

Freight Services Liability

POLICY NUMBER: 418000001092965

POLICY HOLDER: BATI NAKLİYAT VE TİCARET A.Ş.

GULF Sigorta A.Ş.

Saray Mah. Dr. Adnan Büyükdeniz Cad. No: 4/2 K: 4-5 Akkom Ofis Park Cessas Plaza 34768

Ümraniye-İstanbul

Preamble

"Insurer" means GULF Sigorta A.Ş

The limit of liability of this policy is the total sum payable by GULF SİGORTA A.Ş.. Any sum paid by GULF Sigorta A.Ş. under this policy shall erode the limit of liability of this policy. In no circumstances shall the liability of GULF Sigorta A.Ş. exceed the limit of liability specified in the policy schedule.

In consideration of the Assured named herein paying to the Insurer the premium as stated in the Schedule and in reliance upon the statements made to the Insurer by proposal and its attachments and the material incorporated therein the Insurer agrees to provide insurance in the manner hereinafter provided.

SIGNED FOR AND ON BEHALF OF THE INSURER

DATE: 10.07.2018

GULF Sigorta A.Ş.

Schedule

This Schedule (and any Schedule issued in substitution and/or any Endorsements hereto) attaches to and forms part of this contract of insurance and is subject always to the terms conditions warranties limitations exclusions and exceptions of the Form attached. The Schedule and any Endorsements and the Form shall be read together and construed as one contract of insurance and any word or expression to which a specific meaning has been attached in any part of this contract shall have the same meaning wherever it appears.

TYPE: Freight Forwarders Liability

POLICY NUMBER: 418000001092965

ASSURED: BATI NAKLİYAT VE TİCARET A.Ş.

ADDITIONAL

ASSUREDS: BATI LOGISTICS GMBH
FREIGHTCON INTERNATIONAL TAŞIMACILIK TİC. LTD. ŞTİ.

PERIOD OF INSURANCE: 30.06.2018-30.06.2019 12:00 (GMT+3)

INSURED SERVICES: Subject to the terms conditions warranties limitations exclusions and exceptions of this insurance, this insurance shall indemnify the Assured in respect of their business activities and/or services as stated hereunder, including where sub-contracted to a third party, which have for the purpose of this insurance been declared to and accepted by the Insurer (collectively hereinafter called “Insured Services”).

It is a condition of this insurance that the Assured’s liability arises in the ordinary course of providing such Insured Services.

TRANSPORT OPERATOR:

This insurance shall indemnify the Assured in respect of Goods which they have undertaken to transport and/or handle, including during storage incidental to transit, in their capacity as:

- Seaway: 89%
- Airway: 3.50%
- Road Haulage: 7.50%

Summary of Limits

Cargo Liability- USD 1,000,000.-

Errors & Omissions (Per occurrence and annual limit) – USD 600,000.-

Fines and Duties (Per occurrence and annual limit) – USD 150,000.-

Theft Attractive Cargo (Per occurrence and annual limit) – USD 250,000.-

Infidelity (Per occurrence and annual limit) – USD 250,000.-

Uncollected Cargo (Per occurrence and annual limit) – USD 50,000.-

Third Party Liability (Per occurrence and annual limit)– USD 2,500,000.- / Sudden Environmental Pollution risks are covered with a limit of USD 150,000.- (as a sublimit of this coverage).

EXCLUDED CARGOES

Precious metals (unmated, minted or otherwise processed), jewellery, gems, banknotes, securities of any kind, documents and certificates, post-stamps, sketch maps, paper currency, stocks, bonds, stamps, credit certificates, fine arts, antiques, sculptures and statues, articles with collectors and /or sentimental value, credit cards, fresh flowers, MP3/4 players, livestock, CD’s, DVD’s, PDA’s and similar electronic items, fresh fruits, mobile phones, sim & scratch cards, cigarettes & tobacco products, alcohol drinks, household & personal effects, bulk cargoes, fuel, radioactive, nuclear, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component, containers (as boxes) or other similar equipment, heavy cargo, mineral ores

Deductible: A deductible of USD 2,500.- to be applied for each and every occurrence.

**TERRITORIAL
LIMITS:**

Shipments to / from / via Iraq, Afghanistan, Libya, South Sudan, Zimbabwe, Ivory Coast, Belarus, Russia, Yemen, Ukraine, Crimea Region of Ukraine and Somalia are excluded from coverage.

Shipments from / to / via the countries under the embargo of the United States, United Nations and European Union are excluded from Cover.

Shipments to Bahrein, Lebanon, and African Countries are covered until the port.

Subject to the terms conditions warranties limitations exclusions and exceptions of this insurance, the Territorial Limits of this insurance as are as follows:

TRANSPORT OPERATOR:

This insurance shall indemnify the Assured in respect of Goods which they have undertaken to transport and/or handle including during storage incidental to transit Worldwide.

-Seaway: 89%

-Airway: 3.50%

-Road Haulage: 7.50%

LIMITS OF INDEMNITY:

Subject to the terms conditions warranties limitations exceptions and exclusions of this insurance, the liability of the Insurer under this insurance shall be limited to a combined single limit of EUR 500,000. - in one incident over all the interest of this insurance subject always to the following sub-limits and/or other sub-limits as may be provided for elsewhere in this Policy:

Goods in Transit

In respect of Goods whilst being transported and/or handled included during storage incidental to transit are subject to the limits mentioned above for any one accident or occurrence or series of accidents or occurrences arising out of one event.

