
Lonham Group
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E: lonham@lonham.co.uk



Marine Cargo Policy No:109471 CH

Assured

Liv-ex Limited
&/or Vine International &/or their customers for whom they have instructions to insure

Vessel

Conveyances and/or Approved Power Vessels and/or Aircraft and/or Road and/or Rail (excluding all Barge movements unless terms and conditions agreed by underwriters prior to shipment)

Voyage

Places in the World to / from places in the World but shipments to, from or between the following countries/regions have to be referred to underwriters for their approval, terms and conditions, prior to shipment:

Afghanistan, Bougainville, Burundi, Chechnia Republic of, Cote D'Ivoire (Ivory Coast), Cuba, Democratic Republic Congo (Zaire), Eritrea, Iran, Iraq, Liberia, Nigeria, North Korea, Sierra Leone, Somalia, Sudan and Syria.

Including UK transits and storage cover

Subject Matter

Wine &/or Spirits &/or similar goods

Basis of Valuation

The replacement value will be based on the Liv-ex Market Price at the time of loss. If the Liv-ex Market Price is more than 12 months old, the replacement value may be based on any other Market Data or Benchmark to evidence the value, but such data shall not extend to privately invoiced sales and the onus will be on the insured to evidence such data. If the Liv-ex Market Price is more than 12 months old and there is no other Market Data available, the last invoiced value for the product should be used. There will be a maximum additional uplift of 10% to accommodate market increases between the time of loss and the time of obtaining a replacement.

If both the Liv-ex Market Price and the invoiced value are more than 12 months old, or unavailable, the insured, can at its discretion, refer to the Liv-ex Valuation Committee for a more up to date value. In the event that Liv-ex is the insured a value will be sought from three independent merchants and the claim settled at the average value provided.

And...

The Basis of Valuation clause in this policy shall be amended for wines &/or spirits in storage to allow a maximum additional uplift of 50% to accommodate market increases between the time of loss and time of obtaining a replacement, provided that;

- i) All other terms of the existing Basis of Valuation clause shall remain operative as stated
- ii) The value declared for wine &/or spirits subject must include +50% uplift. LivEx at all times to maintain a record of wine and its owner to benefit from such uplift, to be provided to insurers on request
- iii) This is not an automatic amount, and settlement will be the lesser of the replacement value in accordance with the policy or the declared value

Limits

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ordinary transit or in storage

GBP	15,000,000.00	Maximum sum insured in respect of stock at LCB Tilbury.
GBP	3,000,000.00	Maximum sum insured at named location in Bruges, France
GBP	5,000,000.00	Maximum sum insured at named location in Westerlo-Heultje, Belgium
GBP	100,000.00	Maximum sum insured at named location in Hong Kong
GBP	25,000.00	Maximum sum insured at unspecified location.

Period

From: 01 November 2021 at 00:00 hours

To: 31 October 2022 at 23:59 hours

Local Standard Time at the address of the Assured

Stock Locations

London City Bond
Chill Store Berth 29 - 30
Tilbury Dock
Essex
RM18 7EH

Vine Bordeaux c/o Dartess B2
14 rue de Strasbourg
ZI Bordeaux Fret
33520 Bruges

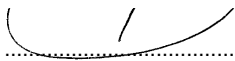
Industriepark Hulshout-Heultje
Fabriekstraat 17 Hall K
2260 Westerlo-Heultje
Belgium

CN Logistics
Goodman Tuen Mun Distribution Centre
3/F 3A Hung Cheung Road

Imports – Covered
Exports – Covered
Stock – Covered
Domestic Transits – Covered
Exhibitions – Not Covered
Loaned &/or Hired Goods – Not Covered
Buyer's Interest – Not Covered
Seller's Interest – Not Covered
Sales Representatives Samples – Not Covered
Engineer's Tools – Not Covered



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LONHAM GROUP LTD.

on behalf of Chaucer Syndicate 1084 at Lloyd's

B6014CHALON21

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Institute Clauses

Institute Cargo Clauses (A) CL.382 01.01.09

Institute Cargo Clauses (Air) (Excluding sendings by post) CL.387 01.01.09

Institute War Clauses (Cargo) CL.385 01.01.09

Institute War Clauses (Air Cargo) (Excluding sendings by post) CL.388 01.01.09

Institute War Clauses (Sendings by post) CL.390 01.03.2009

Institute Strikes Clauses (Cargo) CL.386 01.01.09

Institute Strikes Clauses (Air Cargo) CL.389 01.01.09

Institute Classification Clause CL.354 1.1.01

Institute Replacement Clause CL.372 01.12.08

Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause CL.370 10.11.03

Conditions

Conditions

ACCUMULATION CLAUSE

The limits of liability expressed herein shall not apply in the event of or during transshipment or after the arrival of the overseas vessel or conveyance at the port or place of discharge provided always that any accumulation of interests during the ordinary course of transit beyond such limits of liability shall not have arisen from circumstances within the control of the Assured.

AIRFREIGHT REPLACEMENT CLAUSE

In the event of loss and/or damage to the insured interest through perils insured against it is hereby declared and agreed that Underwriters shall be liable for the extra costs involved in despatch of parts by Airfreight where such method of despatch is necessary to expedite repair and/or replacement in order to prevent interruption of the Consignee's business.

