

# W. DROEGE & CO.

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Gegründet 1928

## FREIGHT CARRIERS AND LOGISTICS POLICY NO. Policy number

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**Policyholder** Company

**Broker** Broker

**Contract term** Start – End  
- including both days -

The contract is renewed annually without notification if it has not been terminated by registered letter at least three months prior to its expiration.

The insurance policy for freight carriers and logistics insurance includes the liability insurance of the insured transport/freight carrier and warehouse keeper.

There are two copies of this policy which have been signed by both contract parties.

Location of PH, date

## TABLE OF CONTENTS

Number	Subject	Page
1	Description of insured perils	
2	Subject of the insurance	3
3	The policyholder	4
4	Insured liability, agreements subject to approval	4
5	Insured losses	5
6	Extent of insurance coverage; insured costs	6
7	Geographical scope	6
8	Exclusions	7
9	Special exclusions	8
10	Non-assignment	9
11	Limitation of insurance coverage	9
12	Deductible	10
13	Obligations	11
14	Recourse	14
15	Inception date, premium, notification of insured perils, payment and premium adjustment	14
16	Entitlement to access books and accounts and auditing	17
17	Duration and end of insurance; termination	17
18	Leadership clause	18
19	Statute of limitation	18
20	Applicable law, place of jurisdiction	19
21	Severability clause	19
22	Data protection clause	19
23	Broker	19
24	Authorized underwriting agent	19
25	Signatory page and list of participants	20
26	Attachment for customs insurance	21
33	Profit-sharing clause	23

## 2 SUBJECT OF THE INSURANCE

### 2.1 **Transportation contracts**

Subjects of the insurance policy are the paid transportation contracts (freight, cargo and warehousing contracts) of the policyholder as freight carrier in road transport, as a forwarder or warehouse keeper, if and insofar as the relevant tasks are explicitly documented in the business description and the transportation contracts are issued in compliance with section 15.

### 2.2 **Provisional insurance**

Insurance coverage based on this insurance policy also includes the liability for paid transportation contracts, the subject of which is a normal task related to the cargo industry which is not included in the service description as an insured risk, and which the policyholder has included after the signing of the insurance policy (new risk).

The insurance coverage commences immediately upon the occurrence of a new risk, without a specific notification requirement.

The policyholder is obligated to notify the insurer of every new risk within one month of its start. If the policyholder neglects to send notification or if no agreement as to the fee for the new risk is reached by the insurer after one month of the receipt of notification, coverage for this risk is cancelled retroactively as of its start.

If an insured incident occurs before notification has been sent, the policyholder must prove that the new risk did not exist until after the insurance policy was signed, or before the time period for sending notification after submitting the latest version of the service description had expired.

Unless otherwise stipulated, provisional insurance coverage is limited to a total of € 250,000.00 per loss event for all insured losses.

### 2.3 **Special agreements which must be reached**

Unless otherwise stipulated, or insofar as not precluded by mandatory legal provisions of compulsory insurance (e.g., section 7 of GüKG, German road haulage law), insurance including provision does not apply to contracts that include or have the subject of

2.3.1 the transport and transport-related storage of goods which the policyholder carries out in his own name (actually) as the freight carrier (maritime shipping and inland shipping), air freight carrier or railway freight carrier;

2.3.2 transport and storage of vehicles, tobacco products, spirits, mobile telephones, entertainment electronics, audio/video devices, computers, data storage medium (chips) and processors, as well as goods from the telecommunication and data processing industry. In these cases, the insurance coverage is limited to a total of € 50,000.00 per transport vehicle/storage site;

2.3.3 the transport and storage of living animals;

2.3.4 the transport and storage of household goods;

- 2.3.5 the transport and storage of heavy goods and oversized transports, crane or assembly procedures;
- 2.3.6 the transport and storage of goods for the purpose of towing or rescue.
- 2.3.7 assignments involving carrying out customs procedures of all kinds (this includes issuing customs documents using the transit document procedure) and the storage of goods not yet cleared for customs in the open customs warehouse (OZL);
- 2.3.8 production services, contracts for work or other non-freight, transport or storage-related contractually-stipulated services in connection with a transportation contract, which extend beyond the primary contractually-stipulated obligation of a freight carrier, forwarding company and storage company (typical logistics services for a forwarding company) in accordance with the German Commercial Code (HGB).

### **3 POLICYHOLDER, CO-INSURED PARTIES**

- 3.1 The policyholder is the company named in the business description, including all legally dependent domestic branches and other business premises. Upon special agreement, other companies can be included in the insurance policy.
- 3.2 The policyholder's employees are included in the scope of the insurance, if they were involved in the execution of transport contracts listed in section 2.1 of this policy. The provisions that apply to the policyholder, particularly exclusions and coverage limits as well as deductibles, also apply to co-insured parties.