Errors and Omissions

In respect of claims recoverable under the Errors and Omissions Clause in the Insured Risks section of this insurance:

- a. Limit mentioned above for any one accident or occurrence or series of accidents or occurrences arising out of one event, and
- b. Limit mentioned in above in the aggregate any one policy year over all sections and interests of this insurance.

It is noted that the sub-limits applicable in respect of Penalties and Fines as specified in the above mentioned Errors and Omissions Clause are included within the above.

Uncollected Cargo

It is noted and agreed that extra costs incurred solely by the total failure of the consignee to collect or remove

cargo at the place of delivery less:

- costs which you would have incurred in any event
- proceeds from sale of cargo
- sums which you can recover from anyone else

are covered under this policy. This coverage is subject to above mentioned limits for any one accident or occurrence or series of accidents or occurrences arising out of one event.

Infidelity

It is noted and agreed that Cargo Liability Coverage is extended by the liabilities arising from fraudulent activities of Assured's employees except operating managers, administrative employees, equity receivers subject that the Assured has strict risk management and loss preventing procedures. This coverage is limited with the limits mentioned above for each and every occurrence and annually.

BASIS OF LIABILITY:

Subject to the terms conditions warranties limitations exclusions and exceptions of this insurance, this insurance shall indemnify the Assured for their liability arising under the following Laws and Contracts only (collectively hereinafter called “Laws and Insured Contracts”):

1. The Assured’s Standard Terms and Conditions of Trading as seen and approved by the Insurer in writing
2. The Assured’s Bill of Lading as seen and approved by the Insurer in writing or the FIATA Bill of Lading
3. The Assured’s Airwaybill as seen and approved by the Insurer in writing or the IATA Airwaybill
4. The current national association standard terms and conditions in the country of their operation and as applicable to the Insured Services declared hereunder (for example); BIFA, RHA and UKWA or the equivalent local association conditions).
5. Any International Convention or National Law that applies to the Insured Services declared hereunder
6. Any Customer Contract:
 - a. in terms of which the Assured’s liability is increased beyond that which the Assured would be liable under the Laws and Insured Contracts detailed in points 1 to 5 above, and/or
 - b. in terms of which the Assured undertakes additional activities and/or responsibilities which the Assured does not normally undertake in the ordinary course of their business,

and which Contract has been seen and approved by the Insurer in writing, which approval may be subject to specific terms and conditions (collectively hereinafter called a “Bespoke Customer Contract”).

Notwithstanding the above, in respect of any such Bespoke Customer Contract which:

- i. is not presented to the Insurer, or
- ii. which is presented to but not approved by the Insurer,

the Insurer hereby agrees to indemnify the Assured but indemnity hereunder shall be limited to the extent that the Insurer would otherwise be liable under this insurance had the Assured contracted in accordance with 1 – 5 above.

7. At law (Common Law, Civil Law, or as may otherwise be applicable in the relevant country or jurisdiction) but only where the contract governing the Assured’s liability (as defined above) has been set aside in a court of law or attempts at incorporation (as set out in the “Governing Provisions Clause” under the Terms and Conditions section of this insurance) are said by the court to be insufficient.
8. CMR / CIM / COTIF limitations for international road haulage

DEDUCTIBLES: The Assured shall bear the amounts specified in this Deductibles section of this insurance for their own account.

The Insurer shall have no liability for or involvement in any loss damage other costs and expenses or all combined unless the amount of the claim exceeds the applicable deductible amount specified herein.

Please check the deductible area at Part I.

FREIGHT RECEIPTS: The estimated Gross Freight Receipts declared by the Assured and pertaining to the period of insurance are as follows:

USD 19,000,000. -

For the purposes of this insurance, Gross Freight Receipts shall be the Assured's gross revenue plus payments to agents and sub-contractors in respect of transport or storage services, but excluding customs duty, sales tax, or similar fiscal charge paid on behalf of Customers.

The Assured shall maintain an accurate record of the total Gross Freight Receipts accounted for during the period of insurance and to declare such Gross Freight Receipts to the Insurer as soon as practicable after the end of each period of insurance, but in no event later than 90 days after the end of the period of insurance.

PREMIUM:

Cover under this insurance is subject to the payment of premium by the Assured in accordance with the following:

Minimum & Deposit Premium

Subject to a minimum and deposit premium of **USD 17,766.67 + 5% Tax**

Subject to adjustment at the end of the period of insurance based upon the actual total Gross Freight Receipts accounted for during the period and at the agreed premium adjustment rate.

Premium Adjustment Rate

The adjustment rate hereunder is 0.094%.

Form

INSURED RISKS: Subject to the terms conditions warranties limitations exclusions and exceptions of this insurance, the Insurer hereby agrees to indemnify the Assured in respect of the liabilities and/or costs and expenses and/or other events specifically defined in the clauses hereunder (collectively hereinafter called “Insured Risks”).

Loss of or Damage to Customers Goods Clause:

The Assured’s liability for physical loss of or damage to Customers Goods.

Notwithstanding the above, in respect of physical loss of or damage to the following Goods, the liability of the Insurer shall be excluded unless written approval is acquired from the insurer.

1. processed tobacco or tobacco products, and
2. mobile telephones and accessories, and
3. computer hardware and software including computer chips, and
4. bottled spirits and/or bottled perfumery, and
5. watches, jewellery, precious or semi-precious stones or gems, including industrial diamonds, or metals or articles made from or containing such interests, and
6. fine art* and/or antiques

* For the purposes of this insurance, Fine Art shall mean all paintings, etchings, pictures, tapestries and other bona fide works of art with a value in excess of **USD 2,000** per item, including (but without prejudice to the generality of this clause) valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac, collections of books, mixed periodicals, photographs, slides, clippings and other articles of a similar nature including furnishings.