Underwriters' liability in respect of such extra costs are limited to 2 x seafreight costs of the original voyage. In no case shall Underwriters' total liability exceed such insured value.

AVERAGE CLAUSE

This insurance is subject to the condition of Average, that is to say if the property covered by this Insurance shall at the time of any loss be of greater value (in the country of destination) than the sum insured hereby, the Assured shall only be entitled to recover hereunder such proportion of the said loss as the sum insured by this insurance bears to the total value (in the country of destination) of the said property.

BRANDS CLAUSE

The Assured shall have full rights to possession of all goods bearing embossed or indented brands or labels or other permanent markings, identifying the Assured as the manufacturer thereof, or the sale of which carries or implies a guarantee of the supplier or of the Assured, or exclusive and/or secret formulas that may be involved in any loss hereunder, and shall retain control of all such goods. On shipments covered under this policy, Underwriters are to pay a total loss on any and all goods and/or packaging damaged by risks insured against, which the Assured elects to either destroy or return to their factory, or recondition, Underwriters being entitled to such salvage as may be obtained. The Assured, exercising a reasonable discretion, shall be the sole judge as to whether the goods involved in any loss hereunder are suitable for marketing and no goods deemed by the Assured to be unfit for marketing shall be sold or otherwise disposed of except by the Assured or with the Assured's consent, but the Assured shall allow Underwriters any salvage obtained on any sale or other disposition of such goods.

CANCELLATION CLAUSE

This policy is subject to 30 days written notice of cancellation, either side, but 7 days in respect of War, Strikes, Riots and Civil Commotions and 48 hours in respect of Strikes, Riots and Civil Commotions on shipments to or from the United States of America. 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.

COMMUNICABLE DISEASE EXCLUSION (Cargo)

1. Notwithstanding any provision to the contrary within this insurance, this insurance does not insure any loss, damage,

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liability, claim, cost or expense of whatsoever nature caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

2.1 the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

2.2 the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and

2.3 the disease, substance or agent can cause or threaten bodily injury, illness, damage to human health, human welfare or property.

JC2020-011 17 April 2020

CONCEALED DAMAGE CLAUSE

In respect of shipments insured hereunder which are received by the consignee at final destination and placed in storage but not unpacked, this insurance also covers losses discovered upon the opening of the case, container or package which are deemed to have occurred during transit and shall be paid for accordingly unless conclusive proof to the contrary be established, provided the case, container or package is opened not later than 30 days after arrival in store.

Cases, containers or packages showing outward signs of loss and/or damage are to be opened immediately on arrival at site.

CONTRACTS (Rights of Third Parties) ACT 1999 EXCLUSION CLAUSE (Cargo)

The Provisions of the Contracts (Right of Third Parties) Act 1999 do not apply to this insurance or to any certificate(s) of insurance issued hereunder. Neither this insurance nor any certificates issued hereunder confer any benefits on any third parties. No third party may enforce any term of this insurance or of any certificate issued hereunder. This clause shall not affect the rights of the Assured (as assignee or otherwise) or the rights of any loss payee.

DATA PROTECTION

Your personal information notice

Who we are:

We act for Chaucer and are the company identified in the contract of insurance and/or in the certificate of insurance.

The basics:

We and other insurance market participants collect and use relevant information about you to provide you with your insurance cover or the insurance cover that benefits you, or in connection with a claim and to meet our legal obligations.

This information includes details such as your name, address and contact details and any other information that we collect about you in connection with the insurance cover from which you benefit. This information may include more sensitive details such as information about your health and any criminal convictions you may have.

In certain circumstances, we may need your consent to process certain categories of information about you (including sensitive details such as information about your health and any criminal convictions you may have). Where we need your consent, we will ask you for it separately. You do not have to give your consent and you may withdraw your consent at any time. However, if you do not give your consent, or you withdraw your consent, this may affect our ability to provide the insurance cover from which you benefit and may prevent us from providing cover for you or handling your claims.

The way insurance works means that your information may be shared with, and used by, a number of third parties in the insurance sector for example, insurers, agents or brokers, reinsurers, loss adjusters, sub-contractors, regulators, law enforcement agencies, fraud and crime prevention and detection agencies and compulsory insurance databases. We will only disclose your personal information in connection with the insurance cover that we provide and to the extent required or permitted by law.

Other people's details you provide to us:

Where you provide us or your agent or broker with details about other people, you must provide this notice to them.

Want more details?

For more information about how we use your personal information please see our full privacy notice(s), which is/are available online on our website(s) or in other formats on request.

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Contacting us and your rights:

You have rights in relation to the information we hold about you, including the right to access your information. If you wish to exercise your rights, discuss how we use your information or request a copy of our full privacy notice(s), which is also available on our website www.lonham.co.uk, please contact us, or the agent or broker that arranged your insurance. Our contact details are:

Diane Stannard, Lonham Group Ltd, The Maltings, Princes Street, Ipswich, Suffolk, IP1 1SB, UK, Tel: +44(0)1473216116, E-mail: lonham@lonham.co.uk

LMA9151 (Amended) 25 April 2018

DEBRIS REMOVAL CLAUSE

This insurance is extended to cover, in addition to any other amount recoverable under this insurance, extra expenses reasonably incurred by the Assured for the removal and disposal of debris of the subject-matter insured or part thereof, by reason of damage thereto caused by an insured risk, but excluding absolutely

1.any expenses incurred in consequence of or to prevent or mitigate pollution or contamination, or any threat or liability thereof.

