

# **General Liability Insurance Scheme for World Expo 2010 Shanghai China**

## **1. Coverage**

General Liability Insurance for World Expo 2010 Shanghai China

## **2. Applicant**

- (1) Organizer of World Expo 2010 Shanghai China
- (2) Official Participants
- (3) Non-official Participants
- (4) Individuals or organizations that enter into commercial operation contracts with the organizer
- (5) Contractors and subcontractors at all tiers engaged in construction, installation and removal works

## **3. The Insured**

- (1) Organizer of the World Expo 2010 Shanghai China
- (2) Official Participants
- (3) Non-official Participants
- (4) Individuals or organizations that enter into commercial operation contracts with the organizer
- (5) Lessors providing real or personal properties to the organizer
- (6) Contractors and subcontractors at all tiers engaged in construction, installation and removal works
- (7) Individuals or organizations providing entertainment, media service or exhibits to the Insured enumerated in the foregoing Items (1) ~ (3).

## **4. Premises**

Shanghai Expo Park (5.28 km<sup>2</sup> in land area, subject to final confirmation by the organizer of Shanghai World Expo) and relevant water area inside Shanghai Expo Park agreed upon between the Parties to this insurance.

## **5. Activities Insured**

Activities relating to Shanghai World Expo conducted by the Insured on the Premises

## **6. Insurance Period**

(1) For the organizer of Shanghai World Expo – Commencing at 00:00 on \_\_\_\_\_, no later than the date when the works in the park commence, and ending on the date when the temporary exhibition halls are dismantled, no later than 24:00 p.m. (Beijing Time), April 30, 2011.

(2) For the other Insured – Commencing on the date when the exhibition or operation contracts become effective and operations are started in the park, and ending on the date when the exhibition space or venues are restored to their original conditions and returned to the organizer, no later than 24:00 p.m. (Beijing Time), 4 April 30, 2011.

## **7. Limit of Indemnity**

Limit of indemnity A.O.A: RMB 1 billion;

Aggregate limit of indemnity during insurance period: RMB 1 billion

Legal costs and other charges are included into the limit of indemnity.

## **8. Scope of Liability**

During the Insurance Period, The Insurer shall indemnify the Insured against any financial liability arising from personal injury or property damage or loss to third parties in consequence of accidents caused by the insured activities conducted by the Insured on the Premises in accordance with this Policy as well as the legal costs of the Insured arising therefrom and other costs and expenses paid upon prior written consent of the Insurer.

### **(2) Special Provisions**

**Premises and Product Liability:** Primarily covering the financial compensation liability to be borne by the Insured according to law arising from personal injury or property damage or loss to third parties incurred in consequence of accidents in relation to the activities insured conducted by the Insured on the Premises or accidents arising from the products or commodities produced, sold or distributed by the Insured.

**Construction Liability:** Primarily covering the financial liability to be borne by the Insured according to law arising from personal injury or property damage or loss to third parties at or adjoining work sites in consequence of accidents in relation to construction, installation and removal works of the Insured on the Premises.

**Special Transportation Means Liability:** Primarily covering the financial liability to be borne by the Insured according to law arising from personal injury or property damage or loss to third parties or passenger in consequence of accidents in relation to the Insured's use of special transportation means on the Premises.

Special transportation means refers to bicycle, battery truck, watercraft and off-road motor vehicles.

## **9. Basis of Claim Settlement**

On occurrence basis, i.e. the accident causing damage or loss must occur in the Insurance Period. The deadline for submission of claims by the Insured is two years after expiration of this Policy.

## **10. Deductible (A.O.A)**

Personal injury and death: None

Property damage or loss: RMB 1,000

## **11. Premium Rate**

(1) Construction and/or installation works: Contract Price \* 0.0985%

(2) Removal works: Contract Price \* 0.0985%

(3) Commercial facilities: RMB 160/m<sup>2</sup> for catering

RMB 90/m<sup>2</sup> for other commercial operations

(4) Exhibition space and other non-commercial service space: RMB 28/m<sup>2</sup>

\* The foregoing rates are period rates

The premium rate under this Policy shall be the final premium rate published by the organizer of Shanghai World Expo.

## **12. Waiver of Subrogation**

Except for circumstances where willful or gross negligence occurs, any of the Insured shall waive all claims against each other for loss arising from fire or other accidents, and the Insurer shall not exercise the right of subrogation against the Insured.

## **13. Governing Law and Judicial Jurisdiction**

This insurance shall be governed by the laws and subject to the judicial jurisdiction of the People's Republic of China.

# **Terms and Conditions of General Liability Insurance for World Expo 2010 Shanghai China**

## **General Provisions**

### **1. Scope of Cover**

During the Insurance Period, the Insurer shall indemnify the Insured against any financial liability arising from personal injury or property damage or loss to third parties incurred in consequence of accidents caused by the insured activities conducted by the Insured in accordance with this Policy.

The Insurer shall also indemnify the Insured against all the legal costs and other costs and expenses paid by the Insured upon prior written consent of the Insurer arising from the aforesaid causes.

The maximum amount recoverable for any accident shall not exceed the limit of indemnity per accident set forth in the Schedule of this Policy. During the Insurance Period, the maximum amount recoverable for the foregoing two items shall not exceed the aggregate limit of indemnity set forth in the Schedule of this Policy.

### **2. Exclusions**

Unless otherwise agreed, this Policy shall not cover:

- (1) Liabilities arising from war, warlike operation, military operation hostilities, armed conflicts, terrorism, conspiracy insurrection, strike, riot, civil commotion and coup d'etat;
- (2) Intentional act or gross negligence of the Insured or his representative;
- (3) Direct or indirect liabilities arising from nuclear fission, nuclear fusion, nuclear weapon, nuclear material, nuclear radiation and radioactive contamination;
- (4) Liabilities arising from atmosphere, land and water pollutions or other non-radioactive pollutions, or smoke, odor, vapor, gas, oil, or waste liquid atmosphere, land and water pollutions emitted, released or leaked from the exhibits, excluding non-radioactive pollutions arising from emergencies and accidents;
- (5) Liabilities arising from earthquake or tsunami;
- (6) Damage or loss caused by asbestos, silica, electromagnetic wave, computer virus, genetically-modified products, BSE, MTBE and poisonous mildew;
- (7) Fine, penalty or punitive damages;
- (8) Liabilities borne by the Insured pursuant to the agreement(s) with third parties, except liabilities still borne by the Insured even if in absence of such agreement(s);

- (9) Liabilities for injuries to employees working for the Insured;
- (10) Liabilities arising from motor vehicles owned, occupied or used by the Insured;
- (11) Damage or loss to the property owned, kept or controlled by the Insured or his representative or employee;
- (12) Articles, land, premises or buildings used or occupied by the Insured or his representative or employee for business operation;
- (13) Consequential losses incurred by the Insured due to delayed or uncompleted work for whatever reasons;
- (14) Consequential losses caused by bankruptcy or insolvency of the Insured;
- (15) Losses arising from potential defects in buildings;
- (16) Loss of products produced, sold or distributed by the Insured;
- (17) Any activities in breach of the laws and regulations of the People's Republic of China or rules of the Shanghai World Expo conducted by or with the consent of the Insured;
- (18) Damages arising from any of the following advertisement activities;
  - A. Any advertisement activity carried out before this Policy becomes effective;
  - B. Any statement made as instructed by the Insured, though the Insured is fully aware of the problem in its legality or truthfulness;
  - C. Incorrect description in the advertisement in respect of the products, goods or services of the Insured;
  - D. The products or services sold or provided for the purpose of sale or promotion infringe upon or counterfeit any registered trademark, service logo or trade name;
  - E. The products, goods or services of the Insured are inconsistent with the description in their advertisements in respect of performance, quality, fitness or durability; or
  - F. Infringing activities of the Insured engaged in advertisement, broadcast, publication or television business.

### **3. Obligations of the Applicant and Insured**

- (1) The Insured and his representative, when applying for insurance, shall make truthful answers or descriptions to the questions in the Proposal and Questionnaire or to any other question raised by the Insurer;
- (2) The Insured and his representative shall pay the Insurer in due course the agreed premium in the manner as provided in the Schedule and Endorsements;
- (3) The Insured shall exercise reasonable care in choosing steady, sober and competent personnel and all buildings, roads, plants, machinery, furniture and fittings belonging to the Insured are kept

substantial, sound and serviceable; in addition, upon any defect being brought to his notice, the Insured shall forthwith proceed to make good the same in accordance with applicable legislation and regulation imposed by the authorities and shall take such temporary precautions to prevent accident as the circumstances may require;

(4) In the event of any occurrence which gives rise to a claim under this Policy, the Insured shall:

A. notify the Insurer immediately and within seven (7) working days or any further period as may be agreed by the Insurer in writing, furnish a written report to indicate the course, probable reason and extent of loss or damage;

B. have no right to alter or repair, without the consent of the Insurer, all buildings, roads, plants, machinery, furniture and fittings belonging to the Insured until the Insurer shall have had an opportunity of inspecting;

C. Immediately notify the Insurer in writing of any predicted possible lawsuit, and promptly deliver to the Insurer any court summons or other legal instruments received; and

D. Furnish all such information and documentary evidence as the Insurer may require for supporting the claim.

#### **4. Treatment of Claim**

(1) In the event of any claim recoverable under this Policy:

A. No admission, rejection, offer, promise, payment or indemnity shall be made or given by or on behalf of the Insured or his representative without the written consent of the Insurer. And the Insurer shall be entitled, if necessary, to take over and conduct in the name of the Insured the defence or settlement of any claim;

B. The liability of the Insurer for any other accident shall be the amount payable by the Insured as ordered by the court, arbitral agency or relevant governmental authority or as agreed between the parties concerned and the Insurer, subject to the limit of liability set forth in the Schedule;

C. The Insurer shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the Insured shall give all such information and assistance as the Insurer may require;

D. Injury or death or property loss of more than one person occasioned by the same batch of products or commodities produced or sold for the same reasons shall be deemed as caused by a single accident;

(2) The Insurer shall be entitled to lodge in the name of the Insured any claim for indemnity against any person as necessary. Without the written consent of the Insurer, the Insured shall not accept the payment or arrangement of indemnity in respect of the loss or damage offered by any party held responsible for such loss or damage and shall not abandon the right of recovery from such party, otherwise, the Insurer shall not be liable for any consequence arising therefrom;

(3) This Insurance shall be on an occurrence basis, i.e. the accident causing damage or loss must occur within the Insurance Period. The right of the Insured to claim indemnity or the sum insured from the Insurer will disappear if such right is not exercised within two years after the Insured comes into knowledge of the occurrence of such accident;

(4) Waiver of Subrogation

Except for circumstances where willful or gross negligence occurs, any of the Insured shall waive all claims against each other for loss arising from fire or other accidents, and the Insurer shall not exercise the right of subrogation against the Insured.

## **5. General Provisions**

(1) Policy Effect

The due observance and fulfillment of the terms and conditions of this Policy by the Insured shall be a condition precedent to any liability of the Insurer under this Policy; provided however that:

The validity of this Policy will not be affected by the Insured's failure to fulfill requirements hereunder at any place beyond control of the Insured (including endorsed guarantees and conditions).

The agreed guarantees and conditions under this Policy shall apply to each covered risk respectively other than the whole covered risks. Where the agreed guarantees and conditions under this Policy are violated in respect of one risk, the validity of the liability for other risks covered by this Policy shall not be affected.

One of the Insured violating his obligations hereunder will not affect the rights and interests of the other Insured under this Policy, provided that the other Insured notify the Insurer in writing immediately upon their knowledge of such violation and take remedial actions to perform relevant obligations on behalf thereof, or otherwise the Insurer may reject any claim in accordance with the contract.

(2) Policy Voidable

In the event of misrepresentation, overstatement or non-disclosure in any material particular of this Insurance made by the Insured or his representative, the corresponding part of this Policy shall be voidable.

Such material particular of this Insurance means any item that is sufficient to influence the Insurer's decision of insurance acceptance, premium rates and other insurance conditions.

(3) Policy Termination

Unless otherwise agreed by the Insurer in writing, this Policy will be terminated automatically when the insurance interests of the Insured are lost. Upon termination of this Policy, the Insurer will refund the undue part of the premium hereunder to the Insured on a pro rata daily basis.

#### (4) Cancellation of Policy

This Insurance is required for Shanghai World Expo. The Parties shall not cancel this Insurance when this Policy enters into force.

#### (5) Forfeit of Benefit

If the claim is in any respect fraudulent, or if any fraudulent means or devices are used by the Insured or his representative to obtain any benefit under this Policy, or if any loss or damage is occasioned by the intentional act or in the connivance of the Insured or his representative, then in any of these cases, all the rights and benefits of the Insured under this Policy shall be forfeited, and all consequent losses arising therefrom, including the amount of claim paid by the Insured, shall be indemnified by the Insured.

#### (6) Reasonable Inspection

The representative of the Insurer shall at any suitable time be entitled to attend the site and inspect or examine the risk exposure within the scope of operations set forth in the Schedule of this Policy. For this purpose, the Insured shall provide full assistance and all details and information required by the Insurer as may be necessary for the assessment of the risk. The above mentioned inspection or examination shall in no circumstances be held as any admission to the Insured by the Insurer. The inspection or examination personnel of the Insurer will notify the Insured in writing of any defect or hazard discovered. The Insurer shall not assume any liability arising from or in connection with such defect or hazard before it is eliminated to the satisfaction of the Insurer.

#### (7) Double Insurance

Should any loss, damage, expense or liability recoverable under the Policy be also covered by any other insurance, the Insurer will first pay the claim in accordance with this contract. However, if the total indemnities obtained by the Insured under all policies exceed his actual loss, the Insured shall refund the excess to the Insurer.

#### (8) Subrogation

Where a third party shall be held responsible for the loss or damage covered under this Policy, the Insured shall, whether being indemnified by the Insurer or not, take all necessary measures to enforce or reserve the right of recovery against such third party, and upon being indemnified by the Insurer, subrogate to the Insurer all the right of recovery, transfer all necessary documents to and assist the Insurer in pursuing recovery from the responsible party.

#### (9) Dispute Resolution

All disputes under this insurance arising between the Insured and the Insurer shall be settled through amicable negotiation. Where the two parties fail to reach an agreement after negotiation, such disputes shall be submitted to arbitration or to court for legal actions.

