
Assured Flight Logistics Limited, as agents of the goods owners, and any other party as agent for whom they receive written instructions to insure.

Assured's Address

Policy Number

Period 27th July 2007 to 26th July 2008 (both dates inclusive)

Schedule Number 01

Effective from 27th July 2007

Broker Aon Marine
Arkwright House,
Parsonage Gardens,
Manchester M3 2 LF

Issued by Northern Marine Underwriters Limited
Faulkner House, Faulkner Street, Manchester, M1 4DY
Tel: 0161 236 3380 Fax: 0161 236 0633
*acting for Watkins Syndicate (WTK/457) at Lloyd's of London,
pursuant to Binding Authority Agreement number B042406MAR00608
(all enquiries should be addressed to Northern Marine Underwriters Ltd)*

***In consideration of payment of the premium specified herein,
Underwriters agree to indemnify the Assured against loss of or
damage to subject matter insured or liability or expense incurred
in connection therewith in the manner and to the extent
provided for by this insurance***



Northern Marine Underwriters Ltd

Registered Office:
Goodbard House
9 Infirmary Street
Leeds LS1 2JP England
T 0113 243 0666 F 0113 246 7574
www.nmu.co.uk

Registered in England No. 1262636
Authorised and regulated by the Financial Services Authority
Acting for Watkins Syndicate (WTK/457) at Lloyd's



Risks Covered

Subject Matter Insured

Category One Goods

New Approved General Merchandise (as defined below) suitably packed and protected to withstand the normal rigours of transit other than **Excluded Goods** as defined herein.

New approved general merchandise

- *attract no special hazard in regard to stowage, handling and packing; or*
- *during normal method of transit or by their inherent nature are not more than normally susceptible to loss or damage arising from theft, pilferage, shortage, leakage, loss in weight, breakage, scratching, bruising, chipping, denting, bending or crushing; or*
- *are not liable to perish, deteriorate or suffer any changes in quality or suffer from electrical, mechanical or any other form of derangement or breakdown.*

New Clothing (excluding furs and fur garments) and/or domestic electrical appliances other than white goods suitably packed and protected to withstand the normal rigours of transit.

New White goods and new furniture (Excluding scratching, denting and chipping) suitably packed and protected to withstand the normal rigours of transit.

Category Two Goods

New Domestic Chinaware, Glass and similar interests (if excluding breakage, category one rates to apply) suitably packed and protected to withstand the normal rigours of transit.

other than **Excluded Goods** as defined herein.

Voyages and Risks

1. In transit from places in the United Kingdom to ports and places overseas, and vice versa, as per **Premium Basis** herein; on deck shipments held covered at rates and on conditions to be agreed by Underwriters (**but** shipments in steel box containers conveyed by purpose-built container vessels or shipments by roll-on/roll-off ferry service are covered at Policy rates and conditions); all other voyages including non-customary transshipment held covered subject to prompt notice from the Assured (**on which such cover is dependent**) at rates and on conditions then to be agreed by Underwriters; other than **Excluded Voyages** as defined herein.
 2. In transit to free on board vessel or aircraft at port or airport (**but** cover not to exceed 30 days after arrival at port or airport), or to free carrier, or to free alongside ship, within the United Kingdom or the Republic of Ireland.
 3. In transit within the United Kingdom or the Republic of Ireland or by road directly between them, in respect of domestic purchases or sales.
 4. Returned goods in transit back to their supplier.
- Excluding inter-company movements.

Risks Covered

Bases of Valuation
(as per Voyages and Risks above)

1. The prime cost of the goods or merchandise plus the expenses of or incidental to shipping, the freight for which the Assured is liable, the charges of insurance, plus 10%, plus duty if incurred.
2. Invoiced cost to buyer.
3. Invoiced cost to buyer.
4. Market value at time of loss or invoiced cost, whichever is less.

All other goods covered hereunder that are not the subject of a purchase or sales invoice:

Replacement cost at time of loss, if new; or

Market value at time of loss, if used or second-hand

Conveyances

Approved powered vessels (as per Institute Classification Clause) and/or airfreight and/or rail and/or post and/or road vehicles including vehicles owned or operated by the Assured.