### **4 INSURED LIABILITY, LIABILITY AGREEMENTS SUBJECT TO APPROVAL**

- 4.1 **Based on the business description and within the scope of these insurance conditions, the transportation contract-related liability of the policyholder is insured pursuant to**
  - 4.1.1 German law, particularly sections 407 ff. of the HGB.
  - 4.1.2 the general terms and conditions (AGB) of the policyholder, assuming that the insurer agreed to include these conditions in the coverage, or that the service obligations and liability agreements stipulated in the AGB do not extend beyond German legal provisions for transportation contracts;
  - 4.1.3 the general terms and conditions (AGB) within the scope of section 449, par. 2, no. 1 of the German Commercial Code (HGB), assuming that the insurer agreed to include these conditions in the coverage.

The liability, based on valid agreements for domestic transports as per section 449 of the German Commercial Code for claims due to the loss or damage of goods, is co-insured within the scope of the insurance coverage limitations as per section 11, however, limited to a maximum of 40 SDR for each kilogram of the shipment's gross weight, which the forwarding company has taken over for transport in their own name.

- 4.1.4 the Convention on the Transport Contract for the International Carriage of Goods by Road (CMR);
- 4.1.5 the Convention on the International Carriage by Railway (annex B – COTIF, current version) and the uniform rules governing contracts for the international transport of goods by rail (CIM);
- 4.1.6 the Warsaw Agreement (WA) from 1929, and – to the extent applicable – the Hague Protocol from May 28, 1955, the ancillary agreement of the Guadalajara Convention from September 18, 1961, the Montreal Convention from May 28, 1999 or other determining ancillary agreements for air transport;
- 4.1.7 the Hague Rules and – to the extent applicable – the Hague-Visby Rules or the Maritime Law Amendment Act from June 25, 1986, the Hamburg Rules as well as other determining international agreements or national legal provisions for sea transport;
- 4.1.8 the provisions of the FIATA Multimodal Bill of Lading (FBL) or another Bill of Lading in the form adopted in the FIATA in accordance with the conditions in ICC publication 481;
- 4.1.9 the policyholder's own House Airway Bill (HAWB), House Bill of Lading (HBL) or other documents of the policyholder, if the insurer agreed to the inclusion of such documents in the insurance coverage;
- 4.1.10 the respectively applicable legal provisions of other countries, insofar as the policyholder may not effectively rely on the conditions of the aforementioned sections, up to a maximum of 8.33 SDR per kg of the shipment's gross weight for losses of goods.
- 4.2 Claims based on unlawful acts (tort law) are also insured, if and insofar as the entitled party invokes these legal claims in addition to or instead of the liability resulting from the transportation contract.
- 4.3 If the General Terms and Conditions were the basis of the transport or logistics contract, the insurer can invoke the stipulated liability limitations in the event of a claim.
- 4.4 The inclusion of liability for the transport of semi-trailers, trailers, chassis, swap trailers and containers of third parties must be stipulated individually (if not listed as a packaging object in the subject of the transportation contract).  
The provisions on the provisional insurance as per section 2.2 are not applicable.
- 4.5 Special notice of the exclusions as per sections 8 and 9, as well as the insurance coverage limitations as per section 11, is to be taken.
- 5 INSURED LOSSES**
- 5.1 As described in section 4, liability is insured for**
- 5.1.1 the loss or damage of goods that are the subject of the transportation or logistics contract

- 5.1.2 consequential losses, or the consequential pecuniary loss based on the damage to goods (not personal injuries; not damage to other objects such as the goods of third parties);
- 5.1.3 non-compliance with delivery deadline;
- 5.1.4 pure pecuniary losses (not personal injuries, goods or other object losses or consequential losses based thereon).
- 5.2 Special notice of the insurance coverage limitations as per section 11 is to be taken.

## **6 EXTENT OF INSURANCE COVERAGE; INSURED COSTS**

- 6.1 The insurance includes the settlement of substantiated loss claims and the defence against unsubstantiated loss claims that are filed against the policyholder as the contractor of a transportation order.
- 6.2 The insurer also reimburses the policyholder for expenses related to the prevention or mitigation of a loss reimbursement obligation if the loss is imminent or has already occurred, insofar as the policyholder incurred them in a proper and reasonable manner, as well as judicial and extra-judicial costs (section 101 German Insurance policy Act, VVG), insofar as they were justified under the prevailing circumstances.
- 6.3 The insurer reimburses the policyholder for the fee that he must pay for General Average based on an adjustment drawn up in accordance with the law or the York-Antwerp Rules or the Rhine Rules VR 1979, or other internationally recognized G.A. rules provided that the measure was intended to avert loss or damage that would have been borne by the insurer.
- 6.4 Unless otherwise stipulated, the insurer reimburses the policyholder for the expenses of the recovery or redirection of falsely routed goods for the purpose of minimizing loss, if they were necessary for the prevention of a loss involving a reimbursement obligation, up to 50% of the value of the goods, a maximum of € 10,000.00 per loss incident.
- 6.5 Unless otherwise stipulated, the insurer compensates for the statutory or regulatory costs required for clean-up procedures, insofar as no other insurer has taken over these costs as per the insurance conditions (e.g., vehicle liability insurance), as well as costs resulting from the destruction of the damaged goods up to € 20,000.00 per loss incident. Environmental damage is not covered by the insurance policy.