Legal Action

Unless otherwise agreed in advance, such arbitration shall be carried out at the place where the defendant is domiciled.

Arbitration

Any dispute arising from or in connection with this insurance contract shall be submitted to \_\_\_\_\_ (please indicate the full name of the arbitral body) for arbitration in accordance with its arbitration rules then in effect. The arbitral award shall be final and binding upon both Parties.

(10) Governing Law and Judicial Jurisdiction

This insurance shall be governed by the laws and subject to the judicial jurisdiction of the People's Republic of China.

## **6. Definition**

(1) THE INSURED AND HIS REPRESENTATIVE: the “representative” refers to the legal representative of the Insured (corporate representative or the head of unincorporated body), authorized representative or the person holding a certain position in the Insured and acting on behalf of the Insured (such as general manager or project manager), which can be deemed as the representative of the Insured, though unauthorized in writing.

(2) ACCIDENT: for the purpose of this Policy, means any unforeseeable, sudden event beyond control of the Insured which leads to personal injury or property damage.

(3) LOSS FOR ANY ONE ACCIDENT (A.O.A): refers to

A. any one claim or series of claims arising from a single incident;

B. injury or death or property loss of more than one persons occasioned by the same batch of products produced or sold due to the same causes shall be deemed as caused by a single accident.

(4) MOTOR VEHICLE: means wheeled vehicle (including trailer), track laying vehicle or other means of transport traveling within the People's Republic of China (excluding Hong Kong, Macao and Hong Kong), issued the license plate and driving permit by public security authorities, driven or pulled by power sets, traveling on road, used for transport of passengers or goods or special purpose, including passenger vehicle, truck, passenger/cargo dual-purpose vehicle, motorcycle, tractor and special-purpose vehicle.

(5) EMPLOYEE OF THE INSURED: means the person with a contractual or de facto employment relationship with the Insured, including volunteer and casual worker.

(6) SPECIAL TRANSPORTATION MEANS: refers to bicycle, battery truck, watercraft and off-road motor vehicles.

(7) PERSONAL INJURY: means personal injury, death, illness or disability and scare, dread or mental injury caused thereby, excluding the mental injury of any family member of the victim.

(8) PROPERTY LOSS: means physical loss or destruction of tangible property, including the loss of use caused thereby.

## **Special Provisions I: Premises and product Liability**

### **1. Scope of Cover**

The Insurer shall indemnify the Insured against any economic compensation liability for the personal injury or property loss incurred to any third party resulting from:

(1) any accident in relation to the activities insured; or

(2) any accident arising from the insured product,

within the Premises during the Insurance Period.

The Insurer shall also indemnify the Insured against all the legal costs and other costs and expenses paid by the Insured upon prior written consent of the Insurer for the aforesaid causes.

The maximum amount recoverable for any accident shall not exceed the limit of indemnity per accident set forth in the Schedule of this Policy. During the Insurance Period, the maximum amount recoverable for the foregoing two items shall not exceed the aggregate limit of indemnity set forth in the Schedule of this Policy.

For the purpose of this clause, INSURED PRODUCT means the product or commodity produced, soled or distributed by the Insured.

The product liability insurance shall be extended to cover the territory of the People's Republic of China.

### **2. Exclusions**

In addition to exclusions set forth in the General Provisions, the following exclusions shall apply to this section. In this section, the Insurer shall not be liable for:

(1) any loss arising from rejection, replacement or recall of products insured;

(2) any loss arising from the products or commodities knowingly illegally produced, sold and distributed by the Insured;

(3) air, land, water and other pollutions caused by the products insured;

- (4) any damage to aircraft or watercraft caused by products insured;
- (5) any indemnity arising from the ownership, maintenance, operation or use of any aircraft, watercraft or other airborne equipments (excluding stationary inflatable equipment fixed at the Premises of the Insured at a height of no more than 100 m);
- (6) any indemnity arising from the Insured's provision of or failure to provide professional advice or service, or from any error or mistake in connection therewith;
- (7) the Insured's costs of providing services, maintenance and repair and the costs spent for completing services; and
- (8) any loss recoverable under other special provisions of this Policy.

## **Special Provisions II: Construction Liability**

### **1. Scope of Cover**

During the Insurance Period, The Insurer shall indemnify the Insured against any financial liability arising from personal injury or property damage or loss to third parties at or adjoining work sites in consequence of accidents in relation to construction, installation and removal works of the Insured on the Premises.

The Insurer shall also indemnify the Insured against all the legal costs and other costs and expenses paid by the Insured upon prior written consent of the Insurer for the aforesaid causes.

The maximum amount recoverable for any accident shall not exceed the limit of indemnity per accident set forth in the Schedule of this Policy. During the Insurance Period, the maximum amount recoverable for the foregoing two items shall not exceed the aggregate limit of indemnity set forth in the Schedule of this Policy.

### **2. Exclusions**

In addition to exclusions set forth in the General Provisions, the following exclusions shall apply to this section. In this section, the Insurer shall not be liable for:

- (1) any loss arising from suspensions, repairs or replacements of defected products and parts used or supplied by the Insured in construction works;
- (2) any accident caused by watercraft or aircraft;
- (3) any property loss of the construction works;
- (4) any compensation arising from breach of duties by the architects, supervisors or consultants when

carrying out work in their professional capacities; and  
(5) any loss recoverable under other special provisions of this Policy.

## **Special Provisions III Special Transportation Means Liability**

### **1. Scope of Cover**

The Insurer shall indemnify the Insured against any economic compensation liability arising from the personal injury or property loss incurred to any third party or passenger caused by accident of owned or non-owned special transportation means used by the Insured within the Premises Insurance Period.

The Insurer shall also indemnify the Insured against all the legal costs and other costs and expenses paid by the Insured upon prior written consent of the Insurer for the aforesaid causes.

The maximum amount recoverable for any accident shall not exceed the limit of indemnity per accident set forth in the Schedule of this Policy. During the Insurance Period, the maximum amount recoverable for the foregoing two items shall not exceed the aggregate limit of indemnity set forth in the Schedule of this Policy.

Special transportation means refers to bicycle, battery truck, watercraft and off-road motor vehicles.

Notwithstanding any provision to the contrary in this Policy, the Insurer only indemnifies the Insured against the economic compensation liability for personal injury to the passenger caused by accident of the passenger watercraft owned or used within the Premises during the Insurance Period, with any other liability in relation to the watercraft to be excluded.

### **2. Exclusions**

In addition to exclusions set forth in the General Provisions, the following exclusions shall apply to this section. In this section, the Insurer shall not be liable for:

- (1) any loss or damage incurred by the transportation means driven by or in the charge of any person:
  - A. without valid driving qualification;
  - B. without permission by the Insured;
  - C. under the influence of alcohol and/or drug or due to similar reasons;
- (2) any loss of or damage to the transportation means;
- (3) any personal injury or property loss incurred to any third party or passenger during stealing or robbery of the transportation means insured;
- (4) any direct or indirect loss or damage incurred by electronic or electromagnetic interference;

- (5) any loss or damage incurred by the transportation means when the number of passengers exceeds the permitted number;
- (6) any loss, damage, expense and liability arising from unseaworthiness of the watercraft insured; UNSEAWORTHINESS includes improper staffing, equipping, loading and unloading, but limited to the circumstance that the Insured knows or should have known such unseaworthiness at departure of the watercraft;
- (7) any loss, damage, expenses and liability occasioned by aircraft; and
- (8) any loss recoverable under other special provisions of this Policy.

## **Special Clauses**

The following clauses shall be applied to all parts of this Policy and shall override the other terms and conditions of this Policy if any conflict arises.

### **(1) Cross Liability**

It is agreed and understood that the indemnity for personal injury of third parties under this insurance shall apply to each insured party listed in the Schedule as if a separate policy had been issued to each insured party.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

### **(2) Building Alteration**

It is agreed and understood that this Policy shall be extended to cover the Insured's liability for claims made against the Insured for accidental bodily injury of and/or property damage to any third party resulting from the alteration, repairs and decoration of the insured building.

The Insured shall take all necessary steps to prevent accidents from happening while the insured building is undergoing the aforesaid process.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

### **(3) Personal Injury Liability**

It is agreed and understood that this Policy shall be extended to cover the Insured's liability for the claims made in respect of personal injury to third parties arising from the following offenses on the premises listed in the Schedule:

- A. False arrest, detention or imprisonment, or malicious prosecution;
- B. Libel, slander, defamation or violation of rights of privacy; or
- C. Wrongful entry or eviction or other invasion of rights of private occupancy.

The due observance of the legislation and regulations of the People's Republic of China shall be a condition precedent to any liability of the Insurer.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

#### (4) First Aid Treatment

It is agreed and understood that this Policy shall be extended to cover the Insured for reasonable costs or expenses of first aid treatment given or administered by the Insured to a third party injured due to any accident that occurs on the premises listed in the Schedule.

During the insurance period, the Insured's limit of indemnity for first aid costs and expenses shall be included into the aggregate limit of indemnity listed in the Schedule.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

#### (5) Extinguishing Expenses

It is agreed and understood that this Policy shall be extended to cover the Insured for extinguishing expenses which should be necessarily and reasonably incurred in extinguishing fires on the premises listed in the Schedule.

During the insurance period, the Insured's limit of indemnity for extinguishing expenses shall be included into the aggregate limit of indemnity listed in the Schedule.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

#### (6) Accidental Pollution Liability

It is agreed and understood that this Policy shall be extended to cover the Insured's compensation liability for personal injury or property loss to third parties caused by pollution arising from emergent accidents within the Premises listed in the Schedule, and reasonable and necessary pollution removal costs paid by the Insured for the purpose of eliminating pollution.

POLLUTION REMOVAL COSTS means the costs of testing, monitoring, elimination, disposal and neutralization to eliminate environmental pollution hazards.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

#### (7) Millennium Bug Exclusion

The "Millennium Bug" used in this clause refers to any damage or consequential loss directly or indirectly caused by or consisting of or arising from the failure of any such computer system, hardware, program, software and/or any microchip, media, integrated circuit or similar device in other electronic equipment, concerning the date change of the year 2000, or any other date change, including leap year calculations, whether occurring before, during or after the year 2000.

In any of the following circumstances, the Insurer shall not be liable under this Policy for any damage to or loss of property, personal injury or death, legal liabilities and consequential expenses with regard to proceedings, inspection or technical consultation directly or indirectly caused by or consisting of or arising from the under-mentioned failures and/or manipulations of any computer system, whether it is owned by the Insured or not:

The computer fails to

- A. identify any date as its true calendar date;
- B. access, save, retain, search, manipulate, differentiate or process any data or information or execute a command and an instruction as a result of its failure to identify any date correctly;
- C. access, save, retain, search, process any data as a result of the operation of any command that has been programmed into any computer software, which causes the loss of the data on or after any date;
- D. calculate, compare, identify, sequence or process any data concerning the date change of the year 2000, or any other date change, including leap year calculations; or
- E. there is any change, alteration or modification, whether preventative, remedial or otherwise, to any such computer system, hardware, program, microchip, media, integrated circuit or similar device in other electronic equipment, concerning the date change of the year 2000, or any other date change, including leap year calculations.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

# **Construction and Erection Insurance Scheme for World Expo 2010 Shanghai China**

## **1. Coverage**

Construction and Erection Insurance for the World Expo 2010 Shanghai China

## **2. Applicant**

- (1) Organizer of the World Expo 2010 Shanghai China
- (2) Official Participants
- (3) Non-official Participants
- (4) Individuals or organizations that enter into commercial operation contracts with organizer
- (5) Contractors and subcontractors at all tiers of constructions, installations, commissioning, test run and maintenance works

## **3. The Insured**

- (1) Organizer of the World Expo 2010 Shanghai China
- (2) Official Participants
- (3) Non-official Participants
- (4) Individuals or organizations that enter into commercial operation contracts with organizer
- (5) Contractors and subcontractors at all tiers of constructions, installations, commissioning, test run and maintenance works

## **4. Premises**

Shanghai Expo Park (5.28 km<sup>2</sup> in land area, subject to final confirmation by the organizer of Shanghai World Expo) and relevant water areas inside Shanghai Expo Park agreed upon between the Parties to this insurance.

The specific location shall be the site of each work insured.

## **5. Property Insured**

Construction and erection works owned by, in the charge of or controlled by the Insured within the Premises (hereinafter the “Works”), including construction materials, construction machines, plants and machinery, construction inventory and parts and other insured properties on the list.

The foregoing items shall be subject to the list of works provided by the Insured when applying for this Policy.

## **6. Insurance Period**

The Insurance Period shall commence on \_\_\_\_\_ or upon commencement of the works within the Premises or upon delivery of the materials and equipments to the Premises, and end on \_\_\_\_\_ or on the date when the owner of works issues a certificate of final acceptance for part of or the whole works or confirms the works acceptable in inspection, or on the date when the owner of works occupies, uses or takes over that part of or the whole works, whichever is earlier, including 4 weeks' commissioning period. If part of the works is taken over or put into service, the Insurer's liability for that part of works is terminated.

"Commissioning Period" means the 4 weeks commencing on the date when the equipment is properly installed or erected and starts commissioning. This Commissioning Period applies to the commissioning of individual equipment or complete set of equipment.

The guarantee period under this Policy shall be twelve (12) months commencing from the date when the project owner issues a certificate of final acceptance for the whole project or the whole project is tested and confirmed acceptable.

## **7. Sum Insured**

(1) The sum insured for the material damage section shall at least be:

- A. construction contract price, including costs of raw materials, equipments, construction, installation and erection, transportation and the raw materials and equipments provided by the owner of works;
- B. value of construction machines, plants and machinery; and
- C. other properties insured: in a value agreed upon between the Parties.

(2) Limit of indemnity for special risks

Limit of indemnity for flood, windstorm and rainstorm: 80% of the sum insured.

## **8. Scope of Cover**

(1) The Insurer shall indemnify the Insured in respect of the direct physical loss of or damage to the property insured during the Insurance Period within Premises list in the Schedule arising from any NATURAL HAZARDS or ACCIDENT other than those specifically excluded (hereinafter the "Loss").

(2) Liability for costs of reconstructions, replacements, repairs and corrections arising from direct material loss to other properties insured under this Policy caused by material defects, poor workmanship or faulty design.

(3) The Insurer shall also indemnify the Insured for the necessary costs set out in this Policy and incurred from the foregoing loss.