Errors and Omissions Clause:

The Assured's liability in respect of claims made against them by their customers for breach of professional duty by reason of a negligent act, negligent error or negligent omission arising from the Assured's failure to comply with instructions, faulty arrangements or clerical errors occurring and committed in good faith in the normal course of the Insured Services and where such negligent act, negligent error or negligent omission is the direct and proximate cause of the loss complained of.

The liability of the Insurer in respect of claims recoverable under this Errors and Omissions Clause is subject to the sub-limits specified in the Schedule attaching to and forming part of this insurance.

Legal Costs and Expenses Clause:

Legal costs and expenses necessarily and reasonably incurred by the Assured with the written consent of the Insurer (which consent may be retrospective at the discretion of the Insurer) in defence of a claim made against the Assured and which is the subject of indemnity under this insurance.

Loss Mitigation Costs and Expenses Clause:

Costs and expenses necessarily and reasonably incurred by the Assured with the written consent of the Insurer (which consent may be retrospective at the discretion of the Insurer) in:

1. repositioning/restowing/resecuring any load which has shifted in transit, and
2. temporarily storing perishable Goods in a temperature controlled conveyance container or premises, and
3. discharging, loading/unloading/reloading, packing/unpacking/repacking, handling, transshipping, transferring, storing, sorting, forwarding/reforwarding, carrying or otherwise dealing with Goods (which shall include dealing with any document(s) and/or formalities relating to the movement or storage of Goods).

It is a condition precedent to the Insurer's liability under this clause that such costs and expenses are incurred with the object of saving, securing, preserving or recovering the Goods in order to prevent or minimise any loss or claim which would be recoverable under this insurance and that such measures taken by the Assured or the Insurer shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice any rights of either party.

Debris Removal Costs Clause:

Costs and expenses necessarily and reasonably incurred by the Assured with the consent of the Insurer (which consent may be retrospective at the discretion of the Insurer) or for which the Assured are legally liable in connection with the removal or recovery of Goods that the Assured contracted to transport or store and/or the removal and/or disposal of the debris thereof, consequent always upon a documented sudden and accidental occurrence.

Nothing herein shall supersede amend or override the Pollution and Contamination Exclusion in the Exclusions section of this insurance which shall be paramount.

Lien on Goods Clause:

The loss of any possessory interest the Assured have in, or any lawful lien the Assured have on, Goods lost destroyed or damaged in transit or storage. It is a condition of this insurance that the Assured notifies the Insurer and obtains their written agreement prior to the exercising of such a lien.

General Average Clause:

General Average contribution for which the Assured is liable on account of a general average statement made in accordance with the law or, if applicable, on consideration of the York-Antwerp Rules, but only to the extent that the general average measures were taken to avert a loss for which the Insurer would have been liable.

In the event that the above requires the issuance of a general average guarantee by the Insurer, warranted that the Assured shall not release Goods to any party without the Insurer's prior written agreement.

In no case under this insurance shall there be any allowance in general average and/or salvage for or in respect of any loss damage liability cost or expense whatsoever howsoever arising or incurred in respect of damage whatsoever to the environment, or any threat of such damage, or in consequence of any actual, alleged or threatened discharge, dispersal, release or escape of pollutants from any Goods Property Vessel Craft Conveyance or Container whatsoever.

**TERMS AND
CONDITIONS:**

This insurance is subject to all of the following Terms and Conditions.

Air Waybill Clause:

It is a condition of the Insurer's liability under this insurance that any air waybill issued by the Assured or on behalf of the Assured must show a notice to the effect that; if the carriage involves an ultimate destination or stop in a country other than the country of departure, the Warsaw Convention and any subsequent amendments thereto may be applicable and the Convention governs and in most cases limits the liability of the carriers in respect of loss of or damage to Goods.

Bills of Lading and Waybills Clause:

It is a condition of the Insurer's liability under this insurance that:

1. any bill of lading or seafreight waybill or like document issued by the Assured or on behalf of the Assured shall include a Paramount Clause incorporating the Hague or Hague Visby Rules or national legislation enacting the Rules or the equivalent thereto and any subsequent amendments, and
2. Goods agreed to be carried on deck are stated to be on deck and on terms exonerating the carrier from liability, and
3. the Assured shall not enter or give instructions to enter information which is known to be incorrect or likely to be incorrect on a bill of lading or waybill.

Contracts (Rights of Third Parties) Act 1999 Clause

Neither this Policy nor any document issued pursuant to this Policy shall confer any benefits on any third parties. No third party may enforce any term of this Policy or of any provision contained in any document issued under this Policy. The contracts (Rights of Third Parties) Act 1999 is hereby expressly excluded from this Policy or any other document issued pursuant thereto.

This clause shall not affect the rights of the Assured (as assignee or otherwise) or the rights of any loss payee.

Cost and Expenses Clause

Notwithstanding anything expressed or implied in this insurance to the contrary any and all costs and/or expenses howsoever incurred in the mitigation investigation defence or settlement of any claim are subject to and inclusive within the Limits of Indemnity specified in the Limits of Indemnity section and/or elsewhere in this insurance.

Cross Liability Clause

This insurance shall apply separately to each of the Assureds in the same manner and to the same extent as if a separate policy had been issued to each except that such obligation shall not operate to increase the limit of liability of the Insurer as provided for under the Limits of Indemnity section of this insurance.