## **7 GEOGRAPHICAL SCOPE**

Unless otherwise stipulated, insurance coverage exists for

- 7.1 freight-forwarding contracts worldwide;
- 7.2 freight contracts, if the transfer and delivery site lies within the geographical boundaries of Europe;
- 7.3 warehousing contracts within the geographical boundaries of Europe, excluding CIS

## **8 EXCLUSIONS AND LIMITATIONS**

In the absence of legal provisions to the contrary (e.g., section 7 a, GüKG, German Road Haulage Law) and unless otherwise stipulated, claims that are excluded from insurance coverage are

- 8.1 the result of damage caused by natural catastrophes (e.g., earthquake, lightning, etc.);
- 8.2 the result of damage caused by war, war-like incidents, civil war, civil unrest, rioting, nuclear energy;
- 8.3 the result of damage caused by strike, lock-out, labour unrest, terrorist violence or political violence;
- 8.4 the result of damage caused by seizure, restraint or any other intervention by public authorities;
- 8.5 the result of claims based on the loss of precious metals, precious stones, authentic pearls, money, valuables, securities of all kinds, documents and certificates;
- 8.6 the result of damage to or loss of art objects, paintings, sculptures, antiques and other goods that have special value, insofar as the basic value at the takeover site exceeds € 5,000.00;
- 8.7 the result of a default of the reimbursement obligation connected to transport contracts (first party loss of the policyholder);
- 8.8 the result of losses caused by spoilage, or the nature of the goods, trade standard quantities, dimensions and weight differences or losses, normal humidity or usual temperature deviations;
- 8.9 those based on contractually-stipulated agreements that are uncommon in the transport industry such as contract-related penalties, delivery period guarantees, etc., as well as agreements if they extend beyond the liability limit of 8.33 SDR per kg of the shipment's gross weight or beyond the legally required liability for transport contracts, such as value or interest agreements based on article 24, 26 CMR, article 22, par. 2 WA, article 22 par.

# W. DROEGE & CO.

Gegründet 1928

3 and article 25 Montreal Convention, section 660 German Commercial Code (HGB) etc. This does not affect section 4.1.3;

- 8.10 those that have a penalty-like character, e.g., monetary penalties, administrative penalties, fines, funds from enforcement and securities, and other types of payment similar to fines or penalties, and the related costs;
- 8.11 those that are directly related to the improper use, forwarding or reimbursement of advances, refunds, or similar items;
- 8.12 the result of a flaw in the business practice of the policyholder (e.g., lack of interface monitoring), the elimination of which was demanded by the insurer within a reasonable time period, in connection with a notice of legal consequences (risk exclusion);
- 8.13 due to damage caused by charter and partial charter contracts related to the transport of goods by ship, railway, or aircrafts;
- 8.14 based on compensations with a penalty character, particularly "punitive" or "exemplary damage" as per American or Canadian law;
  
- 8.15 the result of damage caused by terrorist or political violence due to the use – regardless by whom – of chemical, biological, biochemical substances or electromagnetic waves from weapons with aggressive intent, and irrespective of any other contributing factors;
- 8.16 the result of damage by nuclear energy or other ionizing radiation, unless created by another radioactive isotope (other than nuclear fuel), insofar as the isotope is used for commercial, agricultural, medical, scientific or other purpose, or being supplied, transported, stored or used for similarly peaceful purposes;
- 8.17 based on the TIR Carnet procedure;
- 8.18 the result of the policyholder or one of his representatives intentionally bringing about an insured event, as well as claims against the vicarious agent themselves, if he acted fraudulently;
- 8.19 against an employee of the policyholder themselves, if they acted fraudulently;
- 8.20 claims based on transportation contracts regarding illegal services and claims in connection with the execution of illegal services by the policyholder or one of his representatives;
- 8.21 resulting from personal injuries, object-related or consequential damage other than the explicitly stipulated damage to goods and consequential damage, and from pecuniary losses that are not invoked by the transport or logistics contract, particularly environmental damage;
- 8.22 insured by another freight carrier's liability insurance policy of the policyholder or normally the subject of an insurance policy for businesses, products, environment, flood damage,



vehicle, private liability, credit, or could have been covered based on corresponding standard insurance conditions.

## **9 SPECIAL EXCLUSIONS**

Insofar as the liability from logistics contracts regarding non-conventional services as per section 2.3.8 is co-insured based on special agreement, not included in insurance coverage are

9.1 liability claims for damage caused to work or effects produced or supplied by the policyholder (or third parties acting on his/her instructions or behalf) or as a result of a cause in the production;

9.2 claims for compliance with contracts as well as any substitute performance rendered instead of the contractual performance, also if they pertain to legal claims, likewise a claim established under statutory assumption of risk (for incidental loss and incidental deterioration);

### **9.3 Liability claims based on pecuniary losses**

9.3.1 due to tasks that are not an insured risk as per the business description, as well as all cases of tasks based on travel planning, travel event, or procedures pertaining to planning, counsel, construction or installation-related processes, examination or assessment, as well as tasks related to rationalizing and automation, supplying information, translation;

9.3.2 based on tasks pertaining to transactions related to money, credit, insurance, property, leasing or similar transactions, as a result of payment procedures of all kinds, price labelling of all kinds, as a result of cash management as well as embezzlement and fraud;

9.3.3 based on advice, recommendations, or instructions about economically related companies;

9.3.4 a result of the infringement of commercial protection rights and copyrights;

9.3.5 due to continuous emissions, e.g., noise, odours, vibrations;

9.3.6 a result of non-compliance with deadlines, dates, estimates and quotations;

9.3.7 a result of an interruption in operations (e.g., production failure);

9.4 reimbursement claims based on recall measures related to delivered products.