## **9. Deductible**

(1) RMB 5,000 or 10% of the amount of loss, whichever is higher.

(2) No deductibles for accidents, including those caused by material defects, poor workmanship and faulty design.

## **10. Premium Rate**

0.283%

The premium rate under this Policy shall be the final premium rate published by the organizer of Shanghai World Expo.

## **11. Waiver of Subrogation**

Except for circumstances where willful or gross negligence occurs, any of the Insured shall waive all claims against each other for loss arising from fire or other accidents, and the Insurer shall not exercise the right of subrogation against the Insured.

## **12. Governing Law and Judicial Jurisdiction**

This insurance shall be governed by the laws and subject to the judicial jurisdiction of the People's Republic of China.

Any dispute arising from or in connection with this insurance contract shall be submitted to \_\_\_\_\_ (please indicate the full name of the arbitral body) for arbitration in accordance with its arbitration rules then in effect. The arbitral award shall be final and binding upon both Parties.

# **Terms and Conditions of Construction and Erection Insurance for World Expo 2010 Shanghai China**

## **1. Property Insured**

Construction and erection works owned by, in the charge of or controlled by the Insured within the Premises (hereinafter the “Works”), including construction materials, construction machines, plants and machinery, construction inventory and parts and other insured properties listed.

The foregoing items shall be subject to the list of works provided by the Insured when applying for this Insurance.

## **2. Scope of Cover**

(1) The Insurer shall indemnify the Insured in respect of the direct physical loss of or damage to the property insured during the Insurance Period within Premises list in the Schedule arising from any NATURAL HAZARDS or ACCIDENT other than those specifically excluded (hereinafter the “Loss”).

(2) Liability for costs of reconstructions, replacements, repairs and corrections arising from direct material loss to other properties insured under this Policy caused by material defects, poor workmanship or faulty design.

(3) The Insurer shall also indemnify the Insured for the necessary costs set out in this Policy and incurred from the foregoing loss.

(4) The liability of the Insurer in respect of each item insured shall exceed neither the sum set opposite thereto as specified in the Schedule, nor the limit of indemnity specified in the Special Provisions or Endorsements where applicable. But in no case shall the maximum liability of the Insurer in respect of material damage under this Policy exceed the total sum insured specified in the Schedule.

### **Definition**

**NATURAL HAZARDS:** for the purpose of this Policy, means thunder-and-lightning, rainstorm, flood, windstorm, tornado, hailstorm, typhoon, hurricane, sandstorm, subsidence of ground and any other phenomena of nature with strong destructive power and beyond human control.

**ACCIDENT:** for the purpose of this Policy, refers to any unforeseeable, sudden event beyond control of the Insured which leads to material damage.

## **3. Exclusions**

The Insurer shall not be liable for:

- (1) any damage, loss or expense arising from war, warlike operation, military operation hostilities, armed conflicts, terrorism, conspiracy insurrection, strike, riot, civil commotion and coup d'etat;
- (2) any loss, damage or expenses incurred by intentional acts or gross negligence of the Insured or his representative or stealing by the family member or employee of the Insured;
- (3) any damage, loss and expenses arising from nuclear fission, nuclear fusion, nuclear weapon, nuclear material, nuclear radiation and radioactive contamination;
- (4) any damage, loss and expenses arising from atmosphere, land and water pollutions or such other non-radioactive pollutions, excluding non-radioactive pollutions arising from risks covered by this insurance;
- (5) any loss, damage or expenses arising from cessation of work whether total or partial;
- (6) any consequential loss of any kind or description whatsoever including penalties, losses due to delay or loss of contract;
- (7) the deductibles stated in the Schedule or relevant provisions to be borne by the Insured;
- (8) any damage, loss and expenses arising from earthquake or tsunami;
- (9) any loss of or damage to the insured items themselves or expenses arising therefrom due to wear and tear, inherent or latent defect, change in substance, spontaneous combustion, natural heating, oxidation, rust and corrosion, leakage, mice, insects or vermin, change in atmosphere (climatic or temperature) conditions, change in normal water level or any other progressively operating cause;
- (10) any loss of or damage to the insured items themselves due to faulty design, defective material or bad workmanship and expenses incurred
- (11) any loss of or damage to the mechanical or electrical devices not caused by exterior influence, or loss of or damage to construction plant, equipment and machine due to their own failure;
- (12) any loss of or damage to the insured electric equipment or apparatus due to overloading, overvoltage, electric line contact, arcing, leakage of electricity, short-circuiting, electricity discharged from atmosphere and other electric phenomena;
- (13) any expense of maintenance or normal overhaul;
- (14) any loss of or damage to files, documents, account books, bills, cash, securities, charts , data and packing materials;
- (15) any shortage discovered at the time of taking an inventory;
- (16) any loss of or damage to vehicles, watercraft or aircraft licensed for public transport use or having been covered by any other insurance;
- (17) unless otherwise agreed, loss of or damage to the property belonging to the Insured which is existing or formed within or in the vicinity of the site before the commencement of the project Insured;
- (18) unless otherwise agreed, loss of or damage to any part or parts of the property insured for which

a certificate of completion has been issued or which have been tested after completion or actually occupied or put into service or taken over by the project owner before the expiry date of this Policy; and

(19) any loss, damage and expenses arising from any activities in breach of the laws and regulations of the People's Republic of China or rules of the Shanghai World Expo conducted by or with the consent of the Insured;

#### **4. Sum Insured**

(1) The sums insured stated in the Schedule shall not be less than:

A. For construction works: the full value of the insured project at its completion, including cost of equipments, materials, erection, construction, freight and premium, customs duties, any other dues and expenses, and the cost of materials and equipments supplied by the project owner;

B. For construction plant, equipment and machine: the market value of the insured items by new ones of the same size and capacity;

C. For other items insured: the sums agreed upon between the Insured and the Insurer.

(2) If the sum insured is based on the estimated contract value stated in the contract for the insured project, the Insured shall notify the Insurer of the actual total value immediately after the final accounts for the project are established, according to which the Insurer will make appropriate adjustments to the premium and the sum insured.

A. The Insured shall immediately notify the Insurer in writing if the contract value including all expenses under this Insurance exceeds the original insured contract value due to rise in price or increment, and the Insurer shall then adjust the sum insured accordingly;

B. The Insurer shall keep a precise record in writing on the particulars of the work concerned during the Insurance Period and allow the representative of the Insurer to inspect and examine such record at any reasonable time;

C. If the duration of the insured project is longer than three (3) years, the Insured shall declare to the Insurer, at an interval of every twelve (12) months from the inception date of the Policy, the actual amount of money put into the insured works by the time of declaration as well as the new estimate contract value, if it is revised the Insurer shall adjust the premium accordingly;

D. The Insured shall provide the Insurer with the actual final contract value within three (3) months after the expiry date of this insurance, and any difference between the premium paid in advance and that payable shall be paid to or refunded by the Insurer as the case may be, but both Parties agree that the premium will not be adjusted if the new sum insured does not exceed  $\pm 5\%$  of the original sum insured.

Otherwise, the Insurer shall take it that the sum insured is less than the insured value, and in case of loss or damage falling within the scope of cover, the indemnification shall be made proportionately according to Section 7 of the General Conditions of this Policy.

## **5. Insurance Period**

### **(1) Material Damage during the Construction Period**

A. The liability of the Insurer shall commence directly upon commencement of the insured, arrival of the insured materials or equipments at the site, and shall expire immediately after a certificate of final acceptance has been issued for part or whole of the insured project, or part or whole of the insured project has been tested and confirmed acceptable after completion, or actually occupied or put into service or taken over by the project owner, whichever is the earlier. In no case shall the effective date be earlier or expiry date be later respectively than both dates specified in the Schedule.

B. Notwithstanding anything to the contrary contained in the contract concerned, the Insurer shall only be liable for loss or damage, expenses and liability caused or incurred by testing or commissioning during the testing or commissioning period stated in the Schedule. In case of using second-hand items or equipments, the insurance to such equipments shall, however, cease immediately on the commencement of the testing.

C. Any extension of the Insurance Period shall be subject to the Insurer's prior consent in writing. Otherwise the Insurer shall not be liable for any loss or damage, expense and liability arising during the period from the expiry date of the Insurance Period stated in the Schedule to the expiry date of the maintenance period specified below.

### **(2) Material Damage Insurance during the Maintenance Period**

The Insurance Period, subject to the maintenance period specified in the insured contract, shall commence on the date when a certificate of final acceptance has been issued for part or parts of the insured project or part or parts of the insured project have been tested and confirmed acceptable after completion or actually occupied or put into service or taken over by the Principal, whichever is the earlier; provided that, however, under no circumstances shall such period go beyond the maintenance period stated in the Schedule.

## **6. Treatment of Claim**

(1) The Insurer shall, at its option, indemnify the Insured in respect of loss of or damage to the insured property either by way of payment in cash or by way of repair or replacement of the items lost or damaged; nevertheless, the extra cost of any alterations, additions or improvements occurring in the course of repair or replacement shall not be recoverable under this Policy.

(2) In case of any loss or damage recoverable under the material damage section of the Policy, the Insurer shall ascertain the amount of indemnity on the following basis:

A. In case of damage which can be repaired, the Insurer shall pay the cost of repair necessary to restore the damaged item to its nearest condition immediately preceding the damage after deducting the salvage value. If, however, the cost of repairs equals or exceeds the value of the item immediately before the occurrence of the damage, the settlement shall be made according to paragraph (2) below;

B. In case of a total or constructive total loss, the Insurer shall pay the amount of the actual value of the insured items immediately before the occurrence of the loss after deducting the salvage value. However, the Insurer may, at its option, reject the abandonment of any damaged property by the Insured.

C. In the event of loss of or damage to any equipment item insured forming part of a pair or set, the Insurer shall not be liable in respect of each of such item lost or damaged for more than its proportionate part of the sum insured on the complete pair or set; however, if neither repairing nor replacing the lost or damaged item can restore such pair or set to its nearest condition immediately preceding the damage, the Insurer shall pay the total value of the complete pair or set of which the lost or damaged item forms part.

D. In the event of any loss occurrence, the Insurer shall also pay the Insured for the expenses reasonably incurred for taking necessary measures to minimize loss or damage, but in no case shall such expenses referred hereto exceed the sum insured of the insured property.

(3) Upon settlement of a claim, the original sum insured shall be reinstated automatically, provided however that an additional premium for the reinstated amount shall be charged at an agreed rate, and be calculated on pro rata daily basis from the date of loss to the expiry of the insurance.

(4) The right of the Insured to claim indemnity or the sum insured from the Insurer will disappear if such right is not exercised within two year after the Insured comes into knowledge of the occurrence of such accident.

(5) When any accident covered by this Policy occurs, the Insurer agrees to, at its own cost, engage an assessor approved by both Parties upon consent of the Insured to settle the claim.

## **7. Obligations of the Applicant and Insured**

The following obligations shall be strictly fulfilled by the Applicant, the Insured and his representative:

(1) The Insured and his representative, when applying for insurance, shall make true answers or descriptions to the questions in the Proposal and Questionnaire or to any other questions raised by the Insurer;

(2) The Insured and his representative shall pay the Insurer in due course the agreed premium in the

manner as provided in the Schedule and Endorsements;

(3) During the period of this insurance, the Insured shall at his own expense take all reasonable precautions, including paying sufficient attention to and putting into practice the reasonable recommendations of the Insured, prudently selecting the workmen and employees and complying with all statutory regulations and safety operation procedures;

(4) In case of improvements to existing buildings, the Insured shall improve the existing buildings specified in this clause on a prudent and reasonable basis in accordance with the approval procedures required by competent authorities and in compliance with applicable legislation and regulations.

The Insurer will not be liable for any loss incurred by the Insured's default on his obligations set forth in the preceding paragraph.

(5) If the Insured or his representative conducts fraud, makes misrepresentations or takes fraudulent steps in an attempt to obtain benefits under this Policy, the Insurer will not be liable for such false claim.

(6) In the event of any occurrence which gives or might give rise to a claim under this Policy, the Insured or his representative shall:

A. notify the Insurer immediately and within seven (7) days or any further period as may be agreed by the Insurer in writing, furnish a written report to indicate the course, probable reason and extent of loss or damage;

B. take all necessary steps to avoid aggravation and minimize the extent of the loss or damage;

C. preserve the spot affected and defective parts before an inspection is carried out by a representative or surveyor of the Insurer;

D. inform the public security authorities immediately in case of loss or damage due to theft or burglary or malicious acts;

E. immediately notify the Insurer in writing of any predicted possible lawsuit, and promptly deliver to the Insurer any court summons or other legal instruments received; and

F. furnish all such information and documentary evidence as the Insurer may require for supporting the claim.

G. if discovery of a defect in any property insured shall indicate or suggest that similar defect exists in other property insured, the Insured shall, at his own expenses, investigate and rectify forthwith such defect, or otherwise all loss or damage arising out of said similar defect shall be borne by the Insured.

## **8. General Provisions**

### **(1) Policy Effect**

The due observance and fulfillment of the terms and conditions of this Policy by the Insured shall be a

condition precedent to any liability of the Insurer under this Policy; provided however that:

The validity of this Policy will not be affected by the Insured's failure to meet the requirements hereunder at any place beyond control of the Insured (including endorsed guarantees and conditions).

The agreed guarantees and conditions under this Policy apply to each covered risk respectively other than the whole covered risks. Where the agreed guarantees and conditions under this Policy are violated in respect of one risk, the validity of the liability for other risks covered by this Policy shall not be affected.

One of the Insured violating his obligations hereunder will not affect the rights and interests of the other Insured under this Policy, provided that the other Insured notify the Insurer in writing immediately upon their knowledge of such violation and take remedial actions to perform relevant obligations on behalf thereof, or otherwise the Insurer may reject any claim in accordance with the contract.

#### (2) Policy Voidable

In the event of misrepresentation, overstatement or non-disclosure in any material particular by the Insured or his representative, the corresponding part of this Policy shall be voidable.

The validity of this Policy will not be affected by the following causes:

A. The insured property is altered, occupied or exposed to additional risks without knowledge by the Insured, in which case the Insured shall immediately notify the Insurer upon knowledge thereof and pay additional premium that accrues from the date when additional risks occur; and

B. On-site repairs or minor changes conducted by construction personnel for maintenance purpose.

#### (3) Policy Termination

Unless its continuance is admitted by the Company in writing, this Policy shall be automatically terminated if the insurable interest of the Insured is lost.