Duty of Disclosure Clause:

It is a condition of Insurer's liability under this insurance that the Assured shall fully disclose all material facts and/or matters and/or circumstances prior to the attachment of this insurance and/or which change or emerge or arise after the inception of this insurance.

This insurance shall be voidable in its entirety in the event of any misrepresentation misdescription or non-disclosure with regard to any material particular or any part thereof..

General Definitions:

All words in this Policy in the singular shall include, where the context permits, the plural and vice versa.

All words importing the masculine gender only shall include the feminine gender and the words importing persons shall include individuals, partnerships, corporations and associations.

Governing Provisions Clause:

The Insurer's liability for any claim loss damage liability or expenses under this insurance is subject to the following Governing Provisions.

1. The Assured shall at all times in the course and conduct of their business endeavour to take all reasonable precautions and exercise reasonable care, skill, diligence and judgement.
2. The Assured shall (and subject to the "Loss Mitigation Costs" clause under the Insured Risks section of this insurance) use their best endeavours to prevent or minimise any loss or claim which may be recoverable under this insurance.
3. The Assured shall use their best endeavours to ensure that all contracts are fully and properly incorporated, for example:
 - a. the printing of the Assured's Contract conditions on the reverse of any invoices and company letterhead, and
 - b. ensuring that there is a notice on the front of invoices and the company letterhead confirming that all business is transacted solely in accordance with the Assured's Contract conditions and drawing any reader's attention to the fact that they are printed on the reverse side, and
 - c. ensuring that there is a notice, confirming that all business is transacted solely in accordance with the Assured's Contract conditions, on all fax stationary and is included in any and all electronic fax or e-mails or any other similar form of communication, and
 - d. ensuring that instructions are given to all employees involved in making oral contracts (for example); via the telephone; so that such contracts are not concluded orally, but are offered subject to fax or e-mail confirmation, and
 - e. ensuring that all customer are provided with a full copy of the Assured's Contract conditions by recorded or registered mail.
4. The Assured shall use their best endeavours to take reasonable measures to ensure that they, or their agents, shall not make any promise, agreement or contract which:
 - a. waive or make void or modify any terms and/or conditions of the Laws and Insured Contracts previously agreed to by the Insurer, and/or

- b. allow any special declaration of value, including where a convention, law or contract contains a provision under which the Assured's liability may be increased by a declaration of value by the Customer, and/or
- c. allow a provision under which the Assured's liability for Delay may be increased by special instruction of the Customer

without the prior written consent of the Insurer, which consent may be withheld or may be subject to additional premium and/or amended terms and conditions of insurance.

Not to Inure Clause:

In no case shall this insurance inure to the benefit of any other person firm company corporation association or concern whatsoever howsoever constituted or of their insurer and, without prejudice to the generality of the foregoing, in no case shall this insurance inure to the benefit of any carriers bailees or sub-contractors (whether in direct contractual relationship with the Assured or not) or any servants agents or sub-contractors of any of them, or of any insurer of any of them, or of any other party whatsoever.

Non-Contribution Clause:

Subject always to the Difference in Conditions Clause in the Terms and Conditions section of this insurance, this insurance does not cover any loss damage liability or expense which at the time of the happening of such occurrence is insured by or would, but for the existence of this Policy, be insured by any other existing Policy or Policies.

Sub-Contractors Clause:

The Insurer shall indemnify the Assured whilst Goods (including Equipment as provided for under the Insured Risks section of this insurance) are in the care custody or control of their sub-contractors (including successive sub-contractors).

The Assured shall use their best endeavours to ensure that all sub-contractors that they utilise comply with the following conditions:

1. the sub-contractor shall assume under any trading conditions or other contract terms howsoever designated in all respects no lesser liability than the Assured, and
2. the sub-contractor shall be fully insured with an Insurance Company of good financial standing and reputation in respect of any pertinent liability in full.

Waiver of Rights of Subrogation against the Assured:

In so far as it applies to the operation of this insurance, the Insurer hereby agrees to waiver rights of subrogation against the Assured.

Warehouse Management Clause:

Unless otherwise agreed to in writing by the Insurer, and as a condition precedent to any indemnity under this insurance, the Assured warrant that all premises and/or locations utilised by the Assured for the Warehousing of Goods shall comply with all of the following minimum standards and that all such minimum standards are adhered to as a matter of fact.

In respect of Warehouses not operated by the Assured, the Assured shall use their best endeavours to ensure that the Warehousekeeper complies with all of the minimum standards of care defined hereunder.

In the event that any of the minimum standards of care defined hereunder are contrary to the local Health & Safety and/or Fire and/or any other similar laws and/or rules and/or regulations applicable in the state and/or country and/or jurisdiction in which the warehouse is situated then the Assured shall not be bound thereby and shall give immediate notice thereof to the Insurer.