9.5 reimbursement claims based on the loss of objects that are not explicitly included in the insurance coverage.

## **10 NON-ASSIGNMENT**

Without our consent, the right of indemnity may not be assigned or pledged before it has been conclusively determined. However, assignment to the injured third party is permissible. Section 115 VVG remains unaffected.

## **11 LIMITATION OF INSURANCE COVERAGE**

11.1 Unless otherwise stipulated, the reimbursement of the insurer is limited to the total amount of

€ 3 million for all insured losses and claims.

The losses involving multiple damaged parties that result from one incident are reimbursed proportionately in relation to their individual claims regardless of the number of damaged parties and the transport contracts, if they exceed the upper limit of insurance coverage when combined.

### **11.2 Within the maximum reimbursement payment as per section 11.1, the reimbursement of the insurer is limited to a maximum amount of**

11.2.1 € 2 million, or the amount of 2 special drawing rights (SDR) per kilogram gross weight per loss incident in terms of section 431 of the German Commercial Code (HGB), depending on which amount is greater, per loss incident, or per damaged party and per transportation contract, for the loss and damage of goods;

11.2.2 € 50,000.00 for the transport and/or storage of sensitive goods as per section 2.3.2 for all goods, consequential and purely pecuniary losses;

11.2.3 € 1 million per loss incident involving authorized warehousing for the damaged goods per injured party, regardless of the number of signed transportation contracts;

# W. DROEGE & CO.

Gegründet 1928

- 11.2.4 However, in the event of differences between the target and actual inventory of the warehouse stock, the insurer will pay a maximum of € 500,000.00 for the loss incident and for all loss incidents of the insurance year, regardless of the number of claims that caused the inventory difference;
- 11.2.5 € 250,000.00 for consequential losses per loss incident.  
A limit of € 250,000.00 per loss incident involving authorized warehousing for the consequential losses per injured party, regardless of the number of signed transportation contracts;
- 11.2.6 € 250,000.00 for pecuniary losses per loss incident.  
A total of € 250,000.00 per loss incident involving authorized warehousing for pecuniary losses per injured party, regardless of the number of signed transportation contracts;
- 11.3 Restrictions for compulsory liability insurance (section 7 a, German load haulage law, GüKG, and section 104, number 3 German air traffic licensing order, LuftVZO)  
  
In deviation from other insurance policy provisions, reimbursement by the insurer is limited to a maximum of € 600,000.00 for all claims and losses per loss incident and loss event as well as € 1.2 million for all loss events in an insurance year. Sections 113 et seq. German Insurance policy Act, VVG, particularly section 114, par. 2, sentence 2 VVG, are applied.
- 11.4 Annual limit  
  
The maximum reimbursement by the insurer is limited to € 4 million in an insurance year for all loss events pertaining to insured transportation contracts.
- 11.5 Insofar as the liability from logistics contracts regarding non-conventional transit services as per section 2.3.8 is co-insured based on special agreement, the maximum insurance coverage is limited to  
  
€ 1 million per loss incident and loss event for damaged goods, consequential losses and purely pecuniary losses. The total coverage by the insurer for all loss events in an insurance year is limited to € 4 million for all insured losses.

## 12 DEDUCTIBLE

- 12.1 Unless otherwise stipulated, the general excess of the policyholder is 15% of the insurance payment per claim, with a minimum of € 125.00 and a maximum of € 2,500.00.
- 12.2 Unless otherwise stipulated, the policyholder's excess for claims involving deficient or missing quantities during authorized storage is 25% of the reimbursement, and a minimum of € 1,000.00.  
  
Another deductible rate can be stipulated separately.

12.3 In the case of the theft or robbery of the policyholder's vehicle during its use in international road haulage, the policyholder pays 10%, or a maximum of € 10,000.00 himself. This deductible does not apply if the vehicle was either parked on a secured premises, in a guarded parking area or was otherwise parked in a guarded area and two independently functioning anti-theft devices (this does not include door and ignition locks) or a recognized theft protection device was in operation. The policyholder bears the burden of proof.

12.4 For damage to the semi-trailers, trailers, chassis, swap trailers and containers of third parties, the deductible amount is € 500.00 for each loss subject to reimbursement obligation.