After termination of the Policy, the premium shall be refunded to the Insured, calculated on pro rata daily basis for the period from the date of termination to the date of expiry.

#### (4) Cancellation of Policy

This Insurance is required for Shanghai World Expo. The Parties shall not cancel this Insurance when this Policy enters into force.

#### (5) Forfeit of Benefit

If the claim is in any respect fraudulent, or if any fraudulent means or devices are used by the Insured or his representative to obtain any benefit under this Policy or if any loss or damage is occasioned by the intentional act or in the connivance of the Insured or his representative, then in any of these cases, all the rights and benefits of the Insured under this Policy shall be forfeited, and all consequent losses arising therefrom, including the amount of claim paid by the Insured, shall be indemnified by the

Insured.

(6) Reasonable Inspection

The representative of the Insurer shall at any suitable time be entitled to attend the site and inspect or examine the risk exposure of the property insured. For this purpose, the Insured shall provide full assistance and all details and information required by the Insurer as may be necessary for the assessment of the risk. The above mentioned inspection or examination shall in no circumstances be held as any admission to the Insured by the Insurer. The inspection or examination personnel of the Insurer will notify the Insured in writing of any defect or hazard discovered. The Insurer shall not assume any liability arising from or in connection with such defect or hazard before the same is eliminated to the satisfaction of the Insurer.

(7) Average

If, in the event of loss or damage recoverable under the material damage section, it is found that the sums insured in respect of each or total insured items are less than the insured value, then the difference shall be regarded as self-insurance by the Insured, and the Insurer shall only be liable to pay such proportion of the claim as the sum insured of the damaged item bears to the insured value.

(8) Double Insurance

Should any loss, damage, expenses or liability recoverable under the Policy be also covered by any other insurance, the Insurer will first pay the claim in accordance with this contract. However, if the total indemnities obtained by the Insured under all policies exceed his actual loss, the Insured shall refund the excess to the Insurer.

(9) Claim Payment Clause

When any accident covered by this Policy occurs, the proceeds from the insurance claim will be paid to the receiver agreed upon between the Parties in this Policy.

The Insured shall authorize and instruct the Insurer to pay such proceeds to the said receiver, and the Insurer shall pay the claim in accordance with this clause.

(10) Subrogation

Where a third party shall be held responsible for the loss or damage covered under this Policy, the Insured shall, whether being indemnified by the Company or not, take all necessary measures to enforce or reserve the right of recovery against such third party, and upon being indemnified by the Company, subrogate to the Company all the right of recovery, transfer all necessary documents to and assist the Company in pursuing recovery from the responsible party.

(11) Dispute Resolution

All disputes under this insurance arising between the Insured and the Insurer shall be settled through amicable negotiation. Where the two parties fail to reach an agreement after negotiation such disputes

shall be submitted to arbitration or to court for legal actions.

Legal Action

Unless otherwise agreed in advance, such arbitration shall be carried out at the place where the defendant is domiciled.

Arbitration

Any dispute arising from or in connection with this insurance contract shall be submitted to \_\_\_\_\_ (please indicate the full name of the arbitral body) for arbitration in accordance with its arbitration rules then in effect. The arbitral award shall be final and binding upon both Parties.

(12) Governing Law and Judicial Jurisdiction

This insurance shall be governed by the laws and subject to the judicial jurisdiction of the People's Republic of China.

## **9. Special Clauses**

The following clauses shall be applied to all parts of this Policy and shall override the other terms and conditions of this Policy if any conflict arises.

(1) Guarantee Period

It is agreed and understood that this insurance shall be extended for the guarantee period specified hereunder to cover solely loss of or damage to the insured items resulting from faults in erection, faulty design, defective material or casting, and/or bad workmanship, but excluding the costs the Insured would have incurred for rectifying the original fault had such fault been discovered before the loss occurred.

This extension shall not cover any loss or damage arising directly or indirectly from or in connection with fire, explosion and/or any Acts of God nor shall it cover any third party liability.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

The guarantee period under this Policy shall be twelve (12) months commencing from the project owner issue a certificate of final acceptance for the whole project or the whole project is tested and confirmed acceptable.

(2) Automatic Extension of Insurance Period (60 Days)

This Policy shall be automatically extended for sixty (60) days without paying additional premium. If the desired extension exceeds 60 days, the Insured shall notify the Insurer in advance and, upon consent of the Insurer, the additional premium will be charged on a pro rata daily basis from the sixty first (61st) day to termination of the insurance.

(3) Contract works taken over or Put into Service

It is agreed and understood that the insurance shall be extended to cover loss of or damage to parts of the insured contract works put into service if such loss or damage emanates from the construction of the items insured under the material damage section of the Schedule and happens during the period of cover.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(4) Offsite Storage

It is agreed and understood that this Policy shall be extended to cover the property insured whilst being stored elsewhere than at the site specified in the Schedule provided that the value of such offsite property is included in the Sum Insured subject to the following:

- A. offsite premises;
- B. value of offsite property;
- C. storage period

The Insured shall warrant that:

- A. security guard(s) shall be kept on duty round the clock at the above named premises; and
- B. said offsite premises shall meet the storage requirements of the property stored.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(5) Extra Charges (Limit of indemnity A.O.A.: 10% of the amount of loss)

It is agreed and understood that this insurance shall be extended to cover extra charges for overtime, night work, work on public holidays and express freight (excluding air-freight); provided always that such extra charges shall be incurred in connection with any loss of or damage to the insured items recoverable under the Policy. If the sum(s) insured of the damaged item(s) is (are) less than the amount(s) required to be insured, the amount payable under this extension for such extra charges shall be reduced in the same proportion.

Limit of indemnity A.O.A.: 10% of the amount of loss

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(6) Fire Extinguishing Expenses (Limit of indemnity A.O.A.: 10% of the amount of loss)

It is hereby agreed that this insurance is extended to cover:

- A. wages of the Insured's employees engaged in fire fighting activities other than full time members of a Works Fire Brigade;
- B. the cost of replenishment of Fire Fighting Appliances and destruction of or damage to materials (including employees' clothing and personal effects) and the cost of replacing or repairing materials or equipment used in extinguishing a fire unless otherwise specifically insured;
- C. all other costs and charges associated with the extinguishment or prevention of spread of fire or for providing temporary safety devices in consequence of damage or the threat of damage by fire or other

risk hereby insured against.

However, the liability of the Insurer in respect of such wages and costs shall be limited to those necessarily and reasonably incurred in extinguishing fires at or adjoining the situation of the property insured by this Policy or immediately threatening to involve such property.

Limit of indemnity A.O.A.: 10% of the amount of loss

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(7) Removal of Debris (Limit of indemnity A.O.A.: 10% of the amount of loss)

It is agreed and understood that the Insurer shall indemnify the Insured for costs and expenses incurred in removing debris, dismantling and/or demolishing and shoring up or propping of the portion or portions of the properties insured under this Policy destroyed or damaged by risks insured by the Insurer provided that the total amount recoverable shall not exceed the sum insured set forth in the Schedule.

Limit of indemnity A.O.A.: 10% of the amount of loss

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(8) Professional Fees (Limit of indemnity A.O.A.: 10% of the amount of loss)

It is agreed and understood that subject to the Insured having paid the agreed additional premium the Company shall indemnify the Insured for the architects', surveyors' and consulting engineers' fees necessarily incurred by the Insured in the reinstatement of the property insured consequent upon its destruction or damage by risk hereby insured against but not any fees for the preparation of a claim or estimate of loss, it being understood that the amount payable for such fees shall not exceed the amount authorized under the scales of the related professional department regulating such charges prevailing at the time of the destruction or damage; provided that the total amount recoverable shall not exceed the sum insured set forth in the Schedule.

Limit of indemnity A.O.A.: 10% of the amount of loss

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(9) Plans and Documents (Limit of Indemnity A.O.A.: 10% of the amount of loss)

It is agreed and understood that the Insurers shall indemnify the Insured for costs incurred in re-writing or re-drawing plans and drawings or other contract documents lost, destroyed or damaged as a result of a risk hereby insured against subject to the following limits of indemnity.

Limit of indemnity A.O.A.: 10% of the amount of loss

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(10) Unexploded Bombs

It is agreed and understood that any loss of or damage to the insured property by hidden bombs, land mines, torpedoes, ammunition or other engines of war left concealed or below ground or underwater

prior to the commencement of operations insured by this Policy shall not be considered as "war risks" as excluded by General Exclusion.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(11) Errors and Omissions

It is hereby agreed and understood that the liability under this Policy shall not be prejudiced by any delay or omission in reporting locations occupied or in reporting changes in the values of property caused by unintentional negligence of the Insured. But the Insured shall report such negligence or omission to the Insurer as soon as practicable after knowledge thereof, or else the Insurer shall not be liable.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(12) Transfer to Safe Place

It is hereby agreed and understood that this Policy shall be extended to cover the loss of and damage to the insured property when the Insured temporarily transfers the insured property to the adjacent safe place for the purpose of avoiding any possible accident covered by this Policy.

(13) 50/50 Clause

It is hereby agreed and understood that the Insurer requires that:

A. The Insured shall examine the raw materials and equipments immediately upon their arrival at the project site for possible damage sustained during transit, and, if such damage to nude cargoes is visible, the Insured shall lodge a claim under the transportation insurance policy;

B. In the case of packed items to be left in their packaging until a later date, the Insured shall visually examine the packaging for signs of possible damage and, if such damage is visible, the Insured shall lodge a claim under the transportation insurance policy;

C. Where the external packaging of an item left in its packaging shows no visible signs of damage until damage is discovered upon unpacking, such damage shall be deemed as sustained during transit, unless the nature of damage provides obvious evidence showing that such damage occurs after the transportation insurance expires.

D. Where no clear evidence is available to establish the time of damage or loss, the cost of such damage shall be shared equally between the Insured and the Insurer under this insurance.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(14) Time Adjustment (72 hours)

It is agreed and understood that any loss of or damage to the insured property arising during any one period of seventy two (72) consecutive hours, caused by storm, typhoon, tempest, flood or earthquake shall be deemed as a single event and therefore to constitute one occurrence with regard to the deductibles provided for herein, For the purpose of the foregoing the commencement of any such

seventy two (72) hour period shall be decided at the discretion of the Insured, it being understood and agreed, however, that there shall be no overlapping in any two or more such seventy two (72)hour periods in the event of damage occurring over a more extended period of time.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

#### (15) Firefighting Facilities

It is agreed and understood that the Insurers shall only indemnify the Insured for material damage resulting directly from fire and/or explosion if the following requirements are fulfilled:

A. Adequate firefighting equipments and extinguishing agents of sufficient capacity must always be available at the site and ready for immediate use.

B. A sufficient number of workmen must be fully trained in the use of such equipments and must be available for immediate intervention at all times.

C. If storage of material for the construction or erection of the contract works is necessary, storage must be subdivided into storage units not exceeding the amount listed below. The individual storage units must either be at least 50 m apart or separated by fire-proof walls. All inflammable materials and especially all inflammable liquids and gasses must be stored at a sufficiently large distance from the property under construction or erection and any hot work.

D. Welding, cutting or the use of an open flame in the vicinity of combustible material is only permitted if at least one workman suitably equipped with extinguishers and well trained in firefighting is present.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

E. At the beginning of testing all firefighting facilities designed for the operation of the plant must be installed and serviceable.

#### (16) Millennium Bug Exclusion

The “Millennium Bug” used in this clause refers to any damage or consequential loss directly or indirectly caused by or consisting of or arising from the failure of any such computer system, hardware, program, software and/or any microchip, media, integrated circuit or similar device in other electronic equipment, concerning the date change of the year 2000, or any other date change, including leap year calculations, whether occurring before, during or after the year 2000.

In any of the following circumstances, the Insurer shall not be liable under this Policy for any damage to or loss of property, personal injury or death, legal liabilities and consequential expenses with regard to proceedings, inspection or technical consultation directly or indirectly caused by or consisting of or arising from the under-mentioned failures and/or manipulations of any computer system, whether it is owned by the Insured or not:

The computer fails to

- A. identify any date as its true calendar date;
- B. access, save, retain, search, manipulate, differentiate or process any data or information or execute a command and an instruction as a result of treating any date otherwise than its true calendar date;
- C. access, save, retain, search, process any data as a result of the operation of any command which has been programmed into any computer software and causes the loss of the data on or after any date;
- D. calculate, compare, identify, sequence or process any data concerning the date change of the year 2000, or any other date change, including leap year calculations; or
- E. There is any change, alteration or modification, whether preventative, remedial or otherwise, to any such computer system, hardware, program, microchip, media, integrated circuit or similar device in other electronic equipment, concerning the date change of the year 2000, or any other date change, including leap year calculations.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

# **Property Insurance Scheme for World Expo 2010 Shanghai China**

## **1. Coverage**

Property Insurance for the World Expo 2010 Shanghai China

## **2. Applicant**

- (1) Organizer of the World Expo 2010 Shanghai China
- (2) Official Participants
- (3) Non-official Participants
- (4) Individuals or organizations that enter into commercial operation contracts with organizer
- (5) Lessors providing real or personal properties to the organizer
- (6) Individuals or organizations providing entertainment, media service or exhibits to the Insured enumerated in Items (1) ~ (3).

## **3. The Insured**

- (1) Organizer of the World Expo 2010 Shanghai China
- (2) Official Participants
- (3) Non-official Participants
- (4) Individuals or organizations that enter into commercial operation contracts with organizer
- (5) Lessors providing real or personal properties to the organizer
- (6) Individuals or organizations providing entertainment, media service or exhibits to the Insured enumerated in Items (1) ~ (3).

## **4. Premises**

Shanghai Expo Park (5.28 km<sup>2</sup> in land area, subject to final confirmation by the organizer of Shanghai World Expo) and relevant water area inside Shanghai Expo Park agreed upon between the Parties to this insurance.

## **5. Property Insured**

- (1) Including but not limited to the buildings and structures (including existing buildings and structures), facilities, equipments, internal decorations and their auxiliary facilities, commodities, daily supplies and other properties owned, leased, looked after or controlled by the Insured within the Premises.

The existing buildings and structures refer to the buildings and structures owned, leased, looked after or controlled by the Insured before this Policy enters into force.

(2) Excluding animals (including fishes and seashells) and plants.

(3) Excluding the property covered by the Movable Property Insurance of the World Expo 2010 Shanghai China.