1. All Health & Safety and/or Fire and/or any other similar laws and/or rules and/or regulations applicable in the state and/or country and/or jurisdiction in which the warehouse is situated are complied with in full.
2. In respect of warehouses with a perimeter fence, such fence shall be checked at least every 12 months by a suitably qualified independent third party contractor and certified to be in good order.
3. All fire fighting equipment, including sprinklers where fitted, shall be maintained in accordance with the manufacturer's specification and checked and certified to be in good working order by the Fire Department or other suitably qualified independent contractor at least every 12 months.
4. When welding or flame-cutting equipment, blow-lamps, blowtorches, hot air guns and/or any other equipment producing heat is utilised, a Permit to Work shall be utilised (example available from the Insurer upon request).
5. The electrical installations throughout the Warehouse and office area are to be checked and certified to be in good order by a suitably qualified independent contractor at least every 12 months.
6. The roof, gutters, drains, plumbing and gas installations are to be cleaned and checked and certified to be in good order by a suitably qualified independent contractor at least every 12 months.
7. Only appropriately licensed and/or trained personnel shall operate forklifts or similar mechanical handling equipment.
8. The safe working load or manufacturer's guidelines in respect of handling equipment or racking shall not be exceeded.
9. In respect of Goods which may reasonably be considered to be target or thief attractive Goods and where the accumulative value of such Goods in storage at any one location at any one time may reasonably be expected to exceed **USD 250,000:**
 - a. are to be stored in a separate secured storage space (such as, but by way of example only, a fully enclosed caged area, a fully enclosed strong room, a general purpose shipping container which has been secured to the warehouse floor), and

- b. such storage space shall be locked at all times other than during the placing into or removal of Goods from the storage space by the warehousemen, and
 - c. such storage space shall be monitored at all times by CCTV, and
 - d. entry into such storage space shall be limited to permanent full time employees of the Assured only, and
 - e. credible background checks shall be carried on all permanent full time employees handling such Goods.
10. Goods which are susceptible to wet damage shall be stored a minimum of 15 centimetres above the warehouse floor except in respect of warehouses which are less than 100 meters from a watercourse where Goods shall be stored a minimum of 30 centimetres above the warehouse floor.
 11. Clear access to the fire fighting equipment shall be maintained at all times.
 12. Smoking shall be prohibited in all warehouses or limited to a designated space free from risk of fire.
 13. All permanent warehouse employees shall be trained and/or retrained in the appropriate use of the available fire fighting equipment every 12 months.
 14. An accurate and comprehensive register of all persons and vehicles entering the warehouse facility shall be maintained.
 15. Any person who is not an employee of the Warehousekeeper who enters the warehouse shall be accompanied at all times by an employee of the Warehousekeeper whilst within the warehouse.
 16. Any window or similar opening which is less than 6 meters from the ground shall be suitably barred, alarmed or otherwise protected to prevent entry into or exit from the warehouse being gained thereby.

This clause shall not apply in respect of warehouses at which warehouse employees and/or security personnel are in attendance for 24 hours per day of each and every day.
 17. All LPG gas cylinders shall be secured within a metal cage, or other storage space of similarly robust construction, located in an area free of risk of impact.
 18. All battery charging shall be undertaken in areas free of storage and which are well ventilated and equipped with smoke and/or fire detectors.
 19. All broken pallets, spent polythene wrap, waste cardboard materials and all other waste materials are removed from the warehouse daily and that all such waste materials shall be housed in a secure container located remote from building.
 20. Where sprinklers are fitted Goods shall not be stored higher than the maximum storage height recommended by the manufacturer. If no such specification is provided by the manufacturer then the Warehousekeeper shall obtain a directive from the Fire Department in respect thereof and shall abide by such directive.
 21. Any electronic security system must contain an alternative power source so as not to be disabled during a power failure.
 22. All warehouses where the value of all Goods in storage at any one time may reasonably be expected to exceed **USD 250,000** shall be fully alarmed for theft (warranted central station alarm) and such alarm shall be strictly maintained to

the manufacturer's specification. The alarm system shall extend to include the office area of the warehouse facility. Detectors/sensors shall be fitted to all windows, doors and other openings and movement detectors shall cover the entire warehouse area including the office area.

This clause shall not apply in respect of warehouses at which warehouse employees and/or security personnel are in attendance for 24 hours per day of each and every day.

23. All warehouses where the value of all Goods in storage at any one time may reasonably be expected to exceed **USD 500.000** shall be fully alarmed for smoke and fire (warranted central station alarm save in respect of warehouses at which warehouse employees and/or security personnel are in attendance for 24 hours per day of each and every day) or shall be fitted with a sprinkler system. The alarm system or sprinkler system shall extend to include the office area of the warehouse facility. Such alarm or sprinkler system shall be strictly maintained to the manufacturer's specification.
24. Copies of all inventory and maintenance records shall be held in a fire proof safe or held off-site.

EXCLUSIONS:

In addition to any other exclusions or exceptions stated elsewhere in this insurance and notwithstanding anything expressed or implied to the contrary elsewhere in this Policy, in no case shall this insurance indemnify the Assured in respect of liabilities and/or costs and expenses and/or other events defined in the clauses hereunder.

Customs Exclusion:

Other than as may be made directly against the Assured's customer and are specifically insured in terms of the Errors and Omissions Clause in the Insured Risks section of this insurance, in no case shall this insurance cover any claim loss damage liability or expenses as a result of claims made upon the Assured by any customs, tax or other public authority arising out of any Customs Bond Agreement/Guarantee and/or customs processing of whatsoever nature and/or any import/export declaration, clearance, quota, refund and/or tax/excise/duty/suspension procedure whatsoever.

Defamation, Libel and/or Slander Exclusion Clause:

In no case shall this insurance cover any claim loss damage liability or expenses caused by or contributed to by or arising from (either directly or indirectly) any defamation, libel and/or slander.

Deliberate and/or Reckless Conduct Exclusion Clause:

In no case shall this insurance cover any claim loss damage liability or expenses caused by or contributed to by or arising from (either directly or indirectly) the deliberate and/or reckless conduct of the directors and officers of the Assured.