2.the cost of removal of cargo from any vessel or craft.

In no case shall the Underwriters be liable under this Clause for more than 10% of the proportionate insured value under this policy of the damaged subject-matter removed.

EXCLUDING HEATING, SWEATING, INHERENT VICE AND/OR ANY LOSS OR DAMAGE CAUSED BY ATMOSPHERIC CONDITIONS..

EXCLUDING WEAPONS AND/OR ARMS AND/OR AMMUNITION AND/OR EXPLOSIVES AND/OR PARTS AND/OR ASSOCIATED ACCESSORIES AND/OR MATERIALS AND/OR INGREDIENTS AND/OR TECHNOLOGY OF ALL KINDS.

FINANCIAL CONDUCT AUTHORITY (FCA) REGULATIONS CLAUSE

This policy expressly excludes any cover relating to any breach of or failure to comply with FCA 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 FCA.

F.O.B. AND/OR F.O.S. CONDITIONS

In respect of goods bought on F.O.B. and/or F.O.S. and/or ex border terms and/or other similar terms, it is understood and agreed that cover shall commence from time of leaving the supplier's premises at place of dispatch. It is agreed that the intention of the foregoing is to cover loss and/or damage due to insured risks which may have occurred wholly or partly prior to F.O.B. etc., and for which it is not practicable to hold the suppliers responsible.

GENERAL AVERAGE, SALVAGE & SALVAGE CHARGES

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

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

No policy excess shall be payable in respect of the provision of General Average and/or Salvage contributions.

General Average deposits shall be payable on production of General Average deposit receipts.

IMPORTANT INSTRUCTIONS IN EVENT OF CARGO CLAIM

A) DOCUMENTATION OF CLAIMS:

To enable claims to be dealt with promptly, the Assured or their Agents are advised to submit all available supporting documents without delay, including when applicable:

- Original policy or certificate of insurance
- Original or copy shipping invoices, together with shipping specification and/or weight notes
- Original Bill of Lading and/or other contract of carriage

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- Survey report or other documentary evidence to show the extent of the loss or damage
- Landing account and weight notes at final destination
- Correspondence exchanged with the Carriers and other parties regarding their liability for the loss or damage

B) IMPORTANT – LIABILITY OF CARRIERS, BAILEES OR OTHER THIRD PARTIES:

It is the duty of the Assured and their Agents, in all cases, to take such measures as may be reasonable for the purpose of averting or minimising a loss and to ensure that all rights against Carriers, Bailees or other third parties are properly preserved and exercised. In particular, the Assured or their Agents are required:-

- 1.To claim immediately on the Carriers, Port Authorities or other Bailees for any missing packages.
- 2.In no circumstances, except under written protest, to give clean receipts where goods are in doubtful condition.
- 3.When delivery is made by Container, to ensure that the Container and its seals are examined immediately by their responsible official. If the Container is delivered damaged or with seals broken or missing or with seals other than as stated in the shipping documents, to clause the delivery receipt accordingly and retain all defective or irregular seals for subsequent identification.
- 4.To apply immediately for survey by Carriers' or other Bailees' Representatives if any loss or damage be apparent and claim on the Carriers or other Bailees for any actual loss or damage found at such survey.
- 5.To give notice in writing to the Carriers or other Bailees within 3 days of the delivery if the loss or damage was not apparent at the time of taking delivery.

Note:- The Consignee or their Agents are recommended to make themselves familiar with the Regulations of the Port Authorities at the port of discharge.

INCREASED VALUE (Duty and/or Taxes) CLAUSE

Increased Value by reason of payment of Duty and/or Levy is covered subject to the same conditions as are, or would be, applicable to the insurance on cargo hereunder and to pay on the same basis as such insurance cover but excluding:

- 1.Total Loss, or Total Loss of part arising prior to Duty and/or Levy becoming payable and resulting in non-payment of Duty and/or Levy.
- 2.Liability for General Average Contributions and Salvage Charges unless the occurrence giving rise to the General Average occurs after Duty and/or Levy becomes payable.

Also including the Assured's liability for the payment of duty or other levies, following loss of or damage to the Insured Interest recoverable hereunder, to the Authority of any country through which the interest may pass including country or origin prior to delivery to the consignee.

No claim to attach hereto for duty payable in the country of destination unless such duty amount is declared within the insured value hereunder.

Also deemed to cover Duty and/or other levies including Carnet penalties which become payable due to the physical loss of equipment in the country in which the loss occurs.

INSOLVENCY EXCLUSION CLAUSE

It is hereby agreed that the exclusion "loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel and/or aircraft" (incorporated in the Institute Clauses herein) is amended to read as follows:-

"In no case shall this insurance cover loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel and/or aircraft where the Assured are unable to show that prior to the loading of the subject-matter insured on board the vessel and/or aircraft, all reasonable practicable and prudent measures were taken by the Assured, their servants and agents, to establish the financial reliability of the party in default".