Limits and Information

Limits	Any one: vessel, aircraft or conveyance £250,000 location in the ordinary course of transit £250,000 postal sending £5,000 exhibition risk Not insured demonstration risk Not insured vehicle owned or operated by the Assured, in respect of: goods (as per Subject Matter Insured) £250,000 engineers' tools Not insured representatives' samples Not insured
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Storage Locations and Limits Not insured
(outside the ordinary course of transit)

Inner Limits	Additional Forwarding Costs (as per CRG/AFC/BSC/1/2/05) £5,000 Stowage Accessories (as per CRG/STA/STD/1/2/05) £2,500
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Premium

Premium Charged at the rates shown in the **Premium Basis**.
Subject to a minimum charge of £20.00

Premium Basis	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
United Kingdom to or from:			
Europe	2.00%	8.00%	
Wider Europe	2.00%	8.00%	
North America, Australasia and South Africa	2.00%	8.00%	
Middle East	2.00%	8.00%	
Far East and China	2.00%	8.00%	
Rest of the World (other than Excluded Voyages)	2.00%	8.00%	

In Respect of Excluded Voyages In respect of the **Excluded Voyages** detailed herein and subject to prior agreement by Underwriters, Cover Under This Policy Ceases Upon Safe Arrival Of The Aircraft/Vessel Upon Completion Of Discharge From Aircraft/Vessel At The First Airport/Port Of Discharge At The Country Of Destination.

In respect of sendings by Air, The Duration Clause 5.1 Of Institute Cargo Clauses (Air) (Clause 259) And 3.1 Of Institute Strikes Clauses (Air Cargo) (Clause 260) are hereby Amended Accordingly And Clauses 5.1.1 To 5.2 Inclusive Of Clause 259 And 3.1.1 To 3.2 Inclusive Of Clause 260 are hereby deleted.

In respect of sendings by Sea, The Duration Clause 8.1 Of Institute Cargo Clauses (A) Clause 252 And 5.1 Of Institute Strikes Clauses (Cargo) Clause 256 are hereby amended Accordingly And Clauses 8.1.1. To 8.2 Inclusive Of Clause 252 And 5.1.1 To 5.2 Inclusive Of Clause 256 are hereby deleted.

War and Strikes Risks Premium The above rates are inclusive of Watkins Syndicate schedule rates for War and Strikes risks ruling at inception of the policy, for the inclusion of War and Strikes risks cover as per the Institute Clauses incorporated herein.

Should the minimum schedule rate or any schedule additional rate be increased, the inclusive policy rate may be increased accordingly, at Underwriters' discretion.

If a rate is shown for "Rest of the World" or any other regional description, then whenever the schedule additional rate is in excess of the minimum rate, the above inclusive rate may be subject to the appropriate increase, at Underwriters' discretion.

UK Insurance Premium Tax Where applicable, subject to Insurance Premium Tax at the prevailing rate (5% at inception).

Declarations Declarations to be submitted to Underwriters monthly, within 30 days of month end.

Applicable Clauses and Conditions

Institute Clauses <i>(as far as applicable)</i>	Institute Cargo Clauses (A)	CL 252	1/1/82
	Institute Cargo Clauses (Air) (excluding sendings by Post)	CL 259	1/1/82
	Institute War Clauses (Cargo)	CL 255	1/1/82
	Institute War Clauses (Air Cargo) (excluding sendings by Post)	CL 258	1/1/82
	Institute War Clauses (sendings by Post)	CL 257	1/1/82
	Institute Strikes Clauses (Cargo)	CL 256	1/1/82
	Institute Strikes Clauses (Air Cargo)	CL 260	1/1/82
	Institute Classification Clause	CL 354	1/1/01
	<i>(applicable to all risks)</i>	Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause	CL 370
Institute Cyber Attack Exclusion Clause		CL 380	10/11/03

Where these clauses are modified by this Schedule, or in the event of any other inconsistency, then this Schedule shall prevail.