Dishonesty of the Assured Exclusion Clause:

In no case shall this insurance cover any claim loss damage liability or expenses caused by or contributed to by or arising from (either directly or indirectly) any illegal trade,

dishonest fraudulent malicious or criminal act or omission of the directors and officers of the Assured.

Embargo and Sanctions Exclusion Clause:

Notwithstanding anything expressed or implied to the contrary in this section or elsewhere in this insurance, in respect of the Assured's activities as both Transport and Warehouse Operator the Insurer is not liable to make any payment for liability under any coverage section of this insurance or make any payment under any Extension for any loss or claim arising in, or where the Assured or any beneficiary under the Policy is a citizen or instrumentality of the government or, any country(ies) against which any laws and/or regulations governing this Policy and/or the Insurer, its parent company or its ultimate controlling entity have established any embargo or other form of economic sanction which have the effect of prohibiting the Insurer to provide insurance coverage, transacting business with or otherwise offering economic benefits to the Assured or any other beneficiary under the Policy.

It is further understood and agreed that no benefits or payments will be made to any beneficiary(ies) who is/are declared unable to receive economic benefits under the laws and/or regulations governing this Policy and/or the Insurer, its parent company or its ultimate controlling entity.

Trade Sanctions Clause

The Insurer shall not be deemed to provide cover and the Insurer shall not 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 the Insurer, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.

Enumeration of Packages or Units Exclusion Clause:

In no case shall this insurance cover any claim loss damage liability or expenses caused by or contributed to by or arising from (either directly or indirectly) the Assured as a principal, issuing a bill of lading or other contract of carriage enumerating the packages or other units, and failing to obtain from the carrier or the servants or agents or sub-contractors a bill of lading or other contract of carriage which includes a corresponding enumeration. This exclusion shall only apply to the extent that the Assured's liability is increased by such occurrence. In such instances, claims shall only be considered in terms of the Errors and Omissions Clause in the Insured Risks section of this insurance.

Excluded Goods Clause:

In no case shall this insurance cover any claim loss damage liability or expenses caused by or contributed to by or arising from (either directly or indirectly) the Assured undertaking Insured Services in respect of any of the following Goods:

1. temperature controlled Goods except where the Assured transport or store temperature controlled Goods in the ordinary course of their Insured Services and this is specified under the Insured Services section of this insurance, and/or

2. any time sensitive or critical written material or documents such as (but without prejudice to the generality of this clause) bids and contract proposals, and/or
3. bullion, cash, bank notes, coins of any kind, currency notes, currency or cash equivalents of any kind, stamps and/or vouchers and/or tokens and/or tickets of any kind, credit and/or debit and/or cash dispenser cards of any kind, negotiable securities and any other documents negotiable as or equivalent to cash, and non-negotiables, that is to say crossed cheques and any other documents which are non-negotiable or not equivalent to cash, and/or
4. livestock and bloodstock, and/or
5. one of a kind articles, models or prototypes, and/or
6. any Goods which are contraband or in an illegal trade, and/or
7. any Goods being towed except whilst loaded in or on a trailer, container or other recognised transport unit, and/or
8. any Goods or Equipment owned by or in the care custody and control of the Assured other than in transit or storage for hire or reward.

Financial Risks Exclusion Clause:

In no case shall this insurance cover any claim loss damage liability or expenses caused by or contributed to by or arising from (either directly or indirectly) any extension of credit or advance of money by the Assured, or any inability of the Assured to pay or collect accounts, or the insolvency or financial default of the Assured or any person with whom they contracted whether directly or indirectly, or any error or defect in any monetary transaction or in accountancy, including COD and CAD transactions, or the wrongful accounting of customers' funds or funds held in trust on their behalf, or to the extent that any claim loss damage liability or expense is aggravated by the Assured not paying promptly, or at all, any account.

This exclusion shall not apply in respect of COD and CAD transactions where the Assured are liable therefore in terms of an International Convention or National Law that applies to the Insured Services declared hereunder. Such claims shall be considered in terms of the Errors & Omissions clause in the Insured Risks section of this insurance and shall be further sub-limited to an amount not exceeding three times the charges receivable by the Assured for the carriage of the Goods which are the subject of the claim.

Equipment Exclusion Clause

Any sort of loss / damage to equipment is excluded from coverage.

ISM Code Exclusion Clause:

In no case shall this insurance cover any claim loss damage liability or expenses caused by or contributed to by or arising from (either directly or indirectly) Goods being 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 Goods 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

OR

- b. that a current Document of Compliance was not held by her owners or operators as required under the SOLAS Convention 1974 as amended.

The ISM Code means the International Safety Management Code incorporated into the International Convention for the Safety of Life at Sea 1974 (SOLAS).

ISPS Exclusion Clause:

In no case shall this insurance cover any claim loss damage liability or expense caused by or contributed to by or arising from (either directly or indirectly) Goods being 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 Goods 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.

Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause (CL. 370 dated 10/11/2003):

As attaching to and forming part of this insurance.

Institute Cyber Attack Exclusion Clause (CL. 380 dated 10/11/03):

As attaching to and forming part of this insurance.

Loss of Life or Personal Injury Exclusion Clause:

In no case shall this insurance cover any claim loss damage liability or expenses caused by or contributed to by or arising from (either directly or indirectly) death of or bodily injury to or illness or trauma of or any syndrome suffered by a person or living creature.

