



# MARINE OPEN CARGO POLICY

(Import, Export & Inland Transit)

In consideration of payment of the premium as agreed, AIG South Africa Limited (AIG SA), ('The Insurers') agree to insure the Insured against loss, damage, liability or expense hereinafter provided.

In the event of loss or damage which may give rise to a claim hereunder notice must be given to AIG SA in accordance with the Notice and Prescription Clauses contained herein, so that it may nominate a surveyor.

This Policy is subject to the Laws of the Republic of South Africa whose courts shall have exclusive jurisdiction. However, English law (excluding prescription) shall apply to the interpretation of the Institute Clauses.

INSURED	AS PER SCHEDULE
CONVEYANCE	AS PER SCHEDULE
VOYAGES	AS PER SCHEDULE
SUBJECT MATTER INSURED	AS PER SCHEDULE
SUM INSURED	AS PER SCHEDULE
PREMIUM	AS PER SCHEDULE
CONDITIONS OF INSURANCE	AS PER SCHEDULE
LIMITS	AS PER SCHEDULE

**PLEASE READ THE IMPORTANT NOTICE REGARDING CLAIMS PROCEDURES AND DOCUMENTATION PRINTED HEREIN.**



SCHEDULE attaching to and forming part of THE MARINE OPEN CARGO POLICY NO.  
**02 MAR 0511712**

In the name of:- **Santova Logistics (Pty) Ltd, Tradeway Shipping Ltd, WM Shipping Ltd and and/or Subsidiary or Controlled or Controlling Companies on behalf of their clients for whom they have written authority to insure.**

Including all subsidiary companies as their interests may appear as now existing or hereafter acquired or constituted or the insurance of which is under their control unless insured elsewhere prior to inception of this contract or to insurable interest being acquired.

#### **ATTACHMENT DATE**

To attach to all transits commencing on and after **01<sup>st</sup> March 2018** and terminating on **28<sup>th</sup> February 2019** (both days inclusive) and any subsequent period agreed to by Insurers

#### **LIMITS**

##### **Imports/Exports/Inland**

**R 20 000 000 (Twenty Million Rand)** any one vessel and/or conveyance unless otherwise declared to and accepted by Insurers prior to loss, accident or arrival.

##### **R20 000 000 (Twenty Million Rand)**

Any one location during transit or as hereinafter provided, at any one time, unless otherwise declared to and accepted by Insurers prior to loss or accident.

In the event that the amount at risk in any one vessel, convenience or location exceeds the limit applicable, claims will be settled on a "first loss" basis up to the amount of the policy limit, but premium payable on the full amount at risk.

#### **SUBJECT MATTER**

All Goods and/or Merchandise and/or Interest appertaining to the Insured's business, in customary export packing, including all Packing Materials, Receptacles, Labels and the like when necessary for commercial purposes, consisting principally of:

##### **To be agreed prior to sailing**

UNLESS OTHERWISE AGREED prior to loss, accident or arrival other interests and/or packing's and/or unpacked and/or repaired and/or reconditioned and/or secondhand interests are insured in terms of the Institute Cargo Clauses (B) (sub-clause 1.2.3. deleted) at 50% (Fifty percent) of policy rate including the risks of War and Strikes as per the relevant Institute Clauses and subject to the scale rate ruling at the time of despatch.

#### **CONVEYANCE**

All land, water (including barges) and air conveyances.

Ocean Steamers and/or Motor vessels subject to the Institute Classification Clause or held covered.

The terms of the Institute Classification Clause shall not prejudice any claims hereunder when presentation of claims to the Insurers is the first indication that transshipment beyond the control of the Insured was effected on a vessel not covered by the Institute Classification Clause. However, the appropriate additional premium will be paid if required.



## VOYAGES

At and from Ports and/or Places **ANYWHERE IN THE WORLD** including where applicable transit to and whilst at packers' premises en route for shipment until delivered into warehouse and/or place of storage and/or on site at final destination anywhere in the **ANYWHERE IN THE WORLD**

**All Shipments Subject To:**

### **SANCTION LIMITATION & EXCLUSION CLAUSE JC 2010/014**

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.

### **Territorial Limits**

Excluding shipments to and/or from countries under United Nations Sanctions, Burma (Myanmar), Cuba, Iran, Iraq, North Korea, Libya, Liberia Sudan, Syria. Notwithstanding, it is understood and agreed that this list of excluded countries may be amended by the underwriter at any time in accordance with the laws and regulations governing this policy and/or the Insurer, its parent company or its ultimate controlling entity

Including all customary transshipments.