JC 98/019 1 MAY 1998 CARGO ISM ENDORSEMENT

Applicable to shipments on board Ro-Ro passenger ferries.

Applicable with effect from 1 July 1998 to shipments on board:

- 1) passenger vessels transporting more than 12 passengers and
- 2) oil tankers, chemical tankers, gas carriers, bulk carriers and cargo high speed craft of 500 gt or more.

Applicable with effect from 1 July 2002 to shipments on board all other cargo ships and mobile offshore drilling units of 500

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gt. or more.

In no case shall this insurance cover loss, damage or expense where the subject matter insured is carried by a vessel that is not ISM Code certified or whose owners or operators do not hold an ISM Code Document of Compliance when, at the time of loading of the subject matter insured on board the vessel, the Assured were aware, or in the ordinary course of business should have been aware:-

- a) Either that such vessel was not certified in accordance with the ISM Code.
- b) Or that a current Document of Compliance was not held by her owners or operators.

as required under the SOLAS Convention 1974 as amended.

This exclusion shall not apply where the insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract.

CARGO ISPS ENDORSEMENT

In no case shall this insurance cover loss, damage or expense where the subject matter insured is carried by a vessel that does not hold a valid International Ship Security Certificate as required under the International Ship and Port Facility Security (ISPS) Code when, at the time of loading of the subject matter insured on board the vessel, the Assured were aware, or in the ordinary course of business should have been aware that such vessel was not certified in accordance with the ISPS Code as required under the SOLAS Convention 1974 as amended.

This exclusion shall not apply where the insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract.

CARGO ISM FORWARDING CHARGES CLAUSE

(For use only with JCC Cargo ISM Endorsement JC98/019)

This insurance is extended to reimburse the Assured, up to the limit of the sum insured for the voyage, for any extra charges properly and reasonably incurred in unloading, storing and forwarding the subject-matter to the destination to which it is insured hereunder following release of cargo from a vessel arrested or detained at or diverted to any other port or place (other than the intended port of destination) where the voyage is terminated due either

- a) to such vessel not being certified in accordance with the ISM Code.
- or
- b) to a current Document of Compliance not being held by her owners or operators

as required under the SOLAS Convention 1974 as amended.

This clause, which does not apply to General Average or Salvage or Salvage Charges, is subject to all other terms, conditions and exclusions contained in the policy and to JCC Cargo ISM Endorsement JC98/019.

CARGO ISPS FORWARDING CHARGES CLAUSE

This insurance is extended to reimburse the Assured, up to the limit of the sum insured for the voyage, for any extra charges properly and reasonably incurred in unloading, storing and forwarding the subject-matter to the destination to which it is insured hereunder following release of cargo from a vessel arrested or detained at or diverted to any other port or place (other than the intended port of destination) where the voyage is terminated due to such vessel not being certified in accordance with the ISPS Code as required under the SOLAS Convention 1974 as amended.

This clause, which does not apply to General Average or Salvage or Salvage Charges, is subject to all other terms conditions and exclusions contained in the policy and to JCC Cargo ISPS Endorsement (JC 2004/050).

JC2008/024 CARGO PIRACY NOTICE OF CANCELLATION

Where this insurance covers piracy and/or general average, salvage and sue and labour charges arising from piracy, such cover may be cancelled by insurers giving 7 days notice in writing, cancellation to take effect on the expiry of 7 days (10 days in respect of reinsurance) from midnight of the day on which the notice is issued by insurers.

Insurers agree to reinstate this coverage subject to agreement between insurers and the insured prior to the cancellation taking effect as to any new rate of premium and/or conditions and/or warranties. Such cancellation shall not affect any insurance which has attached before the cancellation takes effect.

If the cancellation is in relation to specific geographical areas, such areas will be clearly defined by insurers in the notice of

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cancellation.

JC2009-056 TERMINATION OF TRANSIT CLAUSE (TERRORISM) 2009

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

1. Notwithstanding any provision to the contrary contained in the contract of insurance or the Clauses referred to therein, it is agreed that in so far as the contract of insurance covers loss of or damage to the subject-matter insured caused by any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted or any person acting from a political, ideological or religious motive, such cover is conditional upon the subject-matter insured being in the ordinary course of transit and, in any event, SHALL TERMINATE:

either

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

or

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

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

or

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

or

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

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

whichever shall first occur.

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

JC2010/014 SANCTION LIMITATION AND EXCLUSION CLAUSE

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

JC2010/015 UK EXPORT CONTROL ORDER 2008 – REVOCATION OF LICENCES CLAUSE

In no case shall this insurance provide cover or shall any insurer(s) be liable to pay any claim or provide any benefit hereunder in respect of any movement(s) of goods authorised by an export control licence issued under the UK Export Control Order 2008 if the licence has expired or been revoked or for the period of suspension if the licence has been suspended.

This clause shall not apply to a claim that arises prior to expiry revocation or suspension of such licence. In the event of the subsequent reinstatement of the licence, cover will re-attach subject always to the terms and conditions of this insurance.