## **6. Insurance Period**

(1) For existing buildings and structures:

The insurance period will commence on the date agreed upon between the Parties, and expire:

A. on the date when the construction and erection insurance policy enters into force in the case of existing buildings and structures under expansions, improvements, repairs and decorations and with a contract value of over RMB 5 million, with the property insurance period to be determined with reference to Item (2) below after the construction and erection insurance policy expires; or

B. on the date when the removal works commence in the case of existing buildings and structures to be removed; or

C. on April 30, 2011 in the case of existing buildings and structures other than those set forth in Item (1) and (2) above.

For non-existing existing buildings and structures, facilities, equipments, internal decorations and their auxiliary facilities:

The insurance period will commence on the date when part of or the whole works are issued the certificate of final acceptance or confirmed acceptable, or occupied, used or taken over by the Insured, and expire:

A. on April 30, 2011 in the case of permanent buildings and structures not to be removed; or

B. on the date when removal starts in the case of temporary buildings and structures to be removed.

(3) For commodities, daily supplies and other auxiliaries:

The insurance period will commence on the date when the said property insured is unloaded onto the Premises or, if necessary works must be conducted after unloading, when such works are completed, accepted and delivered to the Insured, and expire on any of the following dates (subject to April 30, 2011 at the latest), whichever is earlier:

A. on the date when the transpiration means conveying the insured property departs from the Premises;

B. on the date of sale, donation or delivery to the buyer;

C. on the date of removal under Article 5.2 of the General Regulations of Shanghai World Expo; or

D. on the date of removal, relocation, storage or sale under Article 18.2 of the General Regulations of Shanghai World Expo.

## **7. Sum Insured**

Reinstatement value or assessment value

## **8. Scope of Cover**

This Policy covers direct physical loss of or damage to the insured property under this Policy occasioned by natural disasters or accidents and relevant costs and expenses arising from said loss, except exclusions set forth herein.

## **9. Deductible**

None

## **10. Premium Rate**

Buildings and structures: RMB 13.80/m<sup>2</sup>

Facilities, equipments, internal decorations and their auxiliary facilities, commodities, daily supplies and other properties: 0.39%

The premium rate under this Policy shall be the final premium rate published by Shanghai World Expo.

## **11. Waiver of Subrogation**

Except for circumstances where willful or gross negligence occurs, any of the Insured shall waive all claims against each other for loss arising from fire or other accidents, and the Insurer shall not exercise the right of subrogation against the Insured.

## **12. Governing Law and Judicial Jurisdiction**

This insurance shall be governed by the laws and subject to the judicial jurisdiction of the People's Republic of China.

# **Terms and Conditions of Property Insurance for World Expo 2010 Shanghai China**

## **1. Property Insured**

The property insured refers to the property listed in the Schedule of this Policy.

The property insured shall exclude:

- (1) firearms, ammunitions and explosives;
- (2) cash, securities, commercial papers, documents, files, account books and drawings;
- (3) animals, plants and crops; and
- (4) vehicles for public transportation.

## **2. Scope of Cover**

(1) The Insurer shall indemnify the Insured against any direct physical loss of or damage to the insured property listed in the Schedule of this Policy due to natural disasters or accidents during the Insurance Period (hereinafter the "Loss").

The Insurer shall indemnify the Insured against any loss incurred to the insured property arising from necessary and reasonable actions taken to save the insured property or prevent the spread of disaster after the accident covered under this Policy occurs. But the cost and expense of this item is incorporated into the sum insured.

(2) The Insurer shall indemnify the Insured against any reasonable costs and expenses incurred from necessary and reasonable steps taken by the Insured to prevent or reduce the loss to the insured property after the accident covered under this Policy occurs. Such cost and expenses are incorporated into the sum insured.

### **Definition**

NATURAL HAZARDS, for the purpose of this Policy, means thunder-and-lightning, rainstorm, flood, windstorm, tornado, hailstorm, typhoon, hurricane, sandstorm, subsidence of ground and any other phenomena of nature with strong destructive power and beyond human control.

ACCIDENT, for the purpose of this Policy, refers to any unforeseeable, sudden event beyond control of the Insured which leads to material damage.

## **3. Exclusions**

The Insurer shall not be liable for:

- (1) any damage, loss and expenses arising from war, warlike operation, military operation hostilities,

- armed conflicts, terrorism, conspiracy insurrection, strike, riot, civil commotion and coup d'etat;
- (2) any loss, damage or expenses incurred by intentional acts or gross negligence of the Insured or his representative or stealing by the family member or employee of the Insured;
  - (3) any damage, loss and expenses arising from nuclear fission, nuclear fusion, nuclear weapon, nuclear material, nuclear radiation and radioactive contamination;
  - (4) any damage, loss and expenses arising from atmosphere, land and water pollutions or such other non-radioactive pollutions, excluding non-radioactive pollutions arising from risks covered by this insurance;
  - (5) any damage, loss and expenses arising from earthquake or tsunami;
  - (6) loss of or damage to the insured items themselves or expenses arising therefrom due to wear and tear, inherent or latent defect, change in substance, spontaneous combustion, natural heating, oxidation, rust and corrosion, toxic mildew, leakage, mice, insects or vermin, change in atmosphere (climatic or temperature) conditions, change in normal water level or any other progressively operating cause;
  - (7) loss of or damage to the insured items themselves due to faulty design, defective material or bad workmanship and expenses incurred;
  - (8) loss of or damage to the mechanical or electrical devices not caused by exterior influence;
  - (9) loss, damage and expenses arising from any activities intentionally in breach of the laws and regulations of the People's Republic of China or rules of the Shanghai World Expo conducted by or with the consent of the Insured;
  - (10) shortage discovered at the time of taking an inventory;
  - (11) loss arising from interrupted supply of public water, electricity, gas and other public energies, excluding the interruption resulting from any accident covered by this insurance;
  - (12) any loss or expense incurred to mechanical or electrical equipments due to improper operation of the Insured and the Insured's employees; and
  - (13) depreciation of value, loss of market value or use in use and such other consequential loss.

#### **4. Treatment of Claim**

- (1) The Insurer shall, at its option, indemnify the Insured in respect of loss or damage falling within the Scope of Cover of the Policy by either:
  - A. paying the amount of the actual value of the property lost or damaged; or
  - B. paying the necessary cost of repairing or restoring the damaged property to its nearest condition immediately preceding the damage; or
  - C. repairing or restoring the damaged property to a condition near to other property of like kind and quality; or

(2) In the case of any loss to the insured property listed in the Schedule recoverable under this Policy, the amount of indemnity shall be the reinstatement value of the damage property insured.

A. The Insured shall reinstate the damaged property insured upon occurrence of the accident covered.

The word “reinstatement” shall mean:

① rebuilding or replacement of the damaged property,

which, provided the liability of this Company is not increased, may be carried out:

a) in any manner suitable to the requirements of the Insured;

upon another site;

② repair or restoration of the damaged property insured;

in either case to a condition equivalent to or substantially the same as but not better or worse than its condition immediately before damage or loss.

B. The insured value will become the market value upon occurrence of the accident covered in the event that:

① the Insured delays reinstatement without justifiable reasons and causes;

② the Insured fails to rebuild, replace or restore the damage property insured; or

③ the property insured at the time of its loss is insured by any other insurance which is not upon the identical basis of reinstatement set forth herein.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(3) If a claim for loss of or damage to the insured item is settled on a total loss basis, the salvage value of such item shall be deducted from the indemnity payable by the Insurer. The Insurer may, at its option, decline the abandonment of any damaged property by the Insured.

(4) The Insurer shall not be liable in respect of each of such item lost or damaged for more than its proportionate part of the sum insured on the complete pair or set; however, if neither repairing nor replacing the lost or damaged item can restore such pair or set to its nearest condition immediately preceding the damage, the Insurer shall pay the total value of the complete pair or set of which the lost or damaged item forms part;

(5) In the event of any loss occurrence, the Insurer shall also pay the Insured for the expenses reasonably incurred for taking necessary measures to minimize loss or damage, but in no case shall such expenses referred hereto exceed the sum insured of the insured property.

(6) Upon settlement of a claim, the original sum insured shall be reinstated automatically, provided however that an additional premium for the reinstated amount shall be charged at an agreed rate, and be calculated on pro rata daily basis from the date of loss to the expiry of the insurance.

(7) The right of the Insured to claim indemnity or the sum insured from the Insurer will disappear if such right is not exercised within two year after the Insured comes into knowledge of the occurrence of

such accident.

(8) When any accident covered by this Policy occurs, the Insurer agrees to, at its own cost, engage an assessor approved by both Parties upon consent of the Insured to settle the claim.

(9) Except for circumstances where willful or gross negligence occurs, any of the Insured shall waive all claims against each other for loss arising from fire or other accidents, and the Insurer shall not exercise the right of subrogation against the Insured.

## **5. Obligations of the Applicant and Insured**

The following obligations shall be strictly fulfilled by the Applicant, the Insured and his representative:

(1) The Insured and his representative, when applying for insurance, shall make true answers or descriptions to the questions in the Proposal and Questionnaire or to any other questions raised by the Insurer;

(2) The Insured and his representative shall pay to the Insurer in due course the agreed premium in the manner as provided in the Schedule and Endorsements;

(3) During the period of this insurance, the Insured shall at his own expense take all reasonable precautions, including paying sufficient attention to and putting into practice the reasonable recommendations of the Insurer;

(4) If the Insured or his representative conducts fraud, makes misrepresentations or takes fraudulent steps in an attempt to obtain benefits under this Policy, the Insurer will not be liable for such false claim.

(5) In the event of any occurrence which gives or might give rise to a claim under this Policy, the Insured or his representative shall:

A. notify the Insurer immediately and within seven (7) days or any further period as may be agreed by the Insurer in writing, furnish a written report to indicate the course, probable reason and extent of loss or damage;

B. take all necessary steps to avoid aggravation and minimize the extent of the loss or damage;

C. preserve the spot affected and defective parts before an inspection is carried out by a representative or surveyor of the Insurer;

D. inform the public security authorities immediately in case of loss or damage due to theft or burglary or malicious acts;

E. immediately notify the Insurer in writing of any predicted possible lawsuit, and promptly deliver to the Insurer any court summons or other legal instruments received;

F. furnish all such information and documentary evidence as the Insurer may require for supporting the claim.

(6) If discovery of a defect in the first property insured shall indicate or suggest that similar defect exists in other property insured, the Insured shall, at his own expenses, investigate and rectify forthwith such defect, or otherwise all loss or damage arising out of said similar defect shall be borne by the Insured.

## **6. General Provisions**

### **(1) Policy Effect**

The due observance and fulfillment of the terms and conditions of this Policy by the Insured shall be a condition precedent to any liability of the Insurer under this Policy; provided however that:

The validity of this Policy will not be affected by the failure of the Insured to fulfill requirements hereunder at any place beyond control of the Insured (including endorsed guarantees and conditions).

The agreed guarantees and conditions under this Policy apply to each covered risk respectively other than the whole covered risks. Where the agreed guarantees and conditions under this Policy are violated in respect of one risk, the validity of the liability for other risks covered by this Policy shall not be affected.

One Insured violating his obligations hereunder will not affect the rights and interests of the other Insured under this Policy, provided that the other Insured notify the Insurer in writing immediately upon their knowledge of such violation and take remedial actions to perform relevant obligations on behalf thereof, or otherwise the Insurer may reject any claim in accordance with the contract.

### **(2) Policy Voidable**

In the event of misrepresentation, overstatement or non-disclosure in any material particular by the Insured or his representative, the corresponding part of this Policy shall be voidable.

The validity of this Policy shall not be affected under the circumstance that the insured property is altered, occupied or exposed to additional risks without knowledge by the Insured, in which case the Insured shall immediately notify the Insurer upon knowledge thereof and pay additional premium that accrues from the date when additional risks occur.

### **(3) Policy Termination**

Unless its continuance be admitted by the Company in writing, this Policy shall be automatically terminated if the insurable interest of the Insured is lost.

After termination of the Policy, the premium shall be refunded to the Insured calculated on pro rata daily basis for the period from the date of termination to the date of expiry.

### **(4) Cancellation of Policy**

This Insurance is required for Shanghai World Expo. The Parties shall not cancel this Insurance when this Policy enters into force.

(5) Forfeit of Benefit

If the claim is in any respect fraudulent, or if any fraudulent means or devices are used by the Insured or his representative to obtain any benefit under this Policy or if any loss or damage is occasioned by the intentional act or in the connivance of the Insured or his representative, then in any of these cases, all the rights and benefits of the Insured under this Policy shall be forfeited, and all consequent losses arising therefrom including the amount of claim paid by the Insured shall be indemnified by the Insured.

(6) Reasonable Inspection

The representative of the Insurer shall at any suitable time be entitled to attend the site and inspect or examine the risk exposure of the property insured. For this purpose, the Insured shall provide full assistance and all details and information required by the Insurer as may be necessary for the assessment of the risk. The above mentioned inspection or examination shall in no circumstances be held as any admission to the Insured by the Insurer. The inspection or examination personnel of the Insurer will notify the Insured in writing of any defect or hazard discovered. The Insurer shall not assume any liability arising from or in connection with such defect or hazard before the same is eliminated to the satisfaction of the Insurer.

(7) Average

If, in the event of loss or damage recoverable under the material damage section, it is found that the sums insured in respect of each item insured or total items are less than the insured value, then the difference shall be regarded as self-insurance by the Insured and the Insurer shall only be liable to pay such proportion of the claim as the sum insured of the damaged item bears to the insured value.

(8) Double Insurance

Should any loss, damage, expenses recoverable under the Policy be also covered by any other insurance, the Insurer will first pay the claim in accordance with this contract. However, if the total indemnities obtained by the Insured under all policies exceed his actual loss, the Insured shall refund the excess to the Insurer.

(9) Claim Payment

When any accident covered by this Policy occurs, the proceeds from the insurance claim will be paid to the receiver agreed upon between the Parties in this Policy.

The Insured shall authorize and instruct the Insurer to pay such proceeds to the said receiver, and the Insurer shall pay the claim in accordance with this clause.

(10) Subrogation

Where a third party shall be held responsible for the loss or damage covered under this Policy, the Insured shall, whether being indemnified by the Insurer or not, take all necessary measures to enforce

or reserve the right of recovery against such third party, and upon being indemnified by the Insurer, subrogate to the Insurer all the right of recovery, transfer all necessary documents to and assist the Insurer in pursuing recovery from the responsible party.