## **BASIS OF VALUATION**

Unless otherwise agreed with Insurers prior to loss, accident or arrival, the basis of valuation shall be:

### **Imports**

Arrived/delivered cost at final destination (including duty, Excise and/or Surcharge where incurred) plus **10%**.

In the event of a total loss prior to landing, the Insurers to pay the prime cost of the goods, the freight for which the Insured is liable, charges paid or incurred incidental to shipping, the insurance premium, plus 10%. Also to pay Duty, Excise, Surcharge and/or Landing) and similar charges, if incurred in anticipation of arrival. The Insured agrees to take all reasonable steps to obtain a refund of such charges and return the nett amount to the Insurers.

### **Exports**

Cost, Insurance and Freight plus **10%** or as stipulated in Letter of Credit or as instructed by the Buyer.

## **GENERAL CONDITIONS**

Unless otherwise agreed with the Insurers prior to despatch, loss, damage, accident or arrival cover hereunder is deemed to be:-

**Applicable to Imports, Exports, Coastwise, FOB CFR and similar terms of sale Export Shipments**

**PACKED SUBJECT MATTER SHIPPED: BREAKBULK UNDER DECK AND/OR IN STRUCTURALLY FULLY ENCLOSED I.S.O. SHIPPING CONTAINERS AND/OR UNDER DECK IN CONTAINERS OTHER THAN STRUCTURALLY FULLY ENCLOSED I.S.O. SHIPPING CONTAINERS (Containers which are open-ended, open-sided, open- topped**



**and/or canvas and/or tarpaulin covered or any other similar varieties) AND/OR AIRFREIGHT AND/OR PARCEL POST.**

Against all risks of physical loss or damage subject to the Institute Cargo Clauses (A) or Institute Cargo Clauses (Air) (excluding sendings by Post) as applicable.

**UNLESS OTHERWISE AGREED WITH THE INSURERS PRIOR TO DESPATCH, LOSS DAMAGE ACCIDENT OR ARRIVAL IT IS A CONDITION PRECEDENT THAT THE SUBJECT MATTER INSURED WILL BE NEW FOR THE ABOVE GENERAL CONDITIONS TO APPLY.**

**SUBJECT MATTER INSURED WHICH IS USED AND/OR SECOND HAND AND/OR REFURBISHED AND/OR RECONDITIONED ARE SUBJECT TO THE USED AND/OR SECOND HAND AND/OR REFURBISHED AND/OR RECONDITIONED GOODS CLAUSE HEREIN.**

**ON DECK SHIPMENTS: BREAKBULK OR IN CONTAINERS OTHER THAN STRUCTURALLY FULLY ENCLOSED I.S.O SHIPPING CONTAINERS (Containers which are open-ended, open-sided, open- topped and/or canvas and/or tarpaulin covered or any other similar varieties) ALSO UNPACKED AND/OR UNPROTECTED CARGO ON OR UNDER DECK.**

Insured as per the Institute Cargo Clauses (B) with Clause 1.2.3. deleted but including loss overboard, theft, pilferage and non-delivery of an entire shipping package and loss or damage caused by other cargo or as a result of cargo being dropped from or by lifting equipment during loading or off-loading, also including the risk of piracy. Subject to the attached Institute Malicious Damage Clause with the words "In consideration of an additional premium" deleted.

**BREAKBULK CARGO OR GOODS IN CONTAINERS OTHER THAN ISO FULLY ENCLOSED UNITS, SHIPPED ON DECK SUBJECT TO AN "UNDER DECK" BILL OF LADING.**

It is hereby agreed that cargo shipped on Deck without the privity knowledge or consent of the Insured whilst subject to an "Under-Deck" Bill of Lading shall be insured in terms of the applicable "Under Deck" Conditions.

### **All Shipments**

Subject to the relevant Institute War Clauses and Institute Strikes Clauses as applicable.

Subject to the Institute Radioactive Contamination Exclusion Clause.

Subject to the Institute Cyber Attack Exclusion Clause

Subject to the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause.

Subject to the Termination of Transit Clause (Terrorism).

### **Misrepresentation and Fraud**

If the Insured has concealed or misrepresented any material fact or circumstance concerning this insurance, or If any claim under this Policy is in any respect fraudulent or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy or if any loss damage or liability be occasioned by the wilful act or with the connivance of the Insured all benefit under this Policy shall be forfeited.

### **Container Liability**



This Policy does not cover loss of or damage to the actual shipping Container or any liabilities arising out of its use.



## **CLAIM NOTIFICATION WARRANTY**

Warranted all claims / losses (other than hi-jacking) to be advised to the Insurers within thirty (30) days of the occurrence and hi-jacking / losses to be advised to the Insurers within seven (7) days of the hi-jacking taking place.