NMU Wording

Administrative Conditions (CRG/ADM/BSC/14/1/05)

General Conditions (CRG/GEN/BSC/1/5/04)

Market Conditions (CRG/MKT/STD/1/5/04)

Where these conditions or any clause within them are modified by this Schedule, or in the event of any other inconsistency, then this Schedule shall prevail.

The above NMU Wordings are appended to the Original and Duplicate of this Policy and the Institute Clauses are appended to the Original; further copies are available upon request.

Policy-specific clauses and conditions appear on the following page(s).

These clauses are additional to the appended NMU Wordings or, in the case of those bearing the same title as any within the NMU Wordings, replace them.

Applicable Clauses and Conditions

Excess £250 each and every claim hereunder;
and as otherwise specified.

Specified Excesses Exhibitions and Demonstrations (as per CRG/EXD/EXC/1/5/04) £250

Warranties **It is warranted** that *Northern International Export Limited* are, and shall remain an appointed representative of *Backhouse Insurance Brokers Limited* and remain authorised and regulated by the Financial Services Authority to provide insurance mediation.

In the event that *Northern International Export Limited* fail to maintain their status as an Appointed Representative of *Backhouse Insurance Brokers Limited*, or breach the rules of, the Financial Services Authority, this policy will be deemed to have been cancelled

1. From midnight on the day before *Northern International Export Limited* ceased to be authorised, or:
2. From midnight on the day before such breach occurred

Exclusions Televisions –

Excluding the risk of breakage of tubes.

Steel Sheets on Pallets or in crates –

Excluding the risks of rust, oxidation and discolouration.

Excluding the risks of twisting and bending.

In the event of damage or breakage caused by an insured peril, it is agreed that the damaged or broken length or portion shall be cut off, the remaining length to be considered as sound and Underwriters shall only be liable for the insured value of the length or portion which has been lost by being broken off or cut, and the cost of cutting.

Applicable Clauses and Conditions

Own Vehicle Security ***Applicable to all carryings by vehicles owned, operated or under the control of the Assured, cover for which is only provided where a limit is specified in the Schedule.***

This insurance does not cover theft of subject matter insured from vehicles owned, operated or under the control of the Assured when left unattended

1. unless
 - 1.1. all doors, windows and other openings are closed, properly fastened and securely locked, and
 - 1.2. steering column lock, immobiliser and alarm, where fitted, are in efficient working order and put into operation, and
 - 1.3. all contents are removed from view
2. **and**, outside the normal working day, unless the vehicle
 - 2.1. is garaged in a securely locked building of substantial construction, or
 - 2.2. is parked in a manned, secure compound.

For the purposes of this clause:

“unattended” shall mean all times when the driver does not have the vehicle under direct observation and is not close enough and fit and able to have a reasonable prospect of deterring or attempting to prevent any interference with or theft of or from the vehicle;

“normal working day” shall mean all times when the vehicle is specifically being used for the purpose of or in connection with the Assured’s trade, excluding overnight stops and all use by the driver solely for social, domestic or pleasure purposes.

Failure of the Assured to bring these provisions to the attention of the drivers of such vehicles shall not affect the application of this clause.

Stowage Accessories Where a limit for goods in own vehicles is specified in the Schedule, this insurance is extended to cover loss of or damage to stowage accessories such as ropes, sheets and the like owned by the Assured or for which they are responsible whilst on any vehicle used in connection with their business.

CRG/STA/STD/1/2/05

Subject to a limit any one incident as specified in the Schedule.

Rust, Oxidation and Discolouration Exclusion This insurance does not cover rust, oxidation and discolouration in respect of unpacked and/or partially protected goods, unless proven to have been caused by a peril insured against.

CRG/ROX/OPT/1/5/04

Scratching, Chipping and Denting Exclusion This insurance does not cover scratching, bruising, chipping, denting and subsequent cost of repainting in respect of unpacked and/or partially protected goods, unless proven to have been caused by a peril insured against.

CRG/SCX/OPT/1/5/04