Where a third party shall be held responsible for the loss or damage covered under this Policy, the Insured shall, whether being indemnified by the Insurer or not, take all necessary measures to enforce or reserve the right of recovery against such third party, and upon being indemnified by the Insurer, subrogate to the Insurer all the right of recovery, transfer all necessary documents to and assist the Insurer in pursuing recovery from the responsible party

#### (11) Dispute Resolution

All disputes under this insurance arising between the Insured and the Insurer shall be settled through amicable negotiation. Where the two parties fail to reach an agreement after negotiation such disputes shall be submitted to arbitration or to court for legal actions.

##### Legal Action

Unless otherwise agreed in advance, such arbitration shall be carried out in the place where the defendant is domiciled.

##### Arbitration

Any dispute arising from or in connection with this insurance contract shall be submitted to \_\_\_\_\_ (please indicate the full name of the arbitral body) for arbitration in accordance with its arbitration rules then in effect. The arbitral award shall be final and binding upon both Parties.

#### (12) Governing Law and Judicial Jurisdiction

This insurance shall be governed by the laws and subject to the judicial jurisdiction of the People's Republic of China.

## **7. Special Clauses**

The following clauses shall be applied to all parts of this Policy and shall override the other terms and conditions of this Policy if any conflict arises.

#### (1) Machinery Breakdown Insurance Extension Policy

It is agreed and understood that this Policy shall be extended to cover the machinery breakdown liability as follows:

##### A. Scope of Cover

The Insurer shall be liable for indemnity when the machinery insured is damaged to such an extent as to require repair or reinstatement due to the following causes:

a. unforeseeable potential errors in design, manufacturing or installation works;

- b. faulty operation, lack of skill, bad workmanship, negligence, faults and malicious acts on the part of qualified operators;
- c. tearing apart on account of centrifugal force;
- d. lack of water or over-burning of boiler, or excessive temperature, over-pressure or over-filling of pressure vessel due to failure of the water or material feeding system, measurement facilities or alarming equipments that causes;
- e. Short-circuiting of electrical equipment, sudden suspension of water or gas supply;
- f. storm and severe cold;
- g. physical self-bursting; and
- h. other unforeseeable occasional accidents.

#### B. Exclusions

The Insurer shall not be liable for any loss of or damage to the machinery insured due to the following causes:

- a. intentional act or gross negligence of the Insured or his/her representative;
- b. wars, military operations, riots, nuclear radiation or pollution;
- c. tear and wear, oxidation, corrosion, rusting, pitting corrosion, boiler scale, replacement of vulnerable parts and media in operation and other normal maintenance;
- d. any accident caused by boiler or pressure vessel that is unqualified or should be discarded in the opinion of competent authorities or is found seriously defective but not corrected;
- e. loss, damage or expenses incurred to computer software for whatever reasons;
- f. loss or damage or expenses for which the supplier or manufacturer is responsible either by law or under contract;
- g. flaws or defects that the Insured and his representative knows or should have known;
- h. loss due to theft;
- i. Loss of or damage to work in process incurred by accident covered and indirect loss, damage or liability;
- j. loss covered by the property insurance; and
- k. other loss or damages not covered by this clause.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

#### (2) Extra Charges (Limit of indemnity A.O.A.: 10% of the amount of loss)

It is agreed and understood that this insurance shall be extended to cover extra charges for overtime, night work, work on public holidays and express freight (excluding air-freight); provided always that such extra charges shall be incurred in connection with any loss of or damage to the insured items recoverable under the Policy. If the sum(s) insured of the damaged item(s) is (are) less than the

amount(s) required to be insured, the amount payable under this extension for such extra charges shall be reduced in the same proportion.

Limit of indemnity A.O.A.: 10% of the amount of loss

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(3) Fire Extinguishing Expenses (Limit of indemnity A.O.A.: 10% of the amount of loss)

It is hereby agreed that this insurance is extended to cover:

A. wages of the Insured's employees engaged in fire fighting activities other than full time members of a Works Fire Brigade;

B. the cost of replenishment of Fire Fighting Appliances and destruction of or damage to materials (including employees' clothing and personal effects) and the cost of replacing or repairing materials or equipment used in extinguishing a fire unless otherwise specifically insured; and

C. All other costs and charges associated with the extinguishment or prevention of spread of fire or for providing temporary safety devices in consequence of damage or the threat of damage by fire or other risk hereby insured against.

provided always that the liability of the Insurer in respect of such wages and costs shall be limited to those necessarily and reasonably incurred in extinguishing fires at or adjoining the situation of the property insured by this Policy or immediately threatening to involve such property.

Limit of indemnity A.O.A.: 10% of the amount of loss

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(4) Removal of Debris (Limit of indemnity A.O.A: 10% of the sum insured)

It is agreed and understood that the Insurer shall indemnify the Insured for costs and expenses incurred in removing debris, dismantling and/or demolishing and shoring up or propping of the portion or portions of the properties insured under this Policy destroyed or damaged by risks insured by the Insurer provided that the total amount recoverable shall not exceed the sum insured set forth in the Schedule.

Limit of indemnity A.O.A: 10% of the amount of loss

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(5) Professional Fees (Limit of indemnity A.O.A.: 10% of the amount of loss)

It is agreed and understood that subject to the Insured having paid the agreed additional premium the Company shall indemnify the Insured for the architects', surveyors' and consulting engineers' fees necessarily incurred by the Insured in the reinstatement of the property insured consequent upon its destruction or damage by risk hereby insured against but not any fees for the preparation of a claim or estimate of loss, it being understood that the amount payable for such fees shall not exceed the amount authorized under the scales of the related professional department regulating such charges prevailing at

the time of the destruction or damage; provided that the total amount recoverable shall not exceed the sum insured set forth in the Schedule.

Limit of indemnity A.O.A.: 10% of the amount of loss

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(6) Capital Additions (Limit: 10% of the sum insured for similar property under relevant item)

It is hereby agreed that this insurance shall be extended to cover additions to the property insured, but not appreciation in value, made after inception of this Policy for an amount not exceeding 10% of the sum insured for similar property under relevant item, it being understood that the Insured will declare quarterly the value of any such additions.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(7) Automatic Cover

It is hereby agreed that the indemnity provided by this Policy shall apply automatically and shall include all new or additional property as described in the Schedule from the time that construction or commissioning of such property is completed or that title to such property is transferred to the Insured or the Insured becomes responsible for such property (unless more specifically insured). It is understood that the Insured shall advise the Insurer of all such new or additional property, and pay a pro rata additional premium from the date of acquiring such property to the expiration of this Policy.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(8) Malicious Damage

It is agreed and understood that this Policy shall be extended to cover loss of or damage to the insured property described in the Schedule caused by the malicious act of any person, excluding loss or damage to the glass or the outside sign fixed in the building or structure, nor any loss resulting from theft, except for house breaking.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(9) Sprinkler Leakage Damage

It is agreed and understood that this Policy shall be extended to cover the loss of damage to the insured property caused by or resulting from breakage or burst or other sudden accidents of the automatic sprinkler system. The Insured shall regularly test the said system and take necessary precautions to prevent accidents. However, the Insurer shall not be liable for any loss or damage resulting from breakage of the automatic sprinkler system caused by severe cold or any loss or damage incurred during the period when the automatic sprinkler system is not in operating state or abandoned.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(10) Alteration of Buildings and Structures

It is agreed and understood that this Policy shall be extended to cover loss of or damage to the

buildings and structures within the Premises indicated in this Policy in the course of alterations, additions, structural repairs and decoration works provided that the Insured shall give the Company a prior notice in writing and exercise due diligence in preventing accidents.

This Policy will be extended to cover properties being constructed or erected, unless already covered by other insurances.

The contract value under this extension shall not exceed RMB 5 million.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(11) Cost of Re-erection (Limit: RMB 1 million)

It is hereby agreed and understood that this policy extends to include the cost of re-erecting, fitting and fixing machinery and plant in consequence of destruction or damage by any of the risks hereby insured against.

Limit of indemnity: RMB 1 million per accident

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(12) 50/50 Clause

It is hereby agreed and understood that the Insurer requires that:

A. The Insured shall examine the raw materials and equipments immediately upon their arrival at the project site for possible damage sustained during transit, and, if such damage to nude cargoes is visible, the Insured shall lodge a claim under the transportation insurance policy;

B. In the case of packed items to be left in their packaging until a later date, the Insured shall visually examine the external packaging for signs of possible damage and, if such damage is visible, the Insured shall lodge a claim under the transportation insurance policy;

C. Where the external packaging of an item left in its packaging shows no visible signs of damage until damage is discovered upon unpacking, such damage shall be deemed as sustained during transit, unless the nature of damage provides clear evidence showing that such damage occurs after the transportation insurance expires; and

D. Where no clear evidence is available to establish the time of damage or loss, the cost of such damage shall be shared equally between the Insured and the Insurer under this insurance.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(13) Customs and Other Taxes

It is hereby agreed and understood that this Insurance shall be extended to cover the customs and other taxes and levies to be borne by the Insured arising from any loss of the insured property. The maximum liability in this clause shall not exceed the sum insured of the damaged property. (This clause is determined in accordance with the tax policy on Shanghai World Expo)

(14) Errors and Omissions

It is hereby agreed and understood that the liability under this Policy shall not be prejudiced by any delay or omission in reporting locations occupied or in reporting changes in the values of property caused by unintentional negligence of the Insured. But the Insured shall report such negligence or omission to the Insurer as soon as practicable after knowledge thereof, or else the Insurer shall not be liable.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(15) Time Adjustment (72 hours)

It is agreed and understood that any loss of or damage to the insured property arising during any one period of seventy two (72) consecutive hours, caused by storm, typhoon, tempest, flood or earthquake shall be deemed as a single event and therefore to constitute one occurrence with regard to the deductibles provided for herein, For the purpose of the foregoing the commencement of any such seventy two (72) hour period shall be decided at the discretion of the Insured, it being understood and agreed, however, that there shall be no overlapping in any two or more such seventy two (72) hour periods in the event of damage occurring over a more extended period of time.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(16) Stock Declaration

It is agreed and understood that the premium paid by the Insured for stock described in the Schedule being provisional premium shall be adjusted according to the provisions of this extension.

A. The Insured shall declare the value of the stock on the last day of each month reporting period in writing to the Insurer within thirty (30) days thereafter and if a declaration be not so given the sum insured showed in the Schedule shall be deemed to be the declared value of the said stock.

B. If the value of the stock insured exceeds the sum insured showed in the Schedule, in the event of loss or damage, the Insurer shall settle the claim in the following manner:

Sum Insured

----- × Amount of Loss Deductible = Amount Payable

Actual Value of Stock

C. A 60% deposit premium on sum insured is to be charged at inception of this Policy and adjusted on the average amount of stock to be declared upon expiration of this Policy. In the event the actual premium is more than the deposit premium, the Insured shall pay the difference, if less, the difference shall be repaid to the Insured. But no refund shall be more than 40% of the deposit premium.

In the event of loss or damage under this Policy, the amount payable for such loss or damage shall be automatically reinstated from the time of the happening and the Insured shall pay an additional premium therefore calculated pro rata from the date of loss to the expiration of this Policy.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(17) Millennium Bug Exclusion

The “Millennium Bug” used in this clause refers to any damage or consequential loss directly or indirectly caused by or consisting of or arising from the failure of any such computer system, hardware, program, software and/or any microchip, media, integrated circuit or similar device in other electronic equipment, concerning the date change of the year 2000, or any other date change, including leap year calculations, whether occurring before, during or after the year 2000.

In any of the following circumstances, the Insurer shall not be liable under this Policy for any damage to or loss of property, personal injury or death, legal liabilities and consequential expenses with regard to proceedings, inspection or technical consultation directly or indirectly caused by or consisting of or arising from the under-mentioned failures and/or manipulations of any computer system, whether it is owned by the Insured or not:

The computer fails to

- A. identify any date as its true calendar date;
- B. access, save, retain, search, manipulate, differentiate or process any data or information or execute a command and an instruction as a result of treating any date otherwise than its true calendar date;
- C. access, save, retain, search, process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of the data on or after any date;
- D. calculate, compare, identify, sequence or process any data concerning the date change of the year 2000, or any other date change, including leap year calculations; or
- E. there is any change, alteration or modification, whether preventative or otherwise, to any such computer system, hardware, program, microchip, media, integrated circuit or similar device in other electronic equipment, concerning the date change of the year 2000, or any other date change, including leap year calculations.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

# **Exhibits and Artworks Insurance Scheme for World Expo 2010 Shanghai China**

## **1. Coverage**

Exhibits and Artworks Insurance for the World Expo 2010 Shanghai China

## **2. Applicant**

- (1) Organizer of the World Expo 2010 Shanghai China
- (2) Official Participants
- (3) Non-official Participants
- (4) Individuals or organizations that enter into commercial operation contracts with organizer

## **3. The Insured**

- (1) Organizer of the World Expo 2010 Shanghai China
- (2) Official Participants
- (3) Non-official Participants
- (4) Individuals or organizations that enter into commercial operation contracts with organizer

## **4. Premises**

Shanghai Expo Park (5.28 km<sup>2</sup> in land area, subject to final confirmation by the organizer of Shanghai World Expo) and relevant water area inside Shanghai Expo Park agreed upon between the Parties to this insurance.

## **5. Property Insured**

- (1) Exhibits and non-exhibit artworks owned, leased, looked after or controlled by the Insured, including their accessories and protections, subject to the list attached hereto.
- (2) Excluding animals (including fishes and seashells), plants and raw materials used for on-site demonstration and items produced thereby.

## **6. Insurance Period**

The insurance period will commence on the date when the transportation means arrives at the Premises and starts unloading and will expire upon occurrence of any of the following events, whichever is

earlier:

- (1) Loading onto the transportation means on the Premises after completion of the exhibition;
- (2) Sale, donation or delivery to the buyer;
- (3) Removal under Article 5.2 of the General Regulations of Shanghai World Expo; or
- (4) Removal, relocation, storage or sale under Article 18.2 of the General Regulations of Shanghai World Expo.