## 13 OBLIGATIONS

The policyholder and/or his representatives are obligated,

### 13.1 prior to the occurrence of an insured event, to

13.1.1 use only well-functioning vehicles and trailers, swap body/containers, cranes/lifting devices, as well as all other equipment (including ropes, belts), which are appropriate for the task;

13.1.2 check the temperature prior to starting the transport, record it in the forwarding documents, and check and document the temperature regularly during transport when transporting temperature-sensitive goods;

13.1.3 equip the company-owned vehicles to be used for road transport with two independently functioning theft protection devices (this does not include door/ignition locks) and instruct the driver to switch the anti-theft alarms on every time the vehicle is left standing;

13.1.4 ensure that the company-owned loaded motor vehicles, trailers, swap bodies/containers, or those belonging to a third party that are currently under the control and responsibility of the company are secured against theft or robbery, particularly at night, on weekends and holidays;

13.1.5 ensure that all required permits relevant to carrying out the order are at hand and that official regulations are observed;

13.1.6 ensure that the electric devices used to carry out the order, particularly hardware and software for data processing and the machines and systems control units, are inspected for functionality, kept in good working order, and the respective requirements in terms of securing data are guaranteed;

13.1.7 use only storage or transfer buildings or areas and technical and supplementary equipment appropriate for the respective order, and ensure that the legal and official requirements are met, and the functionality of the security-related equipment is not hindered.

13.1.8 carry out and document interface monitoring procedures;

13.1.9 if requested by the insurer, to carry out inventories at the expense of the policyholder in addition to the order-stipulated inventories or inventory intervals;

13.1.10 carefully select and monitor all staff members;

- 13.1.11 select the subcontractors and vicarious agents with the diligence of a prudent businessperson, and to make sure that they also fulfil the aforementioned obligations and possess an effective insurance policy that meets the standard conditions and potentially applicable legal regulations;
- 13.1.12 immediately notify the insurer of changes to the terms of business, individual agreements, documents, freight papers or any agreements affecting the liability of the policyholder that have been submitted to the insurer for information and included in the insurance coverage based on the insurance conditions or business description;
- 13.1.13 comply with laws, orders, court orders and decrees, occupational health and safety regulations and other safety regulations.

## **13.2 and after the occurrence of an insured event, to**

- 13.2.1 inform the insurer immediately of every loss incident or invoked liability claim, within no more than one month, and to submit all necessary documents for its assessment;
- 13.2.2 endeavour to avert and minimize the damage, provide the insurer with all necessary information, and comply with any instructions he may be given;
- 13.2.3 inform the insurer without delay of any legal actions taken against him in the course of an insured activity, and to take the required legal remedies or countermeasures, especially appeals against default summons;
- 13.2.4 not acknowledge or satisfy a claim without the permission of the insurer and not assign an insurance or recourse claim, insofar as not otherwise stipulated in section 10.
- 13.2.5 engage in a suit with the claimant at the request and expense of the insurer, and to allow the insurer to conduct the legal proceedings;
- 13.2.6 notify the appropriate police station and the insurer of every theft, robbery and traffic accident with possible damage to the freight without delay, and to notify the nearest claims agent and follow his instructions in the case of accidents, or losses totalling more than € 3,000.00, and of those for which the extent or amount is doubtful;
- 13.2.7 uphold possible recourse claims against third parties, and observe complaint deadlines;
- 13.2.8 inform the claimant to the effect that sending the documents to the insurer does not represent negotiating the claim with the corresponding suspension of the statute of limitations (section 203 German Civil Code, BGB).

## **13.3 Legal consequences of a breach of obligation**

- 13.3.1 If the policyholder or one of his representatives should breach an obligation arising from this contract which should have been fulfilled prior to the occurrence of an insured event, the insurer can terminate the contract without notice within one month after learning about the breach of obligation. The insurer does not have the right to terminate if the policyholder can verify that the breach of obligation was done neither deliberately nor through gross negligence.

If an obligation arising from this contract is breached intentionally, the policyholder loses his insurance coverage. In the case of a breach of obligation based on gross negligence, the insurer is entitled to reduce his payment in a manner appropriate for the severity of the

policyholder's fault. The complete or partial elimination of insurance coverage for the breach of duty of disclosure or information arising following the occurrence of an insured event is only permissible if the insurer has informed the policyholder of this legal consequence in writing. If the policyholder can prove that the obligation was not breached due to gross negligence, insurance coverage remains intact.

Insurance coverage also remains intact if the policyholder can prove that the breach of obligation did not cause either the occurrence or establishment of the insured event nor the establishment or scope of the insurer's obligatory payment. This does not apply if the policyholder acted fraudulently in breaching his obligation.

The provisions listed above are valid regardless of whether the insurer exercises his entitlement to terminate, to which he is entitled as per this section.

### 13.3.2 The policyholder's representatives are classified as

- the members of the board and chief representatives of joint stock companies
- the Managing Director of limited companies
- general partners of limited partnerships
- the associates of a general partnership
- the associates of a private corporation
- the owners of individual companies
- other types of corporations that have appointed boards in accordance with legal requirements.

Representatives are also authorized signatories and other third parties, insofar as they are acting independently to a certain, not insignificant extent on behalf of the policyholder, and their area of responsibility and competence has to do with the organization and processing of transportation contracts.

## 14 RECURSE

14.1 The insurer waives their right to recourse against the policyholder and his employees. However, the insurer has the right to recourse against anyone who intentionally caused a loss.

### 14.2 In addition, the insurer is entitled to take recourse against the policyholder, if

14.2.1 he intentionally breached his notification or payment obligations, but still has a performance obligation to the damaged parties.