Failure to notify the Insurers within the above time period(s) and to lodge a fully documented claim with the Insurers within six (6) months calculated from the date of the notice given to the Insurers, shall entitle the Insurers to repudiate liability for the claim.

## **PROCEDURE IN THE EVENT OF LOSS OR DAMAGE FOR WHICH THE UNDERWRITERS MAY BE LIABLE:**

### **LIABILITY OF CARRIERS, BAILEES OR OTHER THIRD PARTIES.**

It is the duty of the Insured and their Agents in the event of loss or damage for which the Insurers may be liable, to take such measures as may be reasonable for the purpose of averting or minimising loss and to ensure that all rights against Carriers, Bailees or other third parties are properly preserved and exercised, in particular, the Insured and or their Agents are required.

To claim immediately on the Carriers, Port Authorities or other Bailees for any missing packages.

In no circumstances, except under written protest, to give clean receipt where goods are in doubtful condition.

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 receipts accordingly and retain all defective or irregular seals for subsequent identification.

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.

To give notice in writing to the Carriers or other Bailees within 3 days of delivery if the loss or damage was not apparent at the time of taking delivery.

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

## **DOCUMENTATION OF CLAIMS**

To enable claims to be dealt with promptly, the Insured 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 commercial invoices.
- Original Bill of Lading and/or other contract of carriage.
- Survey report or other documentary evidence to show the extent of the loss or damage.



- Correspondence exchanged with the Carriers and other Parties regarding their liability for the loss or damage.
- Contract of sale
- Clearing & forwarding agents account
- Packing list
- Bill of entry / export
- Documentary proof of payment / receipt of the purchase price of the goods
- Container terminal order (if applicable)

### **DANGEROUS DRUGS CLAUSE**

It is understood and agreed that no claim under this Policy will be paid in respect of drugs to which the various International Conventions relating to Opium and other dangerous drugs apply unless:

The drugs are expressly declared as such in the policy and the name of the country from which, and the name of the country to which they are consigned shall be specifically stated in the Policy and;

The proof of loss is accompanied either by a licence, certificate or authorisation issued by the Government of the country to which the drugs are consigned showing that the importation of the consignment into that country has been approved by that Government or, alternatively by a licence, certificate or authorisation issued by the Government of the country from which the drugs are consigned, showing that the export of the consignment to the destination stated has been approved by that Government and;

The route by which the drugs were conveyed was usual and customary.

### **ARBITRATION CLAUSE**

In terms of the Insurance Act 27 of 1943 the Insurers may elect that any dispute as to the quantum an/or the merits of the claim under the Policy shall be determined by arbitration in the Republic of South Africa.



## **CONTRIBUTORY VALUE CLAUSE (GENERAL AVERAGE AND SALVAGE)**

Contributions to General Average and Salvage charges recoverable hereunder are payable in full irrespective of insured value.

General Average Deposits recoverable hereunder shall be payable on production of the relevant Deposit Receipts.

## **CARGO ISM ENDORSEMENT**

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 Insured was aware, or in the ordinary course of business should have been aware:-

- i) either that such vessel was not certified in accordance with the ISM Code;
- ii) or that a current Document of Compliance was not held by her owners or operators;

as required under the SOLAS Convention 1974 as amended as incorporated in the SA Merchant Shipping Act.

This exclusion shall not apply where this 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.

## **PAYMENT OF VAT**

It is understood and agreed that the Insurers will settle claims as per policy terms and conditions applicable plus VAT where the Insured is obliged to pay VAT in terms of the South African legislation current at time of settlement.

## **DECLARATIONS/CONTRACTUAL CLAUSE**

To be submitted by the Insured or their Representatives or Agents to:

**SANTOVA FINANCIAL SERVICES (PTY) LTD  
P O BOX 6148  
DURBAN  
4000**

For submission and accounting to the Insurers.

It is a condition of this Policy that, until it is cancelled as herein provided, the Insured is bound to declare hereunder all shipments and sendings within its scope and the Insurers are bound to accept these Declarations on the agreed conditions and rates, and up to the stated applicable limits.





## **EXCESS**

**To be agreed prior to sailing date**

## **PLANT, MACHINERY ELECTRICAL EQUIPMENT AND APPLIANCES**

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

Subject to the Airfreight Replacement Clause for new equipment and the Second hand Replacement Clause for second hand equipment.

## **SECOND HAND REPLACEMENT CLAUSE**

In the event of claims for loss or damage to any part of the insured interest in consequence of a peril covered by the policy, the amount recoverable hereunder shall not exceed such proportion of the cost of replacing the part, lost or damaged as the insured value bears to the value of the new machine plus additional charges for forwarding and refitting the new part or parts, if incurred.