## **7. Sum Insured**

- (1) For exhibits, the sum insured shall be determined based on the certificate of valuation, purchase contract or other valid certificates or the reinstatement value at the time of accident;
- (2) For exhibits whose value cannot be determined, the sum insured shall be determined by the Parties through negotiation; and
- (3) For non-exhibit artworks, the sum insured shall be determined by the Parties through negotiation based on the certificate of valuation, purchase contract or other valid certificates.

The specific amount shall be subject to the list attached hereto.

## **8. Scope of Cover**

Except the exclusions listed herein, this Policy covers the physical loss of or damage to the insured property due to natural disasters or accidents (including but not limited to unloading, loading, unpacking, packing, setup, removal and transfer within the Premises) and relevant costs and expenses incurred from said loss.

## **9. Deductible**

None

## **10. Premium Rate**

Minimum rate: 0.2% (30 days)

Machinery breakdown insurance: minimum rate to be 0.1% (30 days)

A period less than 30 days will be counted as 30 days; days in excess of 30 days will be charged on a pro rata daily basis.

The rates mentioned above may be subject to changes in line with specific conditions of security facilities.

The premium rate under this Policy shall be the final premium rate published by the organizer of

Shanghai World Expo.

### **11. Waiver of Subrogation**

Except for circumstances where willful or gross negligence occurs, any of the Insured shall waive all claims against each other for loss arising from fire or other accidents, and the Insurer shall not exercise the right of subrogation against the Insured.

### **12. Governing Law and Judicial Jurisdiction**

This insurance shall be governed by the laws and subject to the judicial jurisdiction of the People's Republic of China.

# **Terms and Conditions of Exhibits and Artworks Insurance for World Expo 2010 Shanghai China**

## **1. Property Insured**

The property insured refers to the exhibits and non-exhibit artworks listed in the Schedule of this Policy.

## **2. Scope of Cover**

(1) The Insurer shall indemnify the Insured against the direct physical loss of or damage to the insured property due to natural disasters or accidents during the Insurance Period (hereinafter the “Loss”).

(2) The Insurer shall indemnify the Insured against any loss incurred to the insured property arising from necessary and reasonable actions taken to save the insured property or prevent the spread of disaster after the accident covered under this Policy occurs.

(3) The Insurer shall indemnify the Insured against any reasonable costs and expenses incurred from necessary and reasonable steps taken by the Insured to prevent or reduce the loss to the insured property after the accident covered under this Policy occurs, subject to a maximum of the sum insured of the insured property.

### **Definition**

NATURAL HAZARDS, for the purpose of this Policy, means thunder-and-lightning, rainstorm, flood, windstorm, tornado, hailstorm, typhoon, hurricane, sandstorm, subsidence of ground and any other phenomena of nature with strong destructive power and beyond human control.

ACCIDENT, for the purpose of this Policy, refers to any unforeseeable, sudden event beyond control of the Insured which leads to material damage.

## **3. Exclusions**

(1) The Insurer shall not be liable for losses, damages and expenses caused by and resulting from:

A. war, warlike operation, military operation hostilities, armed conflicts, terrorism, conspiracy insurrection, strike, riot, civil commotion and coup d'etat;

B. intentional act or gross negligence of the Insured or his/her representative;

C. nuclear fission, nuclear fusion, nuclear weapon, nuclear material, nuclear radiation and radioactive contamination;

D. atmosphere, land and water pollutions or such other non-radioactive pollutions, excluding non-radioactive pollutions arising from risks covered by this insurance;

- E. earthquake or tsunami;
  - F. administrative or judicial acts;
  - G. wear and tear, inherent or latent defect, change in substance, spontaneous combustion, natural heating, oxidation, rust and corrosion, toxic mildew, leakage, mice, insects or vermin, change in atmosphere (climatic or temperature) conditions, change in normal water level or any other progressively operating cause;
  - H. exposure, dryness or moisture, unless caused by storm, frost or fire;
  - I. any activities in breach of the laws and regulations of the People's Republic of China or rules of the Shanghai World Expo conducted by or with the consent of the Insured;
- (2) The Insurer shall also not be liable for any damage, loss and expense caused by or resulting from:
- A. depreciation in value, loss of market value or value in use, production suspension, close of business and such other consequential losses;
  - B. loss of or damage to the insured items themselves due to faulty design, defective material or bad workmanship and expenses incurred;
  - C. loss of or damage to the mechanical or electrical devices not caused by exterior influence;
  - D. loss of or damage to mechanical or electrical equipments operated due to improper operation or technical defects of the Insured and the Insured's employees;
  - E. shortage discovered at the time of taking an inventory;
  - F. loss arising from interrupted supply of public water, electricity, gas and other energies, excluding the interruption resulting from natural disasters or accidents covered by this insurance; and
  - G. improper placement or mysterious disappearance of the insured property.

#### **4. Treatment of Claim**

(1) If any loss recoverable under this Policy occurs to the insured property, the Insurer shall calculate the indemnity in the following cases:

- A. Indemnity in cash: Paying insurance proceeds in cash;
- B. Indemnity in kind: Replacing the damaged property with physical substitute;
- C. Restoration: Repairing and restoring the damaged property.

Any extra cost of any alterations, additions or improvements by the Insured occurring in the course of repair or replacement shall not be recoverable under this Policy.

(2) If there is any salvage value after any loss occurs to the insured property, the amount of such salvage value shall be determined by the Parties through negotiation and deducted from the actual loss determined.

(3) If any loss recoverable under this Policy occurs to the insured property, the Insurer shall calculate

the indemnity in the following cases:

- A. If the sum insured is equal to or higher than the insured value, the indemnity shall be the actual loss, subject to a maximum of the insured value;
- B. If the sum insured is lower than the insured value, the indemnity shall be the actual loss multiplied by the ratio the sum insured bears to the insured value, subject to a maximum of the insured value;
- C. If there are more than one item insured under this Policy, the indemnity shall be calculated by items in accordance with this clause.

(4) In the event of loss of or damage to any item insured forming part of a pair or set, the liability of the Insurer shall be determined with due consideration to such one or more items' importance. However, under no circumstances shall such loss be construed as the total loss of the complete pair or set, unless the repair cost of such one or more items exceed its or their insured value. the Insurer shall not be liable in respect of each of such item lost or damaged for more than its proportionate part of the sum insured on the complete pair or set; however, if neither repairing nor replacing the lost or damaged item can restore such pair or set to its nearest condition immediately preceding the damage, the Insurer shall pay the total value of the complete pair or set of which the lost or damaged item forms part.

(5) The costs and expenses necessarily and reasonably incurred by the Insured in taking measures to prevent or mitigate further loss or damage of the insured property shall be separately calculated as follows in addition to the indemnity for the loss of or damage to the insured property:

- A. If the sum insured is equal to or higher than the insured value, the indemnity shall be calculated based on the actual expenses, subject to a maximum of the insured value of the insured property salvaged;
- B. If the sum insured is lower than the insured value, the indemnity shall be the actual loss multiplied by the ratio the sum insured bears to the insured value, subject to a maximum of the insured value of the insured property salvaged;

(6) If partial loss occurs to the insured property, the insured value of the damaged exhibits (excluding artworks) shall be automatically reinstated upon the Insurer's fulfillment of its obligation of indemnification, provided however that the Insured shall pay the premium for the reinstated part on a pro rata daily basis for the period commencing on the date of loss and ending on the date when Insurance Period expires.

(7) The right of the Insured to claim indemnity from the Insurer will disappear if such right is not exercised within two year after the Insured knows or should have known the occurrence of the accident covered by this Policy.

(8) When any accident covered by this Policy occurs, the Insurer agree to, at its own cost, engage an assessor approved by both Parties upon consent of the Insured to settle the claim.

## **5. Obligations of the Applicant and Insured**

(1) The Insured shall fulfill the obligation of truthful disclosure, truthfully answer questions raised by the Insurer in respect of the insured property or the Insured, and truthfully fill in the Policy.

The Insurer shall have the right to terminate the insurance contract, in the case that the Applicant intentionally conceals facts, or does not perform his/her obligation of making a full and accurate disclosure, or negligently fails to perform such obligation to the extent that it would materially affect the Insurer's decision whether or not to underwrite the insurance or whether or not to increase the premium rate; the insurance contract will be terminated upon delivery of the Insurer's notice of termination to the Applicant or the Insured.

If the Applicant intentionally fails to perform his/her obligation of making a full and accurate disclosure, the Insurer shall bear no obligation for making any indemnity or payment of the insurance benefits, or for returning the premiums paid for the occurrence of the insured event which occurred prior to the termination of the contract.

If the Applicant negligently fails to perform his/her obligation of making a full and accurate disclosure and this materially affects the occurrence of an insured event before the termination of the contract, the Insurer shall bear no obligation for making any indemnity or payment of the insurance benefits but may return the premiums paid.

(2) Unless otherwise agreed, the Applicant shall pay the premium in a lump sum when this insurance contract is entered into. The Insurer shall not be liable for any accident before payment of the premium.

(3) The Insured shall observe all the regulations prescribed by the State with respect to fire prevention, safety, production, operations and labor protection, and any other regulations associated therewith, to maintain the safety of the subject matter of the insurance.

The insurer may inspect the subject matter of the insurance concerning its safety conditions and, within a reasonable time, propose reasonable written suggestions to the Applicant or the Insured to eliminate risks and latent problems undermining the safety of the subject matter of the insurance, which shall be implemented by the Applicant or the Insured.

The Insurer shall not be liable for any accident resulting from the failure of the Applicant or the Insured to comply with the foregoing provisions; if any loss recoverable is further expanded due to the failure of the Applicant or the Insured to comply with the foregoing provisions, the Insurer shall not be liable for the expanded part thereof.

(4) If any change occurs to the nature of the occupation or use of the insured property, or the location of the insured property, or other major issues that may expose the insured property to higher level risks during the Insurance Period, the Insured shall promptly notify the Insurer in writing, and the

Insurer shall have the right to request additional premium or terminate this insurance contract. If the Insurer chooses to terminate this insurance contract, the Insurer shall charge the premium on a pro rata daily basis from the date when the insurance liability commences and to the date when the contract is terminated, with the remaining premium to be refunded to the Insured.

The Insurer shall not be liable for any accident resulting from higher level of risks to which the insured property is exposed due to the failure of the Insured to perform the aforesaid notification obligation.

(5) In the event of any occurrence which gives rise to a claim under this Policy, the Insured shall:

A. endeavor to take necessary and reasonable actions to prevent or reduce loss, or otherwise the Insurer shall not be liable for any further loss incurred;

B. promptly notify the Insurer and give a written explanation for the cause, process and loss status of the accident; the Insurer shall not be liable if the causes for accident cannot be identified by the Insurer due to the Insured's failure to give a prompt notice; if the loss cannot be verified due to the Insured's failure to give a prompt notice, the Insurer shall not be liable for the part that cannot be verified;

C. preserve the accident scene and permit and assist the Insurer in accident investigation; the Insurer shall not be liable if the causes for the accident cannot be identified or the loss cannot be verified due to the Insured's refusal or impediment of accident investigation by the Insurer.

(6) When requesting indemnity from the Insurer under this insurance contract after occurrence of an accident covered by this Policy, the Applicant and the Insured shall provide this Policy, application of claim, list of property loss, certificate of loss issued by relevant authorities, and other certificates and materials that the Insurer may reasonably require as the basis for claim.

If the Applicant and the Insured refuse to provide relevant certificates and materials, the Insurer may determine the indemnity based on the loss status found thereby.

(7) The Insured shall truthfully disclose to the Insurer other insurance contracts in relation to the damaged property insured when requesting indemnity. The Insurer shall be entitled to request return of the excessive sum paid due to the Insured's failure to make truthful disclosure.

(8) If any loss covered by this Policy is the liability of a relevant party, the Insured shall exercise or reserve the right to claim compensation from such party.

After occurrence of an accident covered by this Policy, if the Insured waives the right to claim compensation from such party liable before the Insurer performs its obligation of indemnification, the Insurer shall not be liable for indemnification.

When the Insurer exercises the right of indemnity by subrogation against a third party, the Insured shall provide the Insurer with all necessary documents and information known to him/her. If the Insurer cannot exercise the right of indemnity by subrogation due to the Insured's faults, the Insured shall be entitled to make appropriate deduction from the amount of indemnity.

## **6. General Provisions**

### **(1) Policy Effect**

The due observance and fulfillment of the terms and conditions of this Policy by the Insured shall be a condition precedent to any liability of the Insurer under this Policy; provided however that:

The validity of this Policy will not be affected by the failure of the Insured to fulfill requirements hereunder at any place beyond control of the Insured (including endorsed guarantees and conditions).

The agreed guarantees and conditions under this Policy apply to each covered risk respectively other than the whole covered risks. Where the agreed guarantees and conditions under this Policy are violated in respect of one risk, the validity of the liability for other risks covered by this Policy shall not be affected.

One Insured violating his obligations hereunder will not affect the rights and interests of the other Insured under this Policy, provided that the other Insured notify the Insurer in writing immediately upon their knowledge of such violation and take remedial actions to perform relevant obligations on behalf thereof, or otherwise the Insurer may reject any claim in accordance with the contract.

### **(2) Policy Voidable**

In the event of misrepresentation, overstatement or non-disclosure in any material particular by the Insured or his representative, the corresponding part of this Policy shall be voidable.

The validity of this Policy shall not be affected under the circumstance that the insured property is altered, occupied or exposed to additional risks without knowledge by the Insured, in which case the Insured shall immediately notify the Insurer upon knowledge thereof and pay additional premium that accrues from the date when additional risks occur.

### **(3) Policy Termination**

Unless otherwise agreed by the Insurer in writing, this Policy will be terminated automatically when the insurance interests of the Insured are lost. Upon termination of this Policy, the Insurer will refund the undue part of the premium hereunder to the Insured on a pro rata daily basis.

### **(4) Cancellation of Policy**

This Insurance is required for Shanghai World Expo. The Parties shall not cancel this Insurance when this Policy enters into force.

### **(5) Forfeit of Benefit**

If the claim is in any respect fraudulent, or if any fraudulent means or devices are used by the Insured or his representative to obtain any benefit under this Policy or if any loss or damage is occasioned by the intentional act or in the connivance of the Insured or his representative, then in any of these cases, all the rights and benefits of the Insured under this Policy shall be forfeited, and all consequent

losses arising therefrom including the amount of claim paid by the Insured shall be indemnified by the Insured.