Performance Guarantee Exclusion Clause:

In no case shall this insurance cover any claim loss damage liability or expenses caused by or contributed to by or arising from (either directly or indirectly) any contract guarantee, performance bond or penalty clause, or any deadline whatsoever howsoever incorporated into any agreement or contract into which the Assured entered in respect of or in connection with any Goods and/or any service provided or procured by the Assured.

Process Exclusion Clause:

In no case shall this insurance cover any claim loss damage liability or expenses caused by or contributed to by or arising from (either directly or indirectly) any process of use, testing, repair, packing, assembly, or any other work upon or treatment of any Goods or resulting directly or indirectly from any such process.

Pollution and Contamination Exclusion Clause:

In no case shall this insurance cover any claim loss damage liability or expenses caused by or contributed to by or arising from (either directly or indirectly) any pollution and/or contamination and/or damage to the environment, third party, public or private property whatsoever howsoever arising and/or any threat thereof whatsoever howsoever arising.

Public Policy Exclusion Clause:

In no case shall this insurance cover any claim loss damage liability or expenses caused by or contributed to by or arising from (either directly or indirectly) any event whatsoever in respect of which indemnity from Insurer is contrary to public policy.

Punitive or Exemplary Damages Exclusion Clause:

In no case shall this insurance cover any claim loss damage liability or expenses caused by or contributed to by or arising from (either directly or indirectly) any punitive, exemplary, penalty or multiple damages awarded against the Assured or any person for whom the Assured may be held liable.

Temperature Controlled Goods Exclusion Clause:

In no case shall this insurance cover any claim loss damage liability or expenses caused by or contributed to by or arising from (either directly or indirectly) any failure malfunction derangement or breakdown of any refrigeration or chilling or cooling plant or machinery or equipment or any seepage or leakage of refrigerant or any unsuitability or insufficiency of insulation or any failure to set and/or check and/or regulate properly or at all any temperature control and/or observe any temperature indicator and/or take all reasonable steps to maintain any stipulated temperature or keep within any stipulated range of temperature.

This Temperature Controlled Goods Exclusion clause shall not apply provided always that the Assured complies with all of the following conditions precedent:

1. the procedures prepared by the Assured for such Goods are fully operative and have been fully set down and fully disclosed to and accepted by the Insurer, and
2. the Assured ensures that the refrigeration equipment is maintained and serviced in strict accordance with manufacturer's instructions, and
3. the Assured shall produce on request by the Insurer maintenance and service records of the refrigeration equipment, and
4. the Assured shall ensure that all refrigeration equipment used is capable of maintaining the temperature at which the Assured are instructed to carry and/or store the Goods for the duration of the transit or storage.

Unexplained Loss or Mysterious Disappearance Exclusion Clause:

In no case shall this insurance cover any claim loss damage liability or expenses caused by or contributed to by or arising from (either directly or indirectly) any unexplained loss or mysterious disappearance of Goods whilst in store including (for example); any unexplained discrepancy between any records made or kept by the Assured and any produced by any customer, any loss subsisting only in a profit and loss comparison or computation, or in the absence of satisfactory physical or recorded evidence of tampering any loss or shortage (1) discovered upon taking inventory or preparing Goods for any movement, and (2) not traceable to an identifiable event.

This clause shall not apply where liability for such unexplained loss or mysterious disappearance is incorporated in a Bespoke Customer Contract. Such claims shall be considered in terms of the Errors & Omissions clause in the Insured Risks section of this insurance.

Unattended Vehicle Exclusion Clause:

In no case shall this insurance cover any claim loss damage liability or expenses caused by or contributed to by or arising from (either directly or indirectly) theft of or from a vehicle and/or trailer and/or container when left unattended whilst being operated by the Assured unless (1) resulting from the violent and forcible entry into or exit therefrom and, (2) in respect of rest breaks or overnight stops, that such rest breaks or overnight stops are only taken at recognised and designated parking areas for road hauliers.

In the event of a claim the onus shall be on the Assured to demonstrate that these procedures were adhered to.

Notwithstanding that this clause does not extend to apply to the Assured's sub-contractors, the Assured shall use their best endeavours to ensure that sub-contractors do not leave any vehicle and/or trailer and/or container unattended unless:

- a. all points of entry and/or access to the vehicle and/or cargo space are securely locked and closed and the ignition keys removed from the vehicle whenever left loaded and unoccupied and/or unattended, and
- b. that all protective and locking devices, including alarms and immobilisers, are in working order and maintained in accordance with the manufacturer's specifications, and
- c. that any rest breaks or overnight stops are only taken at recognised and designated parking areas for road hauliers.

War, Strikes and Terrorism Exclusion Clause:

In no case shall this insurance cover any claim loss damage liability or expenses caused by or contributed to by or arising from (either directly or indirectly) war, civil war, revolution, rebellion, insurrection or civil strife arising therefrom, or any hostile act by or against a belligerent power; confiscation or expropriation; capture, seizure, arrest, restraint or detainment and the consequences thereof or any attempt thereat; any terrorist act or any person(s) acting maliciously or from a political or ideological motive; strikers, locked-out workmen, or persons taking part in labour disturbance, riots or civil commotions; derelict mines, torpedoes, bombs or other derelict weapons of war.

Wrongful Release of Cargo Exclusion Clause:

In no case shall this insurance cover any claim loss damage liability or expenses caused by or contributed to by or arising from (either directly or indirectly) the release of Goods unless:

- a. in respect of negotiable bills of lading or other documents of title, against the surrender of the original bill of lading or document of title
- and
- b. in respect of air waybills, straight bills of lading or other non-negotiable document of carriage, upon presentation of the original (and not a photocopy, facsimile copy or electronic copy) document of carriage or where applicable the bank release letter from the bank named on the air waybill or other similar document of carriage.