14.2.2 an insurance exclusion was established, a breach of obligation by the policyholder or his representative would have led to an exemption from obligation for the insurer, or was based on an uninsured transportation contract, but the insurer is nonetheless obligated to compensate the damaged party.

## 15 START OF INSURANCE COVERAGE, PREMIUM, NOTIFICATION, PAYMENT AND REORGANIZATION

15.1 Inception of the insurance coverage

The insurance coverage starts at the time stated in the policy, if the policyholder pays the first or one-time premium in a timely fashion pursuant to section 15.2.4.

### 15.2 Premium and insurance tax; premium adjustment after risk changes, notification obligation

15.2.1 The applicable premiums for the insurance coverage of the policy are based on the business description and the resulting risks, as well as all of the transportation contracts that are listed in the policy and subject to notification obligation.

If agreed, the policyholder is freed from the notification obligation for the individual transportation contracts. In this case, the premium is generally based on the annual turnover in € ; other bases for premium assessment can be agreed.

The premiums are paid annually in advance; instalment payments can be arranged.

The premium listed in the invoice does not include insurance tax, which the policyholder must pay in the amount stipulated by law.

The stated billing/redemption amount for the stated premium time period is deemed to be the first premium.

The following annual premiums or premium instalments are subsequent premiums.

Changes in quantities of the premium assessment bases (e.g., sales totals, insurance amounts, number of vehicles) lead to corresponding increases or decreases in the stipulated premium rates and minimum contributions of the annual premium and the stipulated instalments.

15.2.2 The premium rate is % of the turnover.

15.2.3 After receiving a request from the insurer, which can also be a printed request on the premium invoice, the policyholder is obligated to submit notification of changes to the insured risk (e.g., changes in the turnover, changes in the vehicle fleet).

This notification must be submitted within one month after receipt of the request.

If the policyholder does not submit the above notification in time, the insurer can, for the period for which the details were to be given, demand a subsequently payable premium amounting to the sum equal to the already paid premium for this period, instead of demanding a premium regulation. If the details are subsequently provided, but still within two months of the receipt of the request for subsequent payment, the insurer must reimburse any premium paid in excess.

For the notification of newly added risks after the signing of the contract, the provisions of section 2.2 (provisional insurance) apply.

Based on the notification of a change of insured risk and the notification of new risks or other findings, the premium is adjusted according to the time of the change. In the case of premium decreases, the minimum premium for the respective premium class may not be undercut.

15.2.4 Due date and timeliness of the first premium

The first or one-time premium is due immediately after submission of the insurance policy - if not otherwise stipulated - but not before the start of the contract.

The payment is deemed timely if it is made immediately upon receipt of the policy and the payment request (as well as after the expiration of the 14-day opposition period stated in the policy).

15.2.5 Delayed start of the insurance coverage

If the policyholder does not pay the first or one-time premium in a timely manner, but instead at a later time, the insurance coverage does not begin until this time. This does not apply if the policyholder can verify that the non-payment was not his fault.

15.2.6 Cancellation

If the policyholder does not pay the first or one-time premium in a timely manner, the insurer can withdraw from the contract as long as the premium has not been paid. It is deemed a cancellation if the insurer does not take court action within three months of the due date of the first or one-time premium. This does not apply if the policyholder can verify that the non-payment was not his fault.

15.2.7 Due date and timeliness of the payment of subsequent premiums

The subsequent premiums, unless otherwise stipulated, are due on the first day of the month of the stipulated premium time period.

The payment is deemed timely if it is made at the time stipulated in the policy or in the premium invoice.

15.2.8 Default

If the subsequent premium is not paid on time, the policyholder is in default without the issue of a reminder, unless he is not responsible for the delayed payment.



The insurer will request payment in writing and set a payment deadline of at least two weeks.

The insurer is entitled to demand compensation for losses sustained due to the delay in payment.

## 15.2.9 No insurance coverage

If the policyholder is still in default after expiration of the payment deadline, no insurance coverage exists as of this time until payment has been received, if he was informed of demand for payment in accordance with section 15.2.8, par. 2.

## 15.2.10 Termination

If the policyholder is still in default after expiration of the payment deadline, the insurer can terminate the contract without notice, provided that he informed the policyholder of the demand for payment in accordance with section 15.2.8, par. 2.

If the insurer terminates the policy and the policyholder pays the outstanding amount within one month, the contract will then continue. However, there is no insurance coverage for insured events occurring between the receipt of termination and the receipt of payment.

## 15.2.11 Timeliness of payment via direct debit authorization

If it has been agreed that the premium will be directly debited from an account, the payment is deemed timely if the amount can be debited on the due date and the policy holder did not countermand the authorized direct debit.

If the due premium could not be debited through no fault of the policyholder, payment shall be deemed to be on time if it is effected immediately upon receipt of the insurer's written payment request.

If the policyholder is responsible for the fact that it was not possible to debit the premium on repeated occasions, the insurer is entitled to request future payment without direct debit.

## 15.2.12 Partial payment and consequences of delayed payment

If payment of the annual premium in instalments has been agreed, any instalments still outstanding shall be due immediately if the policyholder is in default with the payment of an instalment.