(6) Reasonable Inspection

The representative of the Insurer shall at any suitable time be entitled to attend the site and inspect or examine the risk exposure within the scope of operations set forth in the Schedule of this Policy. For this purpose, the Insured shall provide full assistance and all details and information required by the Insurer as may be necessary for the assessment of the risk. The above mentioned inspection or examination shall in no circumstances be held as any admission to the Insured by the Insurer. The inspection or examination personnel of the Insurer will notify the Insured in writing of any defect or hazard discovered. The Insurer shall not assume any liability arising from or in connection with such defect or hazard before the same is eliminated to the satisfaction of the Insurer.

(7) Double Insurance

Should any loss, damage, expenses or liability recoverable under the Policy be also covered by any other insurance, the Insurer will first pay the claim in accordance with this contract. However, if the total indemnities obtained by the Insured under all policies exceed his actual loss, the Insured shall refund the excess to the Insurer.

(8) Subrogation

Where a third party shall be held responsible for the loss or damage covered under this Policy, the Insured shall, whether being indemnified by the Insurer or not, take all necessary measures to enforce or reserve the right of recovery against such third party, and upon being indemnified by the Insurer, subrogate to the Insurer all the right of recovery, transfer all necessary documents to and assist the Insurer in pursuing recovery from the responsible party.

(9) Dispute Resolution

All disputes under this insurance arising between the Insured and the Insurer shall be settled through amicable negotiation. Where the Parties fail to reach an agreement after negotiation such disputes shall be submitted to arbitration or to court for legal actions.

Legal Action

Unless otherwise agreed in advance, such arbitration shall be carried out in the place where the defendant is domiciled.

Arbitration

Any dispute arising from or in connection with this insurance contract shall be submitted to \_\_\_\_\_ (please indicate the full name of the arbitral body) for arbitration in accordance with its arbitration rules then in effect. The arbitral award shall be final and binding upon both Parties.

#### (10) Governing Law and Judicial Jurisdiction

This insurance shall be governed by the laws and subject to the judicial jurisdiction of the People's Republic of China.

### **7. Special Clauses**

The following clauses shall be applied to all parts of this Policy and shall override the other terms and conditions of this Policy if any conflict arises.

#### (1) Transfer to Safe Place

It is hereby agreed and understood that this Policy shall be extended to cover the loss of and damage to the insured property when the Insured temporarily transfers the insured property to the adjacent safe place for the purpose of avoiding any possible accident covered by this Policy.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

#### (2) Smoke Damage

It is hereby agreed and understood that this Policy shall be extended to cover the loss of and damage to the insured property incurred by smoke, smog or smoke dust resulting from fire or explosion due to causes covered by this Policy within the Premises list in the Schedule.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

#### (3) Machinery Breakdown Insurance

A. This clause may apply when the exhibits are machinery.

##### B. Scope of Cover

The Insurer shall be liable when the machinery insured is damaged to such an extent as to require repair or reinstatement due to the following causes:

- ① unforeseeable potential errors in design, manufacturing or installation works;
- ② faulty operation, lack of skill, bad workmanship, negligence, faults and malicious acts on the part of qualified operators;
- ③ tearing apart on account of centrifugal force;
- ④ lack of water or over-burning of boiler, or excessive temperature, over-pressure or over-filling of pressure vessel due to failure of the water or material feeding system, measurement facilities or alarming equipments that causes;
- ⑤ short-circuiting of electrical equipment, sudden suspension of water or gas supply;
- ⑥ storm and severe cold;
- ⑦ physical self-explosion;
- ⑧ other unforeseeable occasional accidents.

##### C. Exclusions

The Insurer shall not be liable for any loss of or damage to the machinery insured due to the following causes:

- ① intentional act or gross negligence of the Insured or his representative;
- ② wars, military operations, riots, nuclear radiation or pollution;
- ③ tear and wear, oxidation, corrosion, rusting, pitting corrosion, boiler scale, replacement of vulnerable parts and media in operation and other normal maintenance;
- ④ any accident caused by boiler or pressure vessel that is unqualified or should be discarded in the opinion of competent authorities or is found seriously defective but not corrected;
- ⑤ loss, damage or expenses incurred to computer software for whatever reasons;
- ⑥ loss or damage or expenses for which the supplier or manufacturer is responsible either by law or under contract;
- ⑦ flaws or defects that the Insured and his representative knows or should have known;
- ⑧ loss due to theft;
- ⑨ Loss of or damage to work in process incurred by accident covered and indirect loss, damage or liability;
- ⑩ loss covered by the property insurance; and  
other loss or damages not covered by this clause.

#### (4) Customs and Other Taxes

It is hereby agreed and understood that this Insurance shall be extended to cover the customs and other taxes and levies to be borne by the Insured arising from any loss of the insured property. The maximum liability in this clause shall not exceed the sum insured of the damaged property.

This clause is determined in accordance with the tax policy on Shanghai World Expo

#### (5) Temporary Protection

It is hereby agreed and understood that the indemnity provided by this Policy is extended to include the cost necessarily incurred to make reasonable repairs and protections, temporary or permanent, provided such repairs and protections are confined solely to the protection of the property from further damage.

The liability of the Insurer under this special clause shall not exceed the relevant limit of indemnity provided herein.

#### (6) Change in Exhibition Venue

It is hereby agreed and understood that the indemnity provided by this Policy is extended to cover the physical loss of or damage to the exhibits or artworks arising from the Insured's changing, repairing or decorating the exhibition venue.

The Insured shall take all necessary steps to prevent accidents during repair or decoration.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(7) Sprinkler Leakage Damage

It is agreed and understood that this Policy shall be extended to cover the loss of damage to the insured property caused by or resulting from breakage or burst or other sudden accidents of the automatic sprinkler system. The Insured shall regularly test the said system and take necessary precautions to prevent accidents. However, the Insurer shall not be liable for any loss or damage resulting from breakage of the automatic sprinkler system caused by severe cold or any loss or damage incurred during the period when the automatic sprinkler system is not in operating state or abandoned.

(8) Errors and Omissions

It is hereby agreed and understood that the liability under this Policy shall not be prejudiced by any delay or omission in reporting locations occupied or in reporting changes in the values of property caused by unintentional negligence of the Insured. But the Insured shall report such negligence or omission to the Insurer as soon as practicable after knowledge thereof, or else the Insurer shall not be liable.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(9) Professional Fees (Limit of indemnity A.O.A.: 10% of the amount of loss)

It is agreed and understood that subject to the Insured having paid the agreed additional premium the Company shall indemnify the Insured for the architects', surveyors' and assessors' fees necessarily incurred by the Insured in the reinstatement of the property insured consequent upon its destruction or damage by risk hereby insured against but not any fees for the preparation of a claim or estimate of loss, it being understood that the amount payable for such fees shall not exceed the amount authorized under the scales of the related professional department regulating such charges prevailing at the time of the destruction or damage; provided that the total amount recoverable shall not exceed the sum insured set forth in the Schedule.

Limit of indemnity A.O.A.: 10% of the amount of loss

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(10) Removal of Debris (Limit of indemnity A.O.A.: 10% of the amount of loss)

It is agreed and understood that the Insurer shall indemnify the Insured for costs and expenses incurred in removing debris, dismantling and/or demolishing and shoring up or propping of the portion or portions of the properties insured under this Policy destroyed or damaged by risks insured by the Insurer provided that the total amount recoverable shall not exceed the sum insured set forth in the Schedule.

Limit of indemnity A.O.A.: 10% of the amount of loss

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(11) Extra Charges (Limit of indemnity A.O.A.: 10% of the amount of loss)

It is agreed and understood that this insurance shall be extended to cover extra charges for overtime, night work, work on public holidays and express freight (excluding air-freight); provided always that such extra charges shall be incurred in connection with any loss of or damage to the insured items recoverable under the Policy. If the sum(s) insured of the damaged item(s) is (are) less than the amount(s) required to be insured, the amount payable under this extension for such extra charges shall be reduced in the same proportion.

Limit of indemnity A.O.A.: 10% of the amount of loss

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(12) Fire Extinguishing Expenses (Limit of indemnity A.O.A.: 10% of the amount of loss)

It is hereby agreed that this insurance is extended to cover:

A. wages of the Insured's employees engaged in fire fighting activities other than full time members of a Works Fire Brigade;

B. the cost of replenishment of Fire Fighting Appliances and destruction of or damage to materials (including employees' clothing and personal effects) and the cost of replacing or repairing materials or equipment used in extinguishing a fire unless otherwise specifically insured;

C. all other costs and charges associated with the extinguishment or prevention of spread of fire or for providing temporary safety devices in consequence of damage or the threat of damage by fire or other risk hereby insured against,

provided always that the liability of the Insurer in respect of such wages and costs shall be limited to those necessarily and reasonably incurred in extinguishing fires at or adjoining the situation of the property insured by this Policy or immediately threatening to involve such property.

Limit of indemnity A.O.A.: 10% of the amount of loss

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

(13) Agreed Artworks Value Insurance

It is hereby agreed and understood that the insured value of the artworks, as insured property under this insurance contract, to which the agreed value insurance applies shall be the value agreed upon between the Parties when this insurance is procured and indicated in this insurance contract.

If any loss recoverable under this Policy occurs to the insured property whose insured value is an agreed value, the Insurer shall calculate the indemnity in line with the loss status of the artworks.

(14) Exhibit Reinstatement

It is hereby agreed and understood that if the Applicant and the Insurer agree that the insured value of the exhibit is the reinstatement value upon occurrence of accident, the following conditions shall apply:

A. The Insured shall reinstate the damaged property insured upon occurrence of the accident covered.

The word "reinstatement" shall mean:

① the rebuilding or replacement of the property insured, which, provided the liability of this Company is not increased, may be carried out:

- a) in any manner suitable to the requirements of the Insured;
- b) upon another site;

② through repair or restoration of property damaged,

in either case to a condition equivalent to or substantially the same as but not better or worse than its condition immediately before damage or loss.

B. The insured value will become the market value upon occurrence of the accident covered in the event that:

- ① the Insured delays reinstatement without justifiable reasons and causes;
- ② the Insured fails to reinstate the damaged property insured; or
- ③ the property insured at the time of its loss is insured by any other insurance which is not upon the identical basis of reinstatement set forth herein.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

#### (15) Exhibits and Artworks Theft Definition

A. This Policy covers the loss or destruction of exhibits and artworks due to theft. The word "THEFT" means the act of stealing or robbery by any person other than the Insured or his/her family members of employees or inmates by means of destroying and passing through doors, windows, walls and/or other security facilities and intruding into the premises where the insured property is stored in an attempt to obtain illegal benefits.

B. The Insurer shall not be liable for the following destruction or loss:

- ① The loss arising from theft due to the indulgence, conspiracy or collusion of the Applicant, the Insured or its legal representative; and
- ② The Insured cannot prove that the destruction or loss of the insured property is caused by theft.

#### (16) Time Adjustment (72 Hours)

It is agreed and understood that any loss of or damage to the insured property arising during any one period of seventy two (72) consecutive hours, caused by storm, typhoon, tempest, flood or earthquake shall be deemed as a single event and therefore to constitute one occurrence with regard to the limits provided for herein, For the purpose of the foregoing the commencement of any such seventy two (72) hour period shall be decided at the discretion of the Insured, it being understood and agreed, however, that there shall be no overlapping in any two or more such seventy two (72) hour periods in the event of damage occurring over a more extended period of time.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

#### (17) 50/50 Clause

It is agreed and understood that the Insured shall promptly check the insured property delivered to the Premises from outside for any possible loss, and the Insurer shall not be liable for indemnity in any of the following cases:

- A. Evident loss of naked goods;
- B. Visible signs of damage are shown by the external packaging of goods;
- C. The external packaging of goods shows no visible signs of damage and no accident occurs before arrival and unpacking, but damage is discovered upon unpacking.

If clear evidence is available to prove that such damage occurs after the transportation ends, the Insurer shall be liable for indemnity under this insurance contract.

Where no clear evidence is available to establish the time of loss, the loss shall be shared equally between the Insured and the Insurer under this insurance.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

#### (18) Millennium Bug Exclusion

The "Millennium Bug" used in this clause refers to any damage or consequential loss directly or indirectly caused by or consisting of or arising from the failure of any such computer system, hardware, program, software and/or any microchip, media, integrated circuit or similar device in other electronic equipment, concerning the date change of the year 2000, or any other date change, including leap year calculations, whether occurring before, during or after the year 2000.

In any of the following circumstances, the Insurer shall not be liable under this Policy for any damage to or loss of property, personal injury or death, legal liabilities and consequential expenses with regard to proceedings, inspection or technical consultation directly or indirectly caused by or consisting of or arising from the under-mentioned failures and/or manipulations of any computer system, whether it is owned by the Insured or not:

The computer fails to

- A. identify any date as its true calendar date;
- B. access, save, retain, search, manipulate, differentiate or process any data or information or execute a command and an instruction as a result of treating any date otherwise than its true calendar date;
- C. access, save, retain, search, process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of the data on or after any date;
- D. calculate, compare, identify, sequence or process any data concerning the date change of the year 2000, or any other date change, including leap year calculations; or
- E. there is any change, alteration or modification, whether preventative, remedial or otherwise, to any such computer system, hardware, program, microchip, media, integrated circuit or similar device in

other electronic equipment, concerning the date change of the year 2000, or any other date change, including leap year calculations.

This clause is subject otherwise to the terms, conditions and exclusions of this Policy.

# **Document of China Insurance Regulatory Commission**

## **B. J. F. [2007] No.55**

Notice on PSchemes for Insurances

Required by World Expo 2010 Shanghai China

Property Insurance Companies:

Upon approval of the State Council, the schemes for insurances required for World Expo 2010 Shanghai China, entitled “General Liability Insurance Scheme for World Expo 2010 Shanghai China”, “Construction and Erection Insurance Scheme for World Expo 2010 Shanghai China”, “Property Insurance Scheme for World Expo 2010 Shanghai China”, and “Exhibits and Artworks Insurance Scheme for World Expo 2010 Shanghai China”, are hereby printed and distributed to you for your observance.

Appendices:

- 1.General Liability Insurance Scheme for World Expo 2010 Shanghai China
- 2.Construction and Erection Insurance Scheme for World Expo 2010 Shanghai China
- 3.Property Insurance Scheme for World Expo 2010 Shanghai China
- 4.Exhibits and Artworks Insurance Scheme for World Expo 2010 Shanghai China

China Insurance Regulatory Commission (seal)

July 6, 2007