This exclusion shall not apply where an employee of the Assured unwittingly releases Goods contrary to the manner described above. In such instances, claims shall be considered in terms of the Errors & Omissions clause in the Insured Risks section of this insurance.

CLAIMS:

Cover under this insurance is subject to all of the following clauses which shall be precedent to the Insurer's liability under this insurance.

Apportionment of Recoveries Clause:

Any amount recovered or recoverable from a third party in respect of any claim shall be credited to the Insurer to the full extent of their liability for the claim (including costs incurred in effecting recovery). Any balance shall be credited to the Assured to the extent

of the amount borne by the Assured in respect of such claim. Where a recovery exceeds (1) such amount that has been paid by the Insurer and (2) the amounts borne by the Assured, such excess shall be apportioned equitably between the Insurer and the Assured, taking into account such factors as the amounts paid or borne by each and the dates on which they were paid or borne.

Assured's Privilege Clause:

Up to the amount of the applicable Policy Deductible and with respect to each loss, the Assured shall have the privilege of settling any claim covered by this Policy, but warranted that all such settlements shall be made on a Without Prejudice basis.

Notwithstanding the above, all lawsuits must be promptly reported to the Insurer.

Claims Conduct Clause:

The Assured shall exercise the utmost good faith in and about making any claim hereunder.

The Assured shall ensure that all rights against carriers bailees and other third parties are properly preserved and exercised.

Neither the Assured nor any person acting on their behalf shall admit any liability for any loss or claim or make any promise offer payment or amounts in respect of any loss or claim or agree any loss or claim or incur any costs or expenses in any connection with any loss or claim for which the Assured propose seeking indemnity hereunder.

The Insurer shall be entitled to take over and conduct in the name of the Assured any negotiations or legal proceedings in respect of any claim for which the Insurer are or may be liable hereunder.

The Insurer shall be entitled to take over and conduct in the name of the Assured the defence or settlement of any claim. Furthermore, the Insurer shall be entitled to prosecute for their own benefit in the name of the Assured any claim and shall have full discretion in the conduct of any proceedings and the settlement of any claim.

Except where expressly covered by this insurance, in no case shall any sum be allowed under this insurance by way of remuneration of the Assured or any person appointed by or acting on behalf of the Assured (whether in direct contractual relationship with the Assured or not) or of any other party whatsoever for time and trouble taken to obtain and supply any information and/or documents reasonably required by the Insurer in any connection with this insurance or any loss or claim which is or may be recoverable hereunder.

If the Assured or any person acting on their behalf shall make any claim knowing it to be in its entirety or any part whatsoever false or fraudulent or intentionally exaggerated as regards quantum or otherwise, or if any fraudulent means or devices are used by the Assured or any person acting on their behalf to obtain any benefit under this insurance, this insurance shall become void and all claims hereunder shall be forfeited, and the premium paid for this insurance shall be retained by the Insurer.

Claims Notification Clause:

In case of any occurrence or discovery likely to give rise to a loss or claim under this insurance, the Assured shall expeditiously give notice to the Insurer and/or approved loss adjusters/surveyors and furnish full documentation and particulars in respect thereof.

Every letter, facsimile, telex, notice, writ, summons, process and paper howsoever relating thereto shall be notified and forwarded to the Insurer and/or approved loss

adjusters/surveyors immediately upon receipt by the Assured. This duty arises whether or not any claim has been made against the Assured.

It is hereby warranted that all claims resulting from theft or where theft may reasonably be suspected shall be reported to the police immediately.

Subrogation Clause:

The Assured shall at the request and expense of the Insurer do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Insurer so that if the Insurer pays any loss or claim arising under this insurance any rights and/or remedies to which the Insurer shall be or would become entitled or subrogated are upheld and enforced against any other party, and any right to relief or indemnity to which the Insurer shall be or would become entitled or subrogated is maintained against any other party, whether such acts and things shall be or become necessary or are or may be required before or after indemnification by the Insurer of the Assured or any other claimant.

SECTION II:

Third Person Financial Liability

This section is subject to Third Party Financial Liability Insurance Special Conditions.

LAW AND

JURISDICTION:

Turkey

CANCELLATION:

This insurance may be cancelled at any time by the Insurer or the Assured provided they give thirty (30) days notice in writing. Notice shall run from midnight of the day of issue.

The Insurer giving notice shall receive and retain pro-rata or earned premium, whichever is the greater. The Insurer receiving notice shall receive and retain the customary short-term or earned premium, whichever is the greater.

If any period of notice herein is prohibited or nullified by any law governing the construction of this clause, such period shall be deemed to be amended so as permitted by such law.

COMPLAINTS:

Every effort is made to ensure you receive a high standard of service. If you are not satisfied with the service you have received, you should contact:-

Customer Relations Manager
GULF SİGORTA A.Ş.
Sevil.furat@GULFsigorta.com.tr

To help us to deal with your comments quickly, please quote your Policy/Claim Number and Policyholder/Insured Name.

Only the Turkish policy is valid. In case of any discrepancy between the Turkish policy and its English version with regards to their interpretation or understanding, solely the Turkish policy shall be binding upon the Parties. Since the transaction has a foreign element the negotiations and interactions during the formation of this policy have been

conducted in English. Thus an English version of the Turkish policy is also drafted upon request.