

**Marine Liability Policy No: 105443 LL**

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**Assured**

KSA International Limited

**Interest**

This policy will apply in respect of the Legal Liability of the Assured arising in the course of the Assured's business.

**Business Activities**

Freight Forwarder

**Period**

From: 28 February 2010 at 00:00 hours

To: 27 February 2011 at 23:59 hours

Local Standard Time at the address of the Assured

**Territorial Limits**

Worldwide

**INFORMATION:-**

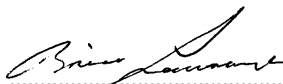
Conditions of contract BIFA 2000 (upgrading to 2005) Standard Trading Conditions. Trading conditions are cited on all correspondence. Sub contractors are regularly checked to ensure that they have adequate transit insurance. Estimated gross annual charges (excluding duty and VAT) GBP 2,640,000. Declared number of employees being ten including principals. Movements involving the issue of CMR Notes do not account for more than 10% of total turnover. FIATA Bills of Lading are issued. House Bills of Lading (as seen and agreed by Underwriters) are issued. Other Bills of Lading are not issued. T Forms and/or SAD's requiring guarantees are not issued. COD's / CAD's are not undertaken. Own warehouse is not operated. Own cargo carrying vehicles are not operated.

Cover is extended to include the following contract:-

Carriage of aerosol products (Hazchem 3) and WD 40 Oils (Hazchem 2 & 3) for and on behalf of CCL industries.

Conditions of Carriage: BIFA 2000

Terms and conditions as per policy but Warranted all drivers Hazchem Trained.



LONHAM MARINE UNDERWRITERS.  
for and on behalf of certain Underwriters at Lloyds.





## Freight Forwarders Legal Liability (As Agent)

### Conditions

#### Freight Forwarder Conditions (As Agent)

To cover the Assured's legal liability in their capacity as agents, as declared to underwriters, under the standard trading conditions of the Institute of Freight Forwarders (IFF 1984 Edition) and/or British International Freight Association (BIFA 2005 Edition) and/or at common law and/or under other such conditions as may have been declared to and approved by underwriters in writing.

IMPORTANT cover provided under this section of the policy is subject to the GENERAL CONDITIONS EXCLUSIONS AND OBSERVANCE TERMS.

## Freight Forwarders Legal Liability (As Carrier)

### Conditions

#### Freight Forwarders Conditions (As Carrier)

To cover the Assured's legal liability arising from their declared operations as:-

- Freight Forwarders issuing FIATA bills of lading.
- Freight Forwarders issuing House bills of lading.
- Freight Forwarders issuing House air way bills.
- Freight Forwarders issuing CMR consignment notes, CIM consignment notes and/or other transit documents for road or rail transits.
- and/or any other operations specifically declared and agreed by Underwriters.

It is a condition precedent to liability under this section of the policy that any bill of lading or other transit document relating to ocean transportation must contain a paramount clause.

Ad Valorem bills of lading or any bill of lading or other transit document which extends the liability of Assured beyond any previously agreed limits will only be considered on the basis of the original limitations of liability declared and agreed previously by Underwriters. Any increased limit of indemnity under a transit document must be agreed by Underwriters prior to commencement of transit to ensure increased or full value is covered by this policy.

Cover is afforded under this section of the policy for deviation only where such deviation occurs without the prior knowledge of the Assured.

#### SPECIAL NOTICE

Cover under this section is subject to the Assured's compliance with part (iv) of the "DUTY OF ASSURED" wording requiring that the Assured shall at no time deliberately and/or knowingly and/or recklessly furnish incorrect information either verbally or on any documentation issued or completed in performance of the Assured's business including without limitation any Bills of Lading and/or other documents containing or evidencing a contract of carriage or otherwise, and/or any customs documents and/or shipping documents.

IMPORTANT cover provided under this section of the policy is subject to the GENERAL CONDITIONS EXCLUSIONS AND OBSERVANCE TERMS.