In addition, the insurer may demand the annual payment of the premium in future.

## 15.2.13 Premium in the event of early contract termination

Unless otherwise stipulated, if the policy is terminated early, the insurer is only entitled to the portion of the premium which corresponds to the elapsed policy.

15.2.14 Premium adjustment, reorganization, special right of termination

Unless otherwise stipulated, if the claim burden for the liability insurance within one calendar year exceeds the value of 60% of the premium to be paid for this year, not including insurance tax, the insurer can demand an appropriate premium increase within the first three months of this year. After the insurer issues this demand, if no agreement on the new premium can be reached within a period of one month, the insurer can terminate this policy by registered letter at the end of the month with one month's notice.

The claim burden is determined on the basis of all paid and pending losses that occurred within one insurance year (= calendar year). The loss ratio is the relationship between the claim burden (payments and reserves) and the premium owed without insurance tax.

15.2.15 Premium adjustment for changes in legislation; special right of termination

If the risk borne by the insurer is increased or decreased due to changes in the liability provisions in legislation, applicable general terms and conditions or international agreements, the insurer and the policyholder are entitled to demand or implement a corresponding adjustment of the premium. If an agreement on the amount cannot be reached within one month after notifying the policyholder of the insurer's demand, an extraordinary right of termination exists for both contract parties, which must be invoked within a period of 10 days with 30 days' notice.

## 16 ENTITLEMENT TO ACCESS BOOKS AND ACCOUNTS AND AUDITING

The insurer is entitled to examine the information pertaining to premium notifications by accessing the policyholder's corresponding business documents. He is obligated to maintain the confidentiality of the acquired information with respect to third parties.

## 17 DURATION AND END OF INSURANCE; TERMINATION

17.1 The contract is drawn up for the time period stated in the policy.

17.2 Contracts valid for at least one year will be renewed for a respective period of one year, provided the contract party has not received written notice of termination at least three months before the end of the relevant insurance year.

17.3 Both parties are entitled to cancel the policy after the occurrence of an insured event.

The termination must be received by both contracting parties no later than one month after the insurer's acknowledgement of compensation payment, or after refusing to pay the due compensation, or as of the legal enforcement of the judgement of a legal dispute with third parties. If the policyholder terminates the policy, his termination is effective immediately upon receipt by the insurer.

However, the policyholder can also stipulate that the termination will be effective as of a later date, no later than the end of the current insurance year. Termination by the insurer is effective one month after receipt by the policyholder.

If the policy is terminated, the insurer is only entitled to the portion of the premium which corresponds to the elapsed policy.

17.4 Insurance coverage exists for all transport contracts drawn up prior to the termination of the insurance policy up to the fulfilment of all ensuing obligations. However, in the case of

authorized storage, the insurance coverage ends no later than one month after the termination of the insurance policy.

17.5 Cessation of the insured interest

The contract ends at the time the insurer receives notification that the insured interest has ceased to exist after the start of the insurance policy. In this case, he is entitled to the premium that he would have been able to collect if the insurance had been arranged up to the time of receipt of notification. The same applies if the insured interest ceased to exist because an insured event occurred.

**18 LEADERSHIP CLAUSE**

The leadership of the insurance policy is the responsibility of the first named insurer in the list of participants. The leading insurer is entitled to receive notices and declarations of the policyholder for all insurers participating in this policy.

The participating insurers agree to follow all measures initiated by the leading insurer in this policy. This particularly applies for claim adjustment to the benefit of the policyholder. Every measure implemented by the leading insurer is implicitly deemed agreed by the participating insurers.

However, the leading insurer is not entitled to increase the policy maximum without the co-insurers' agreement, who must each decide independently. The participating insurers are entitled, each for their own portion, to terminate the risks of this policy within the stipulated deadline.

In the case of disputes based on this contract, the policyholder will invoke his claims only against the leading insurer and only to the amount of and for their share, if they are not designed for the purpose of achieving a value in dispute for a legal remedy, for which the expansion of the legal dispute to include the participating insurers is required. The participating insurers acknowledge the judgement, as well as settlement after litigation against the policyholder which has become final, as binding for them as well.

The leading insurer is entitled by the co-insurers to conduct all legal disputes in his own name, and in terms of their shares as plaintiff.

**19 STATUTE OF LIMITATION**

19.1 Unless otherwise stipulated, claims resulting from an insurance policy become time-barred after three years. The deadline starts with the end of the year in which the claim arose. The regulations in the German Civil Code are applied accordingly.

19.2 If the policyholder has notified the insurer of a claim, the time from the notification until the receipt of the insurer's written decision is not included in the calculation of the deadline.

## **20 APPLICABLE LAW, PLACE OF JURISDICTION**

- 20.1 This insurance policy is subject to German law, particularly the provisions in the German Insurance Policy Act (VVG).
- 20.2 For claims against the policyholder pertaining to premium payment, payment of loss shares, recourse claims, or for any other reason, the local court at the policyholder's place of business or headquarters is responsible.
- 20.3 For claims against the insurer, the local court at the place of the relevant administrative office of the insurer is responsible.