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

LABELS CLAUSE

In case of damage from a peril insured against affecting labels only, loss to be limited to an amount sufficient to pay the cost of re-conditioning cost of new labels and relabelling the goods provided the damage will have amounted to a claim under the terms of this policy.

LMA 5403 - MARINE CYBER ENDORSEMENT

1 Subject only to paragraph 3 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, computer process or any other electronic system.

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2 Subject to the conditions, limitations and exclusions of the policy to which this clause attaches, the indemnity otherwise recoverable hereunder shall not be prejudiced by the use or operation of any computer, computer system, computer software programme, computer process or any other electronic system, if such use or operation is not as a means for inflicting harm.

3 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, paragraph 1 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.

LMA5403 - 11 November 2019

LMA5264 - INSURANCE ACT 2015 - APPLICATION CLAUSE

General

1. Unless otherwise indicated, no term of this insurance contract is intended to limit or affect the statutory rights or obligations of any of the parties to this contract under, and/or the effect of, Parts 2, 3, 4 or 5 of the Insurance Act 2015 (the "2015 Act").
2. Any term of this insurance contract which would, but for this clause, put the Insured in a worse position as respects any of the matters provided for in Parts 2, 3 or 4 of the 2015 Act than it would be in by virtue of the provisions of those Parts is, to that extent, of no effect, unless the Insurer has complied with the transparency requirements in Section 17 of the 2015 Act.
3. The Insured should ask the Insurer or its broker for clarification of any matters which are not clear to it regarding the scope of disclosure required or the provisions of this insurance contract.

The duty of fair presentation

4. Before this insurance contract is entered into, the Insured must make a fair presentation of the risk to the Insurer, in accordance with Section 3 of the Insurance Act 2015. In summary, the Insured must:
 - a) Disclose to the Insurer every material circumstance which the Insured knows or ought to know. Failing that, the Insured must give the Insurer sufficient information to put a prudent insurer on notice that it needs to make further enquiries in order to reveal material circumstances. A matter is material if it would influence the judgement of a prudent insurer as to whether to accept the risk, or the terms of the insurance (including premium); and
 - b) Make the disclosure in clause (4)(a) above in a reasonably clear and accessible way; and
 - c) Ensure that every material representation of fact is substantially correct, and that every material representation of expectation or belief is made in good faith.
5. For the purposes of clause (4)(a) above, the Insured is expected to know the following:
 - a) If the Insured is an individual, what is known to the individual and anybody who is responsible for arranging his or her insurance.
 - b) **If the Insured is not an individual, what is known to anybody who is part of the Insured's senior management; or anybody who is responsible for arranging the Insured's insurance.**
 - c) Whether the Insured is an individual or not, what should reasonably have been revealed by a reasonable search of **information available to the Insured. The information may be held within the Insured's organisation, or by any third party** (including but not limited to the broker, subsidiaries, affiliates or any other person who will be covered under the insurance). If the Insured is insuring subsidiaries, affiliates or other parties, the Insurer expects that the Insured will have included them in its enquiries, and that the Insured will inform the Insurer if it has not done so. The reasonable search may be conducted by making enquiries or by any other means.

Critical information

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6. It is a condition precedent to the Insurer's liability under this insurance contract that the following matters are true and accurate at the time of inception of the contract:

As shown on the policy wording. Breach of warranty: suspensory

7. **If the Insured breaches a warranty in this insurance contract, the Insurer's liability under the contract shall be suspended** from the time of the breach until the time when the breach is remedied (if it is capable of being remedied). The Insurer will have no liability to the Insured for any loss which occurs, or which is attributable to something happening, during the period **when the Insurer's liability is suspended.**

Terms not relevant to the actual loss

8. Where: (i) there has been a failure to comply with a term (express or implied) of this insurance contract, other than a term that defines the risk as a whole; and (ii) compliance with such term would tend to reduce the risk of loss of a particular kind and/or loss at a particular location and/or loss at a particular time, the Insurer cannot rely on the breach of such term to exclude, limit or discharge its liability if the Insured shows that the failure to comply with such term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

Fraudulent claims clause

9. If the Insured makes a fraudulent claim under this insurance contract, the Insurer:

- a) Is not liable to pay the claim; and
- b) May recover from the Insured any sums paid by the Insurer to the Insured in respect of the claim; and
- c) May by notice to the Insured treat the contract as having been terminated with effect from the time of the fraudulent act.

10. If the Insurer exercises its right under clause (9)(c) above:

- a) The Insurer shall not be liable to the Insured in respect of a relevant event occurring after the time of the fraudulent act. **A relevant event is whatever gives rise to the Insurer's liability under the insurance contract (such as the occurrence of a loss, the making of a claim, or the notification of a potential claim); and,**
- b) The Insurer need not return any of the premiums paid.