## **USED AND/OR SECOND HAND AND/OR REFURBISHED AND/OR RECONDITIONED GOODS CLAUSE**

Provided that a pre-shipment survey is undertaken by a competent Marine Surveyor or an independent technical expert at the Insured's expense and such report submitted to and accepted by the Insurers, cover shall be, unless otherwise agreed, as per the "General Conditions" as applicable, i.e. whether packed or unpacked, shipped on or under deck.

If a pre-shipment survey is not undertaken, cover shall be, except as otherwise agreed with Insurers, subject to the Institute Cargo Clauses (B) with sub-Clause 1.2.3 deleted but including loss overboard, theft, pilferage and non-delivery of an entire shipping package, piracy, heavy weather and loss or damage caused as a result of cargo being dropped by lifting equipment during loading or offloading, subject also to the Institute Malicious Damage Clause as amended.

## **RETURNED GOODS CLAUSE**

Goods returned for repair, re-calibration or for replacement of parts, also undamaged, obsolete stock or wrongly delivered goods related to Suppliers or Manufacturers, are insured according to the applicable General Conditions and relevant policy clauses and rates herein, provided that, in the event of a claim, the Insured produces a Report, prepared prior to shipment, detailing the damage or other reason necessitating the return and any loss, damage or expense attributable to the contents of such report shall not be recoverable hereunder. If such Report is not prepared, cover shall be in terms of the Institute Cargo Clauses (B) with sub-Clause 1.2.3 deleted but including loss overboard, theft, pilferage and non-delivery of an entire shipping package, piracy, loss or damage caused by other cargo or as a result of cargo being dropped from lifting equipment during loading or offloading; also subject to the Institute Malicious Damage Clause as amended. Goods which are subject to a recoverable claim under this policy and returned with the consent of the Insurers are covered on conditions to be agreed, without additional premium.

## **LABELS CLAUSE**

In the case of loss or damage caused by perils insured against affecting labels only, the Insurers liability shall be limited to an amount sufficient to pay the cost of reconditioning, the cost of new labels and the cost of re-labelling the goods, provided that the damage shall have amounted to a claim recoverable under the terms of the Policy.

## **SHIPMENT REGISTER**



The Insured undertakes to maintain their Register of Shipments or similar domestic record of all shipments in such a manner as to enable the Insurers, if they so require, on examination thereof, to recognise individual vessels names, countries of loading and sums insured per vessel.

### **SHORE CLAUSE**

Notwithstanding that the Institute Cargo Clauses (B) may apply, where this insurance covers the subject-matter whilst on docks, jetties, piers, wharves or elsewhere on land and/or during land transportation, it shall include the risks of collision, derailment, overturning or other accident to the conveyance, fire, lightning, sprinkler leakage, cyclones, hurricanes, earthquakes, floods and/or collapse or subsidence of docks, jetties, piers, wharves or structures. Also including impact by aircraft or articles dropped therefrom, impact of the load with obstructions or projections in the carriageway, and loss of or damage to the load directly resulting from the carrying vehicle attempting to avoid an accident or collision.

### **UNINTENTIONAL ERRORS AND OMISSIONS CLAUSE**

Unintentional errors or omissions in the making of Declarations shall not invalidate cover provided that steps are taken to rectify such errors or omissions immediately they come to the notice of the Insured or their Representatives or their Agents.

### **CANCELLATION**

This Policy may be cancelled by either the Insured or the Insurers giving notice of cancellation in writing as prescribed hereunder. Such cancellation shall become effective after midnight of the day on which such notice expires but shall not apply to any interest/s which shall have attached prior to expiry of the notice.

Marine, Inland Transit and Storage Risk – 30 days;  
War Risks – as per Institute War Cancellation Clause;  
Strikes etc, risk (except for voyages to or from the United States of America where 48 hours notice shall apply) – 7 days.

Provided that if the premium is payable to the Insurers by instalments and if any instalment is not paid on due date the Insurers may cancel the policy from date of such non-payment.

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

This clause shall be paramount and shall override anything contained in this Policy or any of its endorsements inconsistent therewith

1) Notwithstanding any provision to the contrary contained in this Policy or the clauses referred to herein, it is agreed that in so far as this Policy covers loss of or damage to the subject- matter insured caused by any terrorist or any person acting from a political 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 Policy,

or

1.2) delivery to the consignee's or other final warehouse or place of storage at the destination named herein,

1.2) on delivery to any warehouse or place of storage, whether prior to or at the destination named herein, which the Insured elects to use either for storage other than the ordinary course of transit or for allocation or distribution,



or

- 1.3) in respect of marine transits, on the expiry of 60 days after completion of discharge overside of the goods hereby insured from the overseas vessel at the final port of discharge,
- 1.4) in respect of air transits, on the expiry of 30 days after unloading the subject matter insured from the aircraft at the final place of discharge,

whichever shall first occur.

- 2.) If this Policy or the clauses referred to therein specifically provided 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.

### **RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE (U.S.A. ENDORSEMENT)**

This insurance is subject to the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause (10.11.03) provided that

If fire is an insured peril

And

Where the subject matter insured or, in the case of a reinsurance, the subject matter insured by the original insurance, is within the U.S.A., its islands, onshore territories or possessions

And

A fire arises directly or indirectly from one or more of the causes detailed in Sub-Clauses 1.1,1.2 and 1.4 of the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause (10.11.03) any loss or damage directly from that fire shall, subject to the provisions of this insurance (reinsurance), be covered **EXCLUDING** however any loss, damage, liability or expense caused by nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from that fire.

### **CLAUSES INCORPORATED**

The following Clauses, current at the date of issue of this policy, are deemed to form part of this Policy so far as applicable. Any amending and/or Replacing Clauses approved by the Association of Marine Underwriters in South Africa shall, subject to notice in accordance with the Cancellation Clause of this Policy, amend and/or replace such Clause/s but this shall not apply to any interest/s which shall have attached prior to such notice becoming effective.

Institute Cargo Clauses (A) (1.1.82)  
Institute Cargo Clauses (Air – excluding sendings by Post) (1.1.82)  
Institute Cargo Clauses (B) (1.1.82)  
Institute Frozen Food Clauses (A) (1..1.86)  
Institute Frozen Extension Clauses (1.1.86)  
Institute Malicious Damage Clause (1.8.82) as amended.  
Institute Classification Clause (1.1.01)  
Institute Replacement Clause (1.1.34)  
Institute War Clauses (Cargo) (1.1.82)  
Institute War Clauses (Air Cargo) (1.1.82)  
Institute War Clauses (Sendings by Post) (1.1.82)  
Institute Strikes Clauses (Cargo) (1.1.82)  
Institute Strikes Clauses (Air Cargo) (1.1.82)  
Institute War Cancellation Clause (Cargo) (1.12.82)  
Institute Location Clause



Institute Radioactive Contamination Exclusion Clause (1.10.90)  
Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause (10.11.03)  
Institute Cyber Attack Exclusion Clause (10.11.03)  
OFAC Clause

## **HELD COVERED**

It is necessary for the insured or their representatives or their agents, when they become aware of an event which is held covered under this insurance, to give prompt notice to the insurer's visa brokers.

## **PRIMARY LOSS LAYER**

The Primary Loss Layer ("PLL") is the aggregate amount of cover up to R 750,000 limited to R50,000 per Assured per loss per conveyance, and limited to R 100 000 if there is a series of losses arising out of the same event regardless of the number of assureds. The applicable PLL limit shall be the greater of R 750,000 or 150% of the cumulative premiums paid or due and payable as calculated up to the month of loss payment by the Company.

The Policyholder will act as self-insurer for the PLL. However on receipt of the applicable Security Deposit amounts, the Company undertakes, subject to the Company's rights in law and the policy wording and conditions as well as the limits referred to in the PLL, to meet all claims falling within the PLL.

Subject to that set out in paragraph one of this clause, in the event of a claim exceeding R50,000, the first R 50,000 of the claim (including survey fees) ("the first amount") will contribute to the reduction of the PLL. The balance of the claim will not contribute to such reduction.

In the event that the PLL is burned within the policy period, the policy will be subject to residual excess of R 10 000 per assured per loss per conveyance.

Once the cumulative effect of the first amount exceeds or exhausts the PLL limit, no further claims or part of claims during the period will fall within the PLL.

The Security Deposit amount will be an amount equal to the PLL or an amount equivalent to the value of claims falling within the PLL whichever is greater.

Subject to the Termination clause, on receipt of the Security Deposit amount the policyholder will not act as self-insurer for claims falling within the PLL.

Claims which would be recoverable in terms of Institute Cargo Clauses (C), war and strikes as per Institute Clauses are exempt from the operation of the PLL and will not in any way contribute to the reduction of the PLL or will in any way be met out of the PLL.

In the event that this insurance be cancelled other than at renewal date, it is agreed that the PLL shall be apportioned between the Policyholder and Company according to the number of days on risk.

## **BUYERS CONTINGENCY CLAUSE (IMPORTS)**

Not applicable for shipments originating in China, India, Russia and South America and excluding CIF and/or CIP purchases or other terms of sale where the supplier contracts for Insurance to cover the overseas voyage.

Notwithstanding the terms of purchase it is agreed that this insurance commences from the time of leaving Suppliers warehouses and that should loss or damage caused by risks insured against occur prior to the Insured acquiring risk, this insurance will indemnify the Insured provided that:

- (i) the purchase price has been paid;
- (ii) the Insured does not reveal the existence of this contingency insurance to Suppliers or any other interested party;



- (iii) the Insured takes all reasonable steps to recover the loss or damage from Suppliers or other responsible parties and if necessary will cede all rights of recovery to Insurers.

### **CIF/CIP SHIPMENTS CLAUSE (IMPORTS)**

Shipments which are imported CIF/CIP are insured, subject to policy conditions, terms and exceptions, to the extent of any shortfall in cover conditions, insured value and/or insured voyage of the Shippers' or Suppliers' policy, against the scope of cover the Insured enjoys under their own insurance as herein provided and always subject to the Insured making the appropriate Declarations under this policy and paying premium at 50% of the applicable policy rate on the full insured value as per the Basis of Valuation.

It is a condition of the Insured's right of recovery hereunder that they shall take all reasonable steps to recover from the Seller and that the existence of this extension shall not be revealed to the Seller, failing which it shall be void and of no force and effect.

### **COVER AFTER DISCHARGE (IMPORTS)**

Notwithstanding Clauses 8.1.3, 9.1 and 9.2 of the Institute Cargo Clauses (A), (B) and (C), and Clauses 5.1.3, 6.1 and 6.2 of the Institute Strikes Clauses (Cargo), reference to **60** days is extended hereunder to **120** days.

Notwithstanding Clauses 5.1.3, 6.1 and 6.2 of the Institute Cargo Clauses (Air) and Clauses 3.1.3, 4.1 and 4.2 of the Institute Strikes Clauses (Air Cargo) reference to **30** days is extended hereunder to **60** days.

Any additional periods are held covered at rates terms and conditions to be agreed prior to loss, accident or arrival, subject always to the applicable Policy terms and conditions as stated elsewhere in this Policy.

### **CONCEALED DAMAGE EXTENSION (IMPORTS) (DEFERRED UNPACKING)**

Loss of or damage to the subject-matter insured caused by an insured peril which may reasonably be presumed to have occurred during the course of transit and which is only discovered when goods are unpacked, is recoverable provided:

- a) The package(s) are examined and are outwardly sound on arrival;
- b) The package(s) have not been moved from the place at which cover ceased;
- c) The goods are unpacked within 30 days of arrival at the place at which cover ceased;
- d) That when any package is opened, the unpacking is completed immediately

### **CONTRIBUTION CLAUSE (IMPORTS ONLY)**

In respect of items of Machinery and Plant which are covered under any Contract Works or Engineering Erection policies, it is agreed that, in the event of loss or damage to the subject-matter insured due to a peril insured against being discovered after the risk has terminated under this insurance and if after proper investigation it is not possible to determine whether the cause of such loss or damage happened prior to termination of the marine adventure or subsequently, it is understood and agreed that the Insurers of any Contract Works or Engineering Erection policies shall be forthwith approached on receipt of knowledge of a possible claim, with a view to signing an agreement that the Contract Works or Engineering Erection policies shall contribute 50% of any properly adjusted claim less 50% of any applicable Deductible or excess and Insurers herein shall contribute 50% less 50% of any applicable Deductible or excess.



The provision of this Clause only applies in the event that the applicable Contract Works or Engineering Erection policies contain a clause catering for contribution in a like manner to this clause, and further that there are no other clauses in the said policies which could be construed to override such a Contribution Clause.

#### **INTERMEDIATE STORAGE CLAUSE (IMPORTS ONLY)**

Notwithstanding the "Cover After Discharge Extension Clause" this Policy is extended to cover the subject-matter insured whilst in store at an intermediate warehouse for a period not exceeding 30 days from the date of delivery into such warehouse and during subsequent on-carriage to final destination. Such storage must be incidental to a Marine Transit.

#### **NOMINATED REPAIRERS (IMPORTS)**

It is agreed that where the Insured exercise their option of stipulating the Repairers to be used, where repairs by any other party would prejudice the rights of the Insured in terms of the Manufacturers Guarantee,

Warranty or similar proviso, Insurers agree to pay the reasonable costs of the Repairers nominated by the Insured.

#### **UNEXPLAINED LOSS FROM SEALED FCL CONTAINERS CLAUSE (IMPORTS ONLY).**

In respect of consignments shipped in FCL containers, claims in respect of Theft, Shortage and Non-Delivery of whose packages will not be invalidated by the fact that the seals appear intact and such claims will be settled in full on production of loading and discharge tallies and subject to the Insured:

- a) reporting such discrepancies to the Insurers through the named brokers immediately upon such discrepancies being noticed;
- b) retaining the seals for inspection by the Insurers Surveyors;
- c) claiming against the relevant Carriers, Suppliers and/or Bailees.

Claims under this section shall be subject to an excess of R..... per container.

Claims under this section shall be subject to the Insured's rights against Carriers, Suppliers and/or Bailees being subrogated to Insurers.

#### **SELLERS INTEREST CLAUSE (EXPORTS)**

Subject to the payment of premium on all C&F and FOB shipments at 50% of rates applicable in respect of all such shipments, the Insurers agree to grant this Policy cover retrospective to the commencement of the transit in the event of risk and/or responsibility for the goods remaining with or reverting to the Seller consequent upon any of the following contingencies:

- 1.1 the Buyer failing to or refusing to accept or being prevented from accepting the documents of title;
- 1.2. the Buyer failing to or refusing to accept or being prevented from accepting the whole consignment;
- 1.2. the Seller exercising a right to lien of the goods, or interrupting their transit, or suspending the sale contract whilst the goods are in transit, when this is reasonable to safeguard his interest.
2. The Insured must use all reasonable and usual care, skill and forethought and take all practical measures which may be required by the Insurers to prevent or minimise loss and to enforce the contract of sale.



3. All rights and benefits against the Buyer and/or the Buyer's the Insurers and/or Carrier(s) and/or other persons are to be subrogated to Insurers.
4. The Insured must advise the Insurers immediately of the occurrence of any of the contingencies referred to above.
5. Delay and/or deviation as defined in the Transit Clause of the Institute Cargo Clause and/or storage and/or change of voyage are held covered at an additional premium to be agreed. This overrides any termination of adventure provisions in such Clauses.
6. This insurance and any money payable hereunder are not assignable without the consent in writing of the Insurers.
7. The existence of this insurance is not to be disclosed to the Buyer.
8. Subject to the payment of the full premium for the voyage at the applicable conditions and rates, Insurers agree to grant this policy cover retrospective to the commencement of the transit in the event of the interest reverting to or remaining with the Seller.

#### **AIRFREIGHT REPLACEMENT CHARGES CLAUSE (OTHER THAN MACHINERY)**

This insurance is extended to include Airfreight Replacement Costs when incurred where, as a result of a claim recoverable under this Policy on consignments (other than by Airfreight), goods that are lost and/or damaged and/or destroyed must be urgently procured by Airfreight for the Insured to meet business commitments.

Provided that Insurers agreement has been obtained prior to such costs being incurred. Provided always that in no case shall the Insurers liability in respect of airfreight charges exceed 20% of the insured value of the original shipment.

This clause shall not extend Insurers maximum liability beyond the limits stipulated within the Limits Clause elsewhere described herein.

#### **AIRFREIGHT REPLACEMENT CHARGES CLAUSE (NEW AND SECONDHAND MACHINERY)**

In the event of loss or damage to any part or parts of an insured machine caused by a peril covered by the Policy the sum recoverable shall not exceed the cost of replacement or repair of such part or parts plus charges for forwarding, by sea or by air and refitting if incurred, but excluding duty unless the full duty is included in the amount insured, in which case loss, if any, sustained by payment of additional duty shall also be recoverable.

Provided always that in no case shall the liability of the Insurers in respect of airfreight charges exceed 20% of the insured value of the complete machine.

This clause shall not extend the Insurers maximum liability beyond the limits stipulated within the Limits Clause elsewhere described herein.

#### **AMENDMENTS TO INSOLVENCY EXCLUSION IN INSTITUTE CARGO CLAUSES**

Exclusion 4.6. of the Institute Cargo Clauses (A), Institute Cargo Clauses (B), and Exclusion 3.6. of the Institute War Clauses (Cargo) and the Institute Strikes Clauses (Cargo) is amended to read:

"Loss or damage or expense caused by insolvency or financial default of the Owners, Managers, Charterers or Operators of the vessel where, at the time of loading of the subject-matter Insured on board the vessel, the insured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage. This exclusion shall not apply where this insurance had 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”.

This amendment applies to all goods shipped on Conference Vessels.

#### **BRAND AND TRADE MARKS CLAUSE**

In the event of a recoverable claim for damage to the subject-matter bearing brand or trade marks, the value shall, if required by the Insured, be determined only after the removal of such brand or trade marks.

#### **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 Insured 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

- i) any expenses incurred in consequence of or to prevent or mitigate pollution or contamination, or any threat or liability therefore.
- ii) the cost of removal of cargo from any vessel or craft.

In no case shall the Insurers be liable under this Clause for more than R 10 000.00.

#### **DISPOSAL OF SALVAGE**

The Insured shall have the right to retain or dispose of any damaged subject-matter forming the subject of an insured claim but this shall not deprive the Insurers of the right to the reasonable market value of such damaged goods.

#### **HIJACKING CLAUSE**

This policy is extended to include loss of or destruction of or damage to the Subject Matter insured caused as a result of unlawful seizure or wrongful exercise or control of the carrying conveyance, vessel or aircraft (including any attempt thereat) made by any person or persons. Including the costs of warehousing and re-forwarding the goods should they be landed at a place other than their scheduled destination. Subject however to the other stated Exclusions in the Institute Cargo Clauses.

Excluding absolutely any claims for loss, damage and/or expense incurred as a result of political confiscation, expropriation, seizure and/or nationalisation.

#### **HIJACKING (DEFINITION)**

Seizure of a conveyance containing the insured property resulting in the seizure of insured property contained in or on such conveyance where such seizure is accompanied by unlawful and forcible removal of the conveyance to a destination other than originally intended and/or accomplished by means of violence or threat of violence on or against the person or persons who, at the time of such seizure, are in actual lawful control of such conveyance and the insured property

#### **SHIPPERS PROTECTION CLAUSE**

The Insurers agree to grant the Shipper (Confirming House) the benefit of this insurance to the extent of their insurable interest, on the terms and conditions of this Policy and/or the issued Certificate, should the goods and/or documents not be accepted by the Consignee who is the Insured under this Policy. Provided notice is given promptly to the Insured or their Agents after receipt of advices, the Insurers further agree to issue to the Shippers a stamped policy as soon as non-acceptance has been established as final, whether before or after loss. Such policy to cover risks whilst at the port of discharge or elsewhere and further, that in the





event of the goods being returned to the place of origin or despatch or to a substituted destination such storage and additional voyage shall be covered hereunder at rates to be agreed.

**SPECIFIC EXCLUSION**

This policy does not cover any shipment of money, documents, designs, stamps, stocks, living plants, living animals, cars & motorcars, gold, silver, diamond and other precious stones, skins, tobacco & derivatives, drugs, personal effects, all objects with artistic value (statues, pictures, films etc.).

Some of these items may be insured at Client's request at rates, deductibles and conditions to be agreed prior to loss, accident or arrival.

**Signed at JOHANNESBURG on the Tuesday, May 15, 2018**

A handwritten signature in black ink, appearing to be 'J. M.', written over a horizontal line.

**For and on behalf of AIGSouth Africa Limited**



## GENERAL EXCEPTIONS

It is hereby declared and agreed that the "Standard South African Insurance Association (SAIA) Exceptions", shall apply to all storage risks within the Republic of South Africa (borders as 1 January 1976) outside the scope of the cover granted by the Duration Clause (including any agreed increase in the number of stated days) in the Institute Strikes Clauses.

This policy does not cover loss damage or liability directly or indirectly caused by related to or in consequence of:

1.
  - (i) civil commotion, labour disturbances, riot, strike, lock-out or public disorder or any act or activity which is calculated or directed to bring about any of the above;
  - (ii) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
  - (iii)
    - (a) mutiny, military, rising, military or usurped power, martial law or state of siege or any other event or cause which determines the proclamation or maintenance or martial law or state of siege;
    - (b) insurrection rebellion or revolution;
  - (iv) any act (whether on behalf of any organisation, body or person or group of persons) calculated or directed to overthrow or influence any state or government, or any provincial, or tribal authority with force or by means of fear, terrorism or violence;
  - (v) Any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause or to bring about any social or economic change or in protest against any state or government, or any provincial, local or tribal authority, or for the purpose of inspiring fear in the public, or any section thereof;
  - (vi) any attempt to perform any act referred to in clause (iv) or (v) above;
  - (vii) the act of any lawfully established authority in controlling preventing suppressing or in any other way dealing with any occurrence referred to in clauses (i), (ii), (iii), (iv), (v), or (vi) above.  
  
If the Insurers allege that by reason of clauses (i), (ii), (iii), (iv), (v), (vi) or (vii) of this exception loss damage or liability is not covered by this policy, the burden of proving the contrary shall rest on the Insured.
2. Any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act 1976 (No 85 of 1976) or any similar act applicable to any of the territories to which this policy applies.

It is further noted that these exceptions will be paramount and will not be overridden by any subsequent clause/endorsements which may follow until cover is cancelled as hereinafter.

All other terms and conditions remain unaltered.