## **21 SEVERABILITY CLAUSE**

If one or several of the conditions of this contract should be or become invalid, the validity of the other contract conditions remains unaffected. Each invalid condition is to be replaced by another which complies with the law and comes as close as possible to the financial purpose of this contract.

## **22 DATA PROTECTION CLAUSE**

In compliance with regulations of the BDSG (Federal Data Protection Act), the information in the insurance policy is saved at the relevant insurers, and, if applicable, at the reinsurers, as well being transferred to the Association of Loss Insurers for statistical purposes. The address of the respective data recipient will be provided upon request.

## **23 BROKER**

- 23.1 All business transactions in connection with this contract are being processed via the company:

Tel.:  
Fax:

- 23.2 All explanations have been submitted to the insurer and all obligations and responsibilities - including payment obligations - towards him have been fulfilled, as soon as they have been received by the broker or have been fulfilled with respect to the broker.

## **24 AUTHORIZED UNDERWRITING AGENT**

W. Droege & Co. GmbH & Co. KG  
Baumwall 7

20459 Hamburg

Telephone: 040 / 36 12 04-0  
Fax: 040 / 36 12 04-162

# W. DROEGE & CO.

Gegründet 1928

## 25 SIGNATORY PAGE AND LIST OF PARTICIPANTS

60.0 %  
40.0 %  
100.0 % .....

On behalf of the insurer  
W. Droege & Co. GmbH & Co. KG

## **ATTACHMENT REGARDING FREIGHT CARRIERS' LIABILITY POLICY** **SPECIAL CONDITIONS FOR CUSTOMS RISK**

### **26 SUBJECT OF THE INSURANCE POLICY**

Subject of the insurance policy are requests for carrying out customs procedures of all kinds (customs orders), unless they have been assigned by private persons.

Customs orders that pertain solely - without taking on responsibility for obtaining or carrying out the transport of the shipment - to undertaking a community/common transit procedure, are only then the subject of this insurance policy

- if the purchaser has an ongoing business relationship with the policyholder
- if the policyholder had the recipient, who resides within the valid location range of the shipping procedure, verify in writing that he ordered and is expecting the shipment, prior to the initiation of the shipment process.

### **27 INSURED INTERESTS**

#### **Insured are**

- 27.1 the fees levied by the European customs authorities against the policyholder due to incorrectly carrying out customs orders in his capacity as applicant (traders, main responsible party in a community/common transit procedure, customs declarant, customs value declarant, and their representatives), persons liable for customs, tax or liability;
- 27.2 charges demanded in accordance with section 27.1 against third parties, if and insofar as the policyholder is obligated to reimburse them in accordance with legal provisions.

### **28 EXTENT OF COVERAGE**

The insurer's coverage obligation includes the satisfaction of substantiated claims and the defence against unsubstantiated claims that are charged against the policyholder.

### **29 EXCLUSIONS**

#### **Excluded claims are**

- 29.1 those arising from the initiation of a community/common transit procedure in countries that do not belong to the European Union;
- 29.2 those caused by the policyholder's intentional acts or negligence, or the acts of his legal representatives, authorized signatories or heads of branch offices;

- 29.3 those arising from the initiation of a community/common transit procedure that involves the customs or fiscal treatment of
- the following market regulated goods: live cattle, meat and meat products, grain or
  - the following products subject to excise duty: tobacco products, ethyl alcohol, brandy, liqueur and other spirits.
- 29.4 based on the TIR Carnet procedure;
- 29.5 which correspond to fiscal offence laws or economic criminal law, or have a penalty-like character, such as monetary penalties, administrative penalties, fines, funds from enforcement and securities;
- 29.6 that are covered by a forwarding insurance policy or another insurance owned by the policyholder (e.g., freight carriers' liability insurance);
- 29.7 insofar as the enforcement of recourse or refund claims based on the policyholder's actions or omissions are excluded;
- 29.8 those arising from operating an open customs warehouse (OZL), unless a special agreement has been reached through a co-insurer.

## **30 LIMITATION OF INSURANCE COVERAGE**

The insurance is limited to € 50,000.00 per case, which involves a claim arising against the policyholder, and a maximum of € 500,000.00 per insurance year. This amount is determined based on the time of the respective incorrectly carried out customs order.

## **31 TERMINATION AFTER A LOSS CLAIM**

The insurer and the policyholder are entitled to terminate this insurance policy by registered letter with one month's notice in the event of a loss claim. This entitlement is forfeited if it has not been exercised at the latest within one month of the date after settlement or refusal of a filed insurance claim.

## **32 OTHER PROVISIONS**

Otherwise, the provisions of the freight carriers' liability policy apply.

## 33 PROFIT-SHARING

33.1.1 The policyholder receives a profit share at the end of the respective insurance year for the total premiums paid - excluding the premiums for political risks - amounting to % based on the following scheme:

Total annual premium	€ .....
./. 40.0 % administrative costs / major claim reserve	€ .....
./. paid and reserved claims	€ .....
	_____
	€ .....
Thereupon % profit-sharing	€ .....

33.1.2 The profit share calculation is carried out not earlier than one-half year after the end of the insurance year.

33.1.3 Any loss arising will be