## All Risks Legal Liability

### Conditions

#### Legal Liability up to All Risks

It is hereby understood and agreed that this Insurance covers the Insured's legal liability for Goods in Transit as defined which has been increased to the basis of all risks of physical loss or damage for the indemnity value but subject to the Limits of Liability as expressed hereon and subject also to the following exclusions in addition to the Exclusions forming part of this Policy:

- 1)  
loss, damage or expense attributable to wilful misconduct of the Insured
- 2)  
ordinary leakage, ordinary loss in weight or volume or ordinary wear and tear of the Goods
- 3)  
loss, damage or expense caused by insufficiency or unsuitability of packing or preparation of the Goods other than by the Insured or their servants or agents
- 4)  
loss, damage or expense caused by inherent vice or nature of the Goods
- 5)  
loss, damage or expense proximately caused by delay even though the delay be caused by a risk insured against
- 6)  
loss, damage or expense due to mechanical or electrical derangement, oxidisation, discoloration or rust unless caused by fire or accident to carrying vehicle
- 7)  
loss, damage or expense due to breakage of glass, marble, china, earthenware or other articles of a brittle nature unless caused by fire or accident to the carrying vehicle and the articles are properly packed
- 8)  
loss, damage or expense due to depreciation, moth, vermin, mildew, sweat, spontaneous combustion or gradual deterioration or any process of cleaning, repairing or restoring the goods
- 9)  
any loss of use or consequential loss
- 10)  
loss or damage due to climatic or atmospheric conditions or extremes of temperature.

IMPORTANT cover provided under this section of the policy is subject to the GENERAL CONDITIONS EXCLUSIONS AND OBSERVANCE TERMS.

## Warehousekeepers Legal Liability

### Conditions

#### Warehousekeepers Liability Conditions

This insurance shall indemnify the Assured for their legal liability for physical loss or damage to goods and/or merchandise and/or equipment in accordance with the National Association of Warehousekeepers Trading Conditions (N.A.W.K.) and/or the United Kingdom Warehousekeepers Association Conditions (U.K.W.A.) and/or Road Haulage Association Conditions and/or other conditions as may be approved by Underwriters in writing.

Warranted that all premises utilised shall be fully alarmed for fire and theft unless otherwise agreed in writing by insurers and such alarms are maintained to manufacturers specifications.

IMPORTANT cover provided under this section of the policy is subject to the GENERAL CONDITIONS EXCLUSIONS AND OBSERVANCE TERMS.

## Errors and Omissions

### Conditions

#### Errors and Omissions

This section shall cover the Assured's legal liability in relation to the goods and/or merchandise and/or containers and/or trailers arising out of their occupation insured under this policy, arising from negligent acts, errors and omissions, including misdirection of goods, and resulting in the Assured failing partly or totally to fulfil their contractual obligations. However, this section excludes any claim for consequential loss and/or delay except insofar as provided for elsewhere in the policy.

Losses falling under this extension for errors and omissions are recoverable hereunder, only if discovered during the period of the policy and the claim is advised in writing not later than three months after expiry.

If the nature of the loss is such as to be covered under another section of the policy, including but not limited to claims for physical loss or damage, the claim will be dealt with under that section.

Excluding claims in respect of full loads of wines, spirits, cigarettes and tobacco products arising from the incorrect discharge or failure to discharge any 'T Form', 'Carnet' or similar customs related transit document.

Excluding fines or penalties imposed by the authorities of any country comprised in the former USSR including the C.I.S.

Excluding any claim howsoever arising relating to the breach of or failure to comply with Financial Services Authority (FSA) Regulations concerning but not limited to the sale of insurance or the administration thereof whether or not the Assured is regulated (in whatever capacity) or unregulated by the FSA.

Claims under this section are subject to the General exclusions of the policy. Insurers shall only be liable for the amount by which any claim exceeds the sum stated as the excess and only upto the limit as provided for in the schedule.

IMPORTANT cover provided under this section of the policy is subject to the GENERAL CONDITIONS EXCLUSIONS AND OBSERVANCE TERMS.