Fraudulent claims – group insurance

11. **If this insurance contract provides cover for any person who is not a party to the contract ("a covered person"), and a fraudulent claim is made under the contract by or on behalf of a covered person, the Insurer may exercise the rights set out in clause (9) above as if there were an individual insurance contract between the Insurer and the covered person. However, the exercise of any of those rights shall not affect the cover provided under the contract for any other person.**

Remedies for breach of the duty of fair presentation

12. If, prior to entering into this insurance contract, the Insured shall breach the duty of fair presentation, the remedies available to the Insurer are set out below.

a) **If the Insured's breach of the duty of fair presentation is deliberate or reckless:**

i) The Insurer may avoid the contract, and refuse to pay all claims; and, ii) The Insurer need not return any of the premiums paid.

b) **If the Insured's breach of the duty of fair presentation is not deliberate or reckless, the Insurer's remedy shall depend upon what the Insurer would have done if the Insured had complied with the duty of fair presentation:**

i) If the Insurer would not have entered into the contract at all, the Insurer may avoid the contract and refuse all claims, but must return the premiums paid.

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ii) If the Insurer would have entered into the contract, but on different terms (other than terms relating to the premium), the contract is to be treated as if it had been entered into on those different terms from the outset, if the Insurer so requires.

iii) In addition, if the Insurer would have entered into the contract, but would have charged a higher premium, the Insurer may reduce proportionately the amount to be paid on a claim (and, if applicable, the amount already paid on prior claims). In those circumstances, the Insurer shall pay only X% of what it would otherwise have been required to pay, where $X = (\text{premium actually charged/higher premium}) \times 100$.

13. If, prior to entering into a variation to this insurance contract, the Insured shall breach the duty of fair presentation, the remedies available to the Insurer are set out below.

a) If the Insured's breach of the duty of fair presentation is deliberate or reckless:

i) The Insurer may by notice to the Insured treat the contract as having been terminated from the time when the variation was concluded; and,

ii) The Insurer need not return any of the premiums paid.

b) If the Insured's breach of the duty of fair presentation is not deliberate or reckless, the Insurer's remedy shall depend upon what the Insurer would have done if the Insured had complied with the duty of fair presentation:

i) If the Insurer would not have agreed to the variation at all, the Insurer may treat the contract as if the variation was never made, but must in that event return any extra premium paid.

ii) If the Insurer would have agreed to the variation to the contract, but on different terms (other than terms relating to the premium), the variation is to be treated as if it had been entered into on those different terms, if the Insurer so requires.

iii) If the Insurer would have increased the premium by more than it did or at all, then the Insurer may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, the Insurer shall pay only X% of what it would otherwise have been required to pay, where $X = (\text{premium actually charged/higher premium}) \times 100$.

iv) If the Insurer would not have reduced the premium as much as it did or at all, then the Insurer may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, the Insurer shall pay only X% of what it would otherwise have been required to pay, where $X = (\text{premium actually charged/reduced total premium}) \times 100$.

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16 March 2016

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.

MACHINERY

New:

Excluding Electrical and Mechanical Derangement, unless caused by an insured peril.

Excluding Rust, Oxidisation and Discolouration on unpacked or unprotected items.

Subject to Institute Replacement Clause

Second-Hand:

Excluding Electrical and Mechanical Derangement unless caused by an insured peril.

Excluding Rust, Oxidisation and Discolouration.

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Excluding Scratching, Denting, Chipping and subsequent cost of repainting.

Subject to Second-Hand Replacement Clause.

OWN VEHICLE THEFT EXCLUSION CLAUSE

Excluding theft of/from unattended vehicle unless:-

- 1) All points of access are locked, keys removed and any alarm/immobiliser systems set.
- AND
- 2) Between the hours of 9 pm and 6 am the vehicle is kept in a locked compound/premises.

PAIRS AND SETS CLAUSE

In the event of loss of or damage to any article forming part of a pair or set Underwriters shall not be liable for more than the value of the particular part or parts which may be lost or damaged without reference to any special value which such part or parts may have as forming a pair or set but in any event not exceeding a proportionate part of the sum insured in respect of the pair or set.

POLICY JURISDICTION CLAUSE

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

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.

PROCESS CLAUSE

No claim to attach for damage to property hereby insured which may be sustained whilst the same is under any process and directly resulting therefrom.

RETURNED GOODS CLAUSE

This policy shall apply to goods returned to the Assured where the Assured are responsible for such goods and where there is no more specific insurance in force.

The Assured shall take all reasonable steps to ensure that Customers/Clients who return goods shall comply with the following requests:-

1. Goods returned by post shall be despatched via a system, which provides proof of posting and of delivery.
2. Goods shall be suitably packed and protected for the return transit.

SECOND HAND REPLACEMENT CLAUSE

Underwriters' liability under the Institute Replacement Clause is limited to that proportion of any claim which the insured value bears to the present day cost of Machines and/or any other interest of a similar nature when new.

SHIPMENTS OF STEEL AND/OR METALS AND/OR SIMILAR ITEMS

Shipments of Steel and/or Metals and/or similar items are covered hereunder but excluding loss or damage arising from rust, oxidisation, discolouration absolutely and twisting, bending, distortion unless caused by an insured peril.

STANDARD CONDITIONS CLAUSE

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It is a condition of this insurance that the Assured is bound to declare hereunder every shipment without exception, Underwriters being bound to accept up to but not exceeding the amount specified herein.

It is also agreed that this insurance 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, voyage or if the subject matter be shipped on a vessel other than that originally advised by the Assured.

It is a condition that the Assured makes a full declaration of material facts at the inception of the policy period and there is an ongoing duty that the Assured discloses any changes to those material facts during the currency of the policy period.

The policy is subject to and incorporates the provisions of the Insurance Act 2015 and any modification thereof unless such modification has been excluded under the policy. In connection therewith the policy includes LMA5264.

SUBROGATION WAIVER CLAUSE (Applies to policies where Lonham also hold the Liability Cover)

In cases where the policy holder or named insured is a haulier, freight forwarder, Non-Vessel Owning Carrier or warehouse keeper responsible for arranging carriage or storage of goods covered under this contract, Underwriters agree to waive their rights of recourse against the policy holder or named insured under the Lonham Group Limited policy number.

SURVEY FEES

In the event of the Assured and/or consignee complying with the instruction contained in the policy or on the certificate of insurance to call for a survey in respect of physical loss or damage which may result in a claim hereunder, it is hereby **understood and agreed that reasonable expenses incurred and fees charged in respect of that survey are for Underwriters' account** even though a claim may not subsequently result hereunder.

TRIEA

A standard premium of GBP 50, USD 75 or EUR 75 is deemed to be included within any individual rating.

WAR AND/OR STRIKES PREMIUM CLAUSE (JC 2004/039 06/09/04)

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

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CONTACTS AND COMPLAINTS PROCEDURE

Lonham Group Ltd acts as agent for Chaucer Syndicate 1084 at Lloyd's of London in performing its duties under this policy.

We aim to provide a first class service. If we have not delivered the service that you expected or have any concerns relating to the policy, we would like the opportunity to offer additional support to put things right. We ask you initially raise your concern with Lonham Group Ltd, contacts as follows:

Contact details:

Policy issues: Mike Ayres, Underwriting Director

Claims issues: Christine Midwood, Claims Director

Lonham Group Ltd, The Maltings, Princes Street, Ipswich, Suffolk, IP1 1SB, UK, Tel: +44(0)1473216116, E-Mail:

lonham@lonham.co.uk

If you are still not happy with our response or the course of action proposed, a complaint can be referred to our Complaints Officer, as shown below.

Complaints Procedure

ALL COMPLAINTS BY THE ASSURED MUST BE REFERRED IN THE FIRST INSTANCE TO LONHAM GROUP LTD, as follows:

Diane Stannard, Complaints Officer, Lonham Group Ltd, The Maltings, Princes Street, Ipswich, Suffolk, IP1 1SB, UK, Tel:

+44(0)1473216116, E-Mail: lonham@lonham.co.uk

IF NO SATISFACTION IS OBTAINED COMPLAINTS SHOULD THEN BE REFERRED TO:

Complaints, Lloyd's, Fidentia House, Walter Burke Way, Chatham Maritime, Chatham, Kent, ME4 4RN, Tel: +44(0)20 7327

5693, Fax: +44(0)20 7327 5225, 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.

Lloyd's is regulated by the Financial Conduct Authority ("The FCA"), 25 The North Colonnade, Canary Wharf, London, E14 5HS

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INSURANCE ACT 2015 - APPLICATION CLAUSE (“WRAPAROUND CLAUSE”)

General

1. Unless otherwise indicated, no term of this insurance contract is intended to limit or affect the statutory rights or obligations of any of the parties to this contract under, and/or the effect of, Parts 2, 3, 4 or 5 of the Insurance Act 2015 (the “2015 Act”).
2. Any term of this insurance contract which would, but for this clause, put the Insured in a worse position as respects any of the matters provided for in Parts 2, 3 or 4 of the 2015 Act than it would be in by virtue of the provisions of those Parts is, to that extent, of no effect, unless the Insurer has complied with the transparency requirements in Section 17 of the 2015 Act.
3. The Insured should ask the Insurer or its broker for clarification of any matters which are not clear to it regarding the scope of disclosure required or the provisions of this insurance contract.

The duty of fair presentation

4. Before this insurance contract is entered into, the Insured must make a fair presentation of the risk to the Insurer, in accordance with Section 3 of the Insurance Act 2015. In summary, the Insured must:
 - a) Disclose to the Insurer every material circumstance which the Insured knows or ought to know. Failing that, the Insured must give the Insurer sufficient information to put a prudent insurer on notice that it needs to make further enquiries in order to reveal material circumstances. A matter is material if it would influence the judgement of a prudent insurer as to whether to accept the risk, or the terms of the insurance (including premium); and
 - b) Make the disclosure in clause (4)(a) above in a reasonably clear and accessible way; and
 - c) Ensure that every material representation of fact is substantially correct, and that every material representation of expectation or belief is made in good faith.
5. For the purposes of clause (4)(a) above, the Insured is expected to know the following:
 - a) If the Insured is an individual, what is known to the individual and anybody who is responsible for arranging his or her insurance.
 - b) If the Insured is not an individual, what is known to anybody who is part of the Insured’s senior management; or anybody who is responsible for arranging the Insured’s insurance.**
 - c) Whether the Insured is an individual or not, what should reasonably have been revealed by a reasonable search of **information available to the Insured. The information may be held within the Insured’s organisation, or by any third party** (including but not limited to the broker, subsidiaries, affiliates or any other person who will be covered under the insurance). If the Insured is insuring subsidiaries, affiliates or other parties, the Insurer expects that the Insured will have included them in its enquiries, and that the Insured will inform the Insurer if it has not done so. The reasonable search may be conducted by making enquiries or by any other means.

Critical information

6. **It is a condition precedent to the Insurer’s liability under this insurance contract that the material facts detailed under the “Critical Information” section of the policy are true and accurate at the time of inception of the contract.**

Breach of warranty: suspensory

7. **If the Insured breaches a warranty in this insurance contract, the Insurer’s liability under the contract shall be suspended from the time of the breach until the time when the breach is remedied (if it is capable of being remedied). The Insurer will have no liability to the Insured for any loss which occurs, or which is attributable to something happening, during the period when the Insurer’s liability is suspended.**

Terms not relevant to the actual loss

8. Where: (i) there has been a failure to comply with a term (express or implied) of this insurance contract, other than a term that defines the risk as a whole; and (ii) compliance with such term would tend to reduce the risk of loss of a particular kind and/or loss at a particular location and/or loss at a particular time, the Insurer cannot rely on the breach of such term to exclude, limit or discharge its liability if the Insured shows that the failure to comply with such term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

Fraudulent claims clause

9. If the Insured makes a fraudulent claim under this insurance contract, the Insurer:
 - a) Is not liable to pay the claim; and
 - b) May recover from the Insured any sums paid by the Insurer to the Insured in respect of the claim; and
 - c) May by notice to the Insured treat the contract as having been terminated with effect from the time of the fraudulent act.
10. If the Insurer exercises its right under clause (9)(c) above:

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- a) The Insurer shall not be liable to the Insured in respect of a relevant event occurring after the time of the fraudulent act. A relevant event is whatever gives rise to the Insurer's liability under the insurance contract (such as the occurrence of a loss, the making of a claim, or the notification of a potential claim); and,
- b) The Insurer need not return any of the premiums paid.

Fraudulent claims - group insurance

11. If this insurance contract provides cover for any person who is not a party to the contract ("a covered person"), and a fraudulent claim is made under the contract by or on behalf of a covered person, the Insurer may exercise the rights set out in clause (9) above as if there were an individual insurance contract between the Insurer and the covered person. However, the exercise of any of those rights shall not affect the cover provided under the contract for any other person.

Remedies for breach of the duty of fair presentation

12. If, prior to entering into this insurance contract, the Insured shall breach the duty of fair presentation, the remedies available to the Insurer are set out below.

a) If the Insured's breach of the duty of fair presentation is deliberate or reckless:

- i) The Insurer may avoid the contract, and refuse to pay all claims; and,
- ii) The Insurer need not return any of the premiums paid.

b) If the Insured's breach of the duty of fair presentation is not deliberate or reckless, the Insurer's remedy shall depend upon what the Insurer would have done if the Insured had complied with the duty of fair presentation:

- i) If the Insurer would not have entered into the contract at all, the Insurer may avoid the contract and refuse all claims, but must return the premiums paid.
- ii) If the Insurer would have entered into the contract, but on different terms (other than terms relating to the premium), the contract is to be treated as if it had been entered into on those different terms from the outset, if the Insurer so requires.
- iii) In addition, if the Insurer would have entered into the contract, but would have charged a higher premium, the Insurer may reduce proportionately the amount to be paid on a claim (and, if applicable, the amount already paid on prior claims). In those circumstances, the Insurer shall pay only X% of what it would otherwise have been required to pay, where $X = (\text{premium actually charged/higher premium}) \times 100$.

13. If, prior to entering into a variation to this insurance contract, the Insured shall breach the duty of fair presentation, the remedies available to the Insurer are set out below.

a) If the Insured's breach of the duty of fair presentation is deliberate or reckless:

- i) The Insurer may by notice to the Insured treat the contract as having been terminated from the time when the variation was concluded; and,
- ii) The Insurer need not return any of the premiums paid.

b) If the Insured's breach of the duty of fair presentation is not deliberate or reckless, the Insurer's remedy shall depend upon what the Insurer would have done if the Insured had complied with the duty of fair presentation:

- i) If the Insurer would not have agreed to the variation at all, the Insurer may treat the contract as if the variation was never made, but must in that event return any extra premium paid.
- ii) If the Insurer would have agreed to the variation to the contract, but on different terms (other than terms relating to the premium), the variation is to be treated as if it had been entered into on those different terms, if the Insurer so requires.
- iii) If the Insurer would have increased the premium by more than it did or at all, then the Insurer may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, the Insurer shall pay only X% of what it would otherwise have been required to pay, where $X = (\text{premium actually charged/higher premium}) \times 100$.
- iv) If the Insurer would not have reduced the premium as much as it did or at all, then the Insurer may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, the Insurer shall pay only X% of what it would otherwise have been required to pay, where $X = (\text{premium actually charged/reduced total premium}) \times 100$.

LMA5264 (Amended) 16 March 2016 [These clauses may also be used in reinsurance contracts.]