

FRENCH MARINE CARGO INSURANCE POLICY

POLICY FORM DATED JUNE 30, 1983

**SPECIAL PROVISIONS
FOR OPEN POLICIES**

ARTICLE 1 - POLICY RULES

1. The Assured undertakes to declare to insurers and insurers undertake to cover during the currency of the policy and as far as applicable thereto :

a) - All shipments for account of the Assured or in performance of a contract of sale or purchase where insurance must be taken out by the Assured. These shipments are covered automatically from the moment when they are first exposed to the perils insured against on condition that shipments are declared to insurers within eight days at the latest from the time the Assured is aware of their despatch.

b) - All shipments made for account of third parties regularly authorizing the Assured to take out insurance on their behalf provided that the Assured has insurable interest as shipper, consignee or other contracting party. Those shipments are only covered on declaration to insurers, cover attaching at departure from the warehouse in accordance with the provisions of Article 7 of the Standard French Marine Cargo Insurance Policy.

2. Insurable interest confined to performance of an order to insure on behalf of a third party does not qualify for cover under this policy.

3. Failure by the Assured to comply with the duties imposed on him by the provisions of this article, and in consideration of which the open policy has been granted, renders any claim within the purview of this policy void no matter when the date of loss in question. Insurers may in consequence of such failure cancel the contract forthwith without prejudice to their rights to payment of premiums in respect of undeclared shipments and to reimbursement of moneys paid by them in settlement of losses occurring after such failure by the Assured.

4. Insurers may at any time demand sight of the Assured's accounts and correspondence to examine whether the Assured has complied with his duties.

5. Declaration of shipment is subject to all conditions of this insurance, no exceptions being permitted.

6. The term "Assured" applies to the person signing the policy as well as the person giving instructions for the insurance to be taken out.

ARTICLE 2 - ATTACHMENT OF RISK

This insurance is invalid if no declaration of shipment has been made to underwriters within two months of its attachment unless another such waiting period has been expressly agreed in the policy.

ARTICLE 3 - LIMIT PER SHIPMENT AND PER VESSEL

Without prejudice to Article 28 of the Standard French Marine Cargo Insurance Policy insurers' liability does not exceed the maximum stipulated per shipment and per vessel. Should such limits be exceeded for any reason - including force major - in any place before loading at the port of shipment or after discharge at the final port of destination insurers' liability remains limited to the stipulated maximum.

Where cargo is loaded without the Assured's knowledge on a vessel other than that named in the bill of lading or is transhipped before or after departure of the vessel, it nevertheless remains covered to the full insured value even though the limit may thereby be exceeded ; the same applies if the limit should be exceeded in any place other than those described in the previous paragraph

ARTICLE 4 - CARRYING VESSELS

Article 2 of the Standard French Marine Cargo Insurance Policy is amended as follows :

1. Shipment by liner ships is covered without additional premium.

By "liner ships" are meant vessels belonging to a shipowner and sailing according to a published schedule of dates and ports of call.

2. Shipment by other vessels is held covered on payment of additional premiums based on age, tonnage, classification or flag as provided by the scale in force at the date of loading.

3. Shipment by vessels chartered wholly or in part for account of the Assured is covered only on prior agreement of insurers.

By "chartered wholly or in part for account of the Assured" is meant a contract concluded in pursuance of a contract of sale or purchase where freight must be arranged by the Assured.

However, it is agreed that when a vessel so chartered meets the requirements of Article 2 paragraph 1 of the Standard French Marine Cargo Insurance Policy prior agreement of insurers need not be obtained.

ARTICLE 5 - SUSPENSION AND CANCELLATION OF THE POLICY

1. Non-payment of premium

In case of non-payment of any premium, coverage will be suspended eight days after a demand for payment has been sent by registered post by insurers to the Assured at the last address where he was known to them. Suspension will take effect automatically at the expiry of such eight days, for any cover which has already attached, and for any later shipments until 00.00 hours of the day following payment of the delayed premium. Therefore, insurers will have no liability for any loss or damage occurring during this suspension of coverage. Nevertheless all rights of insurers against the Assured - and in particular their right to full payment of the premium - remain expressly preserved. Insurers may also in such cases cancel the entire contract if they so wish under the same conditions and period of notice but thereby renounce their right to payment of premium proportionate to the duration of cover that would otherwise have remained on risks which had already attached as well as to any premium on any risk which would have attached thereafter.

2. Bankruptcy and insolvency

a) - In case of bankruptcy or insolvency of the Assured, insurers may cancel the policy by sending a demand for payment by registered post to the Assured at the last address where he was known to them. Cancellation will take place automatically on expiry of eight days after sending, and the right is thereby renounced to payment of premium proportionate to the duration of cover that would otherwise have remained on risks which had already attached as well as to any premium on any risk which would have attached thereafter.

The receiver may cancel the policy without notice by sending a registered letter to insurers.

If cancellation has not taken place the open policy remains in force to the benefit of all creditors for any risks which may have attached after the Assured has been adjudged bankrupt or insolvent the creditors having to meet any premiums thereby incurred.

b) - Reciprocity of rights.

In case of bankruptcy or insolvency of an insurer the Assured has the same rights against him as those given to insurers under paragraph 2a) above.

3. Choice of domicile

Any receiver resident outside mainland France will, if the Assured has dealt through a broker, be presumed to be domiciled at the address of such broker.

4. Complete withdrawal of official authorization

Where any insurer's authorization to trade is completely revoked by the authorities the policy becomes invalid as far as provided under Articles L236-12 and R*326-1 of the Code des Assurances in respect of the cover granted by such insurer.

5. Third parties acting in good faith

Suspension or cancellation notified by insurers does not affect third parties acting in good faith to whom the insurance has been assigned before the occurrence of loss and before notification of suspension or cancellation, but insurers retain the right to reimbursement by the original Assured of any claims paid by them to such third party. Insurers are entitled to the premium incurred on the certificate of insurance assigned to such third party.

All provisions of this article apply also to policies taken out on behalf of third parties.

ARTICLE 6 - PRESUMPTION OF KNOWLEDGE OF EVENTS MATERIALLY AFFECTING THE INSURED CARGO

Shipments in transit at the time of attachment of the cover granted under this open policy and any shipments declared for account of third parties are subject to the provisions of Article 8 of the Standard French Marine Cargo Insurance Policy.

ARTICLE 7 - DURATION OF COVER UNDER THE POLICY

Unless otherwise agreed the policy is of one year's duration and is subject to tacit renewal at the end of each policy year.

Insurers and the Assured retain the right to cancel at any time by giving one month's notice (unless otherwise agreed) in a letter, such notice running from the time of posting of the letter. The policy would thereafter remain valid only for risks attaching before expiry of notice.

If the Assured has dealt through a broker, notice of cancellation may validly be given to such broker.

ARTICLE 8 - FLOATING POLICIES

Floating policies are subject to the same provisions as open policies.

This document is a translation of the French Marine Cargo Insurance Policy. It is issued for the convenience of the parties to the contract, being understood that, in case of difference of interpretation, the French text shall have precedence over this translation.