## Consequential Loss

### Conditions

#### Consequential Loss

To indemnify the Assured for legal liability following loss of, destruction of, damage to or delay of goods in transit but excluding absolutely liability for:-

- (1)  
any claim resulting from a failure to meet a contractually agreed date or delivery time unless the prior consent of Underwriters has been obtained and any additional premium paid;
- (2)  
death or bodily injury to any person or living creature;
- (3)  
loss of, or damage to any goods owned by or leased to the Assured;
- (4)  
loss of, or damage to, any third party property other than cargo.
- (5)  
any claim howsoever arising relating to any breach of or failure to comply with Financial Services Authority (FSA) Regulations concerning but not limited to the sale of insurance or the administration thereof whether or not the Assured is regulated (in whatever capacity) or unregulated by the FSA.

Claims for consequential loss are only recoverable if the limits for such losses (ie. carriage charges) are set aside.

IMPORTANT cover provided under this section of the policy is subject to the GENERAL CONDITIONS EXCLUSIONS AND OBSERVANCE TERMS.

## General Conditions

### Conditions

#### General Conditions, Exclusions and Observance

##### GENERAL EXCLUSIONS

Underwriters shall not be liable for any claims:-

i)  
in respect of risks required to be insured in the UK or otherwise provided for by any vehicle owner under the Road Traffic legislation or equivalent or by any employer under the Workmen's Compensation or Employers Liability Compulsory Insurance Legislation;

ii)  
brought against the Assured for libel or slander;

iii)  
brought against the Assured resulting from the Assured's fraudulent, criminal, wilful or malicious acts or omissions;

iv)  
resulting from the insolvency of the Assured;

v)  
for breach of any duty of care where the claimants had no contract with the Assured (except as covered by the Legal Liability to Third Party wording where included in the policy);

vi)  
resulting from the Assured's inability to pay or collect monies due other than the carriage charges which they may be required to pay or collect on behalf of their principals;

vii)  
resulting from loss of life or personal injury to any person or living creature unless specifically covered by the policy wording;

viii)  
resulting from the chartering of any vessel or aircraft, whether totally or partially;

ix)  
resulting in any liability for customs fines or penalties imposed for a breach of law, regulation or order enforced by the Federal Maritime Commission Department or justice of Federal Trade Commission and excluding any punitive or exemplary damage awards, in the USA;

x)  
resulting from any award of punitive, exemplary, multiple or liquidated damages;

xi)  
from or caused by:-

mildew, extremes of temperature or other atmospheric conditions, inherent vice, insufficiency of insulation, electrical and/or mechanical derangement unless caused by external means, loss or damage caused by wear, tear, rust or gradual deterioration, moth and/or vermin contamination, shortage in weight, evaporation, consequential loss, loss of market or delay unless specifically covered by the policy wording.

##### EXCLUDED GOODS

Bullion, precious stones, bank notes or coins, currency, cheques, treasury notes, bonds, negotiable instruments or securities of any kind, living creatures, dangerous drugs, computer chips, memory cards, mobile phones, wines, spirits, cigarettes or tobacco products unless specifically covered by the policy wording.

##### WAR EXCLUSION

This policy excludes loss of or damage to cargo occasioned by or happening through or in consequence of war, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

**RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE**

This policy excludes any legal liability of whatsoever nature directly or indirectly caused by or contributed to or arising from:-

- a) ionising, radiations or contamination by radioactivity from any nuclear fuel or nuclear waste or from the combustion of nuclear fuel.
- b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
- c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this 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.
- e) any chemical, biological, bio-chemical or electromagnetic weapon

**CYBER ATTACK EXCLUSION CLAUSE**

a) subject only to clause b) below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.

b) where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, clause a) shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

**SONIC BANGS EXCLUSION**

Loss, destruction or damage directly caused by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds

**DUTY OF ASSURED CLAUSE**

It is a condition precedent to the liability of Underwriters hereunder:-

- (i) that the Assured makes a full declaration of all current trading conditions at inception of the policy period;
- (ii) that during the currency of this policy the Assured continuously trades under the conditions declared and approved by Underwriters in writing;
- (iii) that the Assured shall take all reasonable and practicable steps to ensure that all trading conditions are incorporated in all contracts entered into by the Assured. If a claim arises in respect of a contract into which the Assured have failed to incorporate the above mentioned conditions the Assured's right to be indemnified under this policy in respect of such a claim shall not be prejudiced providing that the Assured has taken all reasonable and practicable steps to incorporate the above conditions into contracts;
- (iv) that the Assured shall at no time deliberately and/or knowingly and/or recklessly furnish incorrect

information either verbally or on any documentation issued or completed in performance of the Assured's business including without limitation any Bills of Lading and/or other documents containing or evidencing a contract, of carriage or otherwise, and/or any customs documents and/or shipping documents;

(v)  
that the Assured shall at all times act with due diligence.

**CO-OPERATION CLAUSE**

The Assured shall, at the request and expense of Underwriters, co-operate in all reasonable and necessary steps required by Underwriters.

**SUB-CONTRACTORS AND/OR SUCCESSIVE CARRIERS**

(i)  
The Assured shall take all reasonable steps to ascertain that all parties with whom they contract maintain sufficient and reasonable levels of insurance and where appropriate shall request proof of insurance;

(ii)  
The benefit of this Policy shall in no circumstances whatsoever pass to sub-contractors and/or Successive Carriers.

**PREMIUM CLAUSE**

The Deposit Premium is payable to Underwriters at inception of the policy and is adjustable on expiry at the agreed rate on the certified gross annual turnover, subject to a minimum premium of 100% of the deposit unless specifically agreed by Insurers.

**NON-CONTRIBUTION CLAUSE**

This insurance does not cover any loss or damage which at the time of the happening of such loss or damage is insured by or would, but for the existence of this policy, be insured by any other existing policy or policies had this insurance not been effected.

**IMPORTANT INSTRUCTIONS IN EVENT OF LIABILITY CLAIM**

In the event of an incident taking place that could give rise to a claim, the assured should ensure that they hold all sub-contractors responsible in writing for the incident and report the matter to Underwriters.

The assured should also take all reasonable steps to mitigate the loss.

The Assured shall as a condition precedent to their right to be indemnified under this Policy give to the Underwriters immediate notice in writing:-

- (i) of any claims made against them or;
- (ii) of the receipt of notice from any person of any intention to hold the Assured responsible for the results of any breach of professional duty in connection with the Assured's business as defined and covered by this policy and shall in either case upon request give to the Underwriters such information as the Underwriters may reasonably require. This duty continues after the expiry of the policy period;
- (iii) the Assured shall not admit liability for, or settle any claim, or incur any costs or expenses in connection therewith, without the written consent of Underwriters, who shall be entitled to take over and conduct the defence or settlement of any claim in the name of the Assured;
- (iv) the Assured should provide all documentation requested by underwriters which is not limited to the following list:

- All transit documentation;
- Suppliers invoice;
- Packing list, where one is issued;
- Quantified statement of claim;
- Correspondence in which all subcontractors are held responsible and their response, if received;
- Completed claim form;
- Where applicable, photographs of the alleged damage;
- All correspondence exchanged with the claimant.

**EXCESS CLAUSE**

If a payment in excess of the amount of indemnity available under this policy has to be made to dispose of a claim, the Underwriters' liability for the costs and expenses incurred shall be such proportional to

the amount of indemnity available under this policy.

**FRAUDULENT CLAIMS**

If the Assured submits any claim knowing the same to be fake or fraudulent in any way this insurance shall become void and all claims hereunder shall be forfeited.

**LEGAL EXPENSES**

Underwriters will in addition to any claim payments made under this policy also pay all reasonable costs and expenses including solicitors' fees for the defence in a Court of competent Jurisdiction of proceedings arising out of an alleged breach of statutory duty incurred with their written consent and relating to any claim which may be the subject of indemnity under this Policy.

**CANCELLATION CLAUSE**

This insurance may be cancelled at any time by either party giving 30 days notice in writing by pre-paid letter post properly addressed to the last known address of the Assured. Subject to no claims having been made during the period of insurance Underwriters at their discretion shall receive and retain pro-rata or earned premium whichever is the greater. The provisions of this clause are without prejudice to the Underwriters' rights of cancellation in the clause headed "Premium Payment Clause" in these conditions.

**OBSERVANCE**

It is a condition precedent under this policy that all statements and representations contained within the proposal shall be truthful, duly observed and fulfilled.

**UNLAWFUL TRADING**

No provision of this policy shall extend to cover any liability of whatsoever nature directly or indirectly caused by or contributed to or arising from any unlawful trade or any service provided in respect of unlawful goods where such liability shall have arisen as a result of the knowing or reckless involvement of the Assured or any associated or connected company or individual or their employees. Cover shall only be available in respect of any such liability where the Assured can show that the liability has arisen through the unwitting involvement of the Assured in any such trade or service and where the Assured has established and maintained proper systems or precautions to prevent such involvement. The burden of proving that such liabilities are covered shall be upon the Assured.

**PREMIUM PAYMENT CLAUSE**

It is hereby agreed between the Underwriters and the Assured that in the event of the Assured, or their agents on whose instructions insurance may have been effected, failing to pay Underwriters (or their authorized agents "Representatives") the premium or any instalment thereof on the due date, or failing to submit the necessary documentation for an invoice to be raised;

a) this policy may be forthwith cancelled by Underwriters (or on their behalf by their Representatives). The foregoing is subject to Underwriters or their Representatives giving 10 calendar days notice in writing to the Assured, or their agents on whose instructions insurance may have been effected or in accordance with the terms and conditions of any letter of undertaking that may be issued in favour of any assignee or mortgagee of this insurance. Where cancellation occurs due to failure by the Assured (or its agent) to make any payment at all, the insurance shall be void ab initio once the cancellation notice has become effective. If part payment has been made, the insurance may be cancelled on a pro rata basis and the Underwriters shall only accept time on risk for the period in respect of which payment has been made.

b) will delay the payment of any claim presented and agreed for settlement under the policy. If cancellation occurs due to failure by the Assured (or its agent) to make any payment at all, claims which would otherwise have been covered by the insurance will be rejected entirely.

**POLICY JURISDICTION CLAUSE**

This policy shall be construed according to and governed by English law and any dispute hereunder shall be submitted to the non-exclusive jurisdiction of the High Court of Justice, England.

**TERRORISM EXCLUSION CLAUSE**

This policy excludes all acts of Terrorism and persons acting from a political motive.

# LONHAM MARINE UNDERWRITERS

**Marine Liability Policy No: 105443 LL**

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## LSW 1001 SEVERAL LIABILITY NOTICE

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

## COMPLAINTS PROCEDURE

All complaints by the Assured must be referred in the first instance to the Coverholder.

If no satisfaction is obtained, complaints should be referred to:

1) The Complaints Officer, Lonham Group Ltd, The Captain's House, 81 Grimwade Street, Ipswich, Suffolk, IP4 1LN, UK, Tel: +44(0)1473216116, Fax: +44(0)1473230063, E-Mail: lonham@lonham.co.uk, or,

2) The Complaints and Advisory Department, Lloyd's, One Lime Street, London, EC3M 7HA, UK, Tel: +44(0)2073275693, Fax: +44(0)2073275225, E-Mail: complaints@lloyds.com

In the event that the Complaints Department is unable to resolve your complaint, it may be possible to refer it to the Financial Ombudsman Service. Further details will be provided at the appropriate time.

## FINANCIAL SERVICES AUTHORITY (FSA) REGULATIONS

This Policy expressly excludes any liability relating to any breach of or failure to comply with FSA Regulations concerning but not limited to the sale of insurance or the administration thereof whether or not the Assured is regulated (in whatever capacity) or unregulated by the FSA.