average” - all physical damage and/or losses which are the consequence of one or several accidents and perils mentioned under article 6.1., without derogating, however, to the stipulations of article 11.

Article 8
all risks

In case of insurance at the “**All Risks**” conditions, the insurers shall indemnify all physical damage and/or losses, howsoever caused, without derogating however, to the stipulations of article 11.

Article 9
cargo on deck

Unless stipulated otherwise, the coverage of goods carried on deck with the consent of the Assured shall be limited to physical damage and/or losses which are the consequence of the occurrences mentioned under articles 6.2 and 6.3, as well as the consequence of jettison, washing overboard and breakage due to shifting of the cargo.

Goods and objects loaded in containers on board of a vessel especially designed for the carriage of containers, remain covered at the conditions agreed upon for carriage under deck, even if such goods and objects are carried on deck.

Article 10
expenses

The insurers will also indemnify those expenses which are reasonably incurred in order to avert and/or mitigate covered physical damage and/or losses.

Article 11 11.1 In no case shall this insurance cover:

exclusions 11.1.1 damage, losses and/or expenses, directly or indirectly, wholly or partly caused by or arising from the risks of radioactive contamination as described in the latest relevant clause issued by the recognized Belgian Professional Association of Marine Insurers and published in the appendix of the “Belgian Official Gazette”;

- 11.1.2 damage, losses and/or expenses caused by seizure, confiscation and any other occurrence which is the consequence of contraband, prohibited or clandestine commerce.
- 11.2 Unless stipulated otherwise, the insurers will furthermore not indemnify :
- 11.2.1 rejection risks : the refusal of undamaged insured goods and objects by the competent authorities and the consequences thereof;
- 11.2.2 the contractual and/or the extra-contractual liability of the Assured arising from damage and/or losses howsoever caused by the insured goods and objects, without derogation, however, to the stipulations of article 12.3;
- 11.2.3 expenses, of whatever nature, of quarantine, wintering and lay days;
- 11.2.4 damage, losses and/or expenses caused by :
- inherent vice of the insured goods and objects;
 - faulty packaging and/or insufficient packing of the insured goods and objects, carried out by the Assured and/or his servants before inception of the voyage;
 - delay which is not caused by an insured peril;
- 11.2.5 damage, losses and/or expenses directly or indirectly, wholly or partly caused by - or arising from :
- 11.2.5.1 - war with or without declaration, civil war, revolution, hostilities, reprisals, arrest, capture, molestation by whatever government, ally or enemy, recognized or not, mutiny, insurrection or civil commotion arising therefrom or any hostile act perpetrated by or against a belligerent power;
- capture, seizure, arrest, enforcement order or detention, arising from the perils mentioned under the preceding paragraph, as well as the consequences thereof or any attempt thereto;
 - derelict mines, torpedoes, bombs or other derelict weapons of war;
 - other war risks defined under Belgian Statute Law;
 - all war accidents and war perils in general;
- 11.2.5.2 - strike, riot, civil commotion, lock-out or disorder arising from labour disputes;
- terrorism or any action based on a political motive;
- 11.2.6 consequential damage, losses and/or expenses, even if caused by an insured peril;
- 11.2.7 difference in duties on arrival at destination.

TITLE D : ABANDONMENT

- Article 12** 12.1 Abandonment extends exclusively to the goods and objects which are the subject-matter of the insurance and the risk.
- 12.2 Without derogation to the stipulations of article 11 of this policy and notwithstanding the stipulations of the “Commercial Code”, abandonment can only be notified in the following cases:
- capture by pirates;
 - physical damage and/or losses of at least $\frac{3}{4}$ of the value, if caused by a peril insured against, irrespective of the means of conveyance and place of storage;
 - absence of news for a period of 90 days after reception of the last message from the vessel or inland navigation craft or when same are considered missing by a competent authority. The above-mentioned period of 90 days is reduced to 60 days for means of conveyance other than ocean-going vessels and inland navigation craft.

Goods and objects insured “Free of Particular Average”, as defined in article 6 and subject to smashing, breakage or leakage can be abandoned on the grounds of physical damage and/or losses of at least $\frac{3}{4}$ of the value, but only in those cases mentioned under article 6.2 and occurred during the carriage by sea or by inland waterways.

Radioactive goods and objects, even if same became radioactive after the inception of the risk, can never be abandoned.

By way of derogation from all conflicting legal and/or contractual stipulations, the insurers are allowed a period of 60 days to accept or reject an abandonment of which they have been notified. If they have not communicated their decision within this period of 60 days, they are deemed to have accepted the abandonment.

There is no possibility of appeal against the decision of the insurers. If abandonment is not accepted, the settlement shall be effected by way of total loss.

Whenever the settlement is effected by way of total loss due to the rejection of the abandonment by the insurers, the Assured will remain the owner of the insured goods and objects, the eventual salvage value of which remains for his account.

- 12.3 When the abandonment of the insured goods and objects is accepted, the liability of the insurers as owners of the abandoned goods and objects for any damage and/or losses caused by the abandoned goods and objects attaches from the time when the transfer of the ownership of same to the insurers takes place.

TITLE E : COST OF CLEANING, REMOVAL AND DESTRUCTION

- Article 13** 13.1 Subject to an express agreement and against adjustment of the premium to be agreed upon, the insurers will take for their account – without however exceeding a limit to be agreed – the costs of cleaning, removal and destruction of debris if same have been incurred following the implementation of a measure taken or ordered by a competent authority, or reasonably incurred by the Assured, considering the circumstances, and only in so far as such costs are the consequence of a covered peril.
- 13.2 In case of settlement by way of total loss subsequent to the rejection of the abandonment in accordance with article 12.2, the aforementioned costs are automatically reimbursed up to 25 % of the settlement in total loss. This limitation shall not apply to actually incurred costs up to an amount not exceeding € 50.000,00.

TITLE F : SETTLEMENT OF CLAIMS

- Article 14** Any indemnity due by the insurers is paid immediately, after proper substantiation, to the bearer of the original policy.
- Article 15**
- 15.1 When the insured goods and objects are sold or declared unfit subsequently to a covered peril elsewhere than at destination, the insurers shall pay the difference between the insured value and the net proceeds of the sale, after deduction of any freight and expenses which are not due.
- 15.2 The settlement of the damage and/or losses at destination shall be effected on the basis of the value of the insured goods and objects before customs clearance, even if the assessment of the damage occurred after payment of all duties. The share of damage and/or losses thus calculated shall be indemnified in proportion to the insured value.
- 15.3 When the insured goods and objects are sold at destination with the consent of all parties involved, the net proceeds of the sale will serve as basis to determine the percentage of depreciation suffered by the insured goods and objects in relation to their sound value on the day and at the place of the sale. This percentage shall be applied to the insured value.
- Article 16** The Assured has the option to calculate the physical damage and/or losses or the abandonment separately per ship, barge or any other means of conveyance, per storage location, per bill of lading, per category of goods and objects or per agreed series.
Unless stipulated otherwise, the series are formed at the Assureds' option by the sequence of marks, numbers or other distinctive signs, or according to the order of discharge.

TITLE G : OTHER STIPULATIONS

- Article 17** This insurance is concluded for the account of whom it may concern.
- Article 18** This insurance is concluded on good or bad tidings to be executed in good faith.
- Article 19** The insurers are only liable for their share underwritten in the policy and are consequently not jointly and severally bound.
- Article 20** In case of damage and/or losses caused by a fire in a warehouse or equivalent place of storage, neither the Assured nor the subrogated insurers shall effect recovery from the responsible Third Party, if the latter can produce a fire insurance policy in force containing a clause by which his insurers have waived their rights of recovery against the Assured of this policy or his subrogated insurers at the time of the loss.
- Article 21** The aggravations of risk arising from contracts of carriage and/or affreightment are accepted by the insurers.

Article 22
arbitration

Unless provided otherwise by mandatory conflicting legal stipulations, disputes arising between insurers and Assured in relation to this policy, shall be settled by a Tribunal of Arbitrators.

Each party nominates her arbitrator and the two arbitrators thus nominated appoint a third arbitrator. In the event of disagreement concerning the nomination of the third arbitrator, the latter shall be appointed by the President of the "Court of First Instance" at the request of the first party to take action.

The decision of the Tribunal of Arbitrators is final, unless a possibility of appeal is provided in the arbitration agreement or in the correspondence equivalent thereto.

Article 23

The ordinary courts remain competent for the disputes relating exclusively to the collection of the non-disputed premium.

Article 24

Any disputes shall be settled exclusively in Belgium at the place where the policy has been issued.

This insurance policy is governed by Belgian law and Belgian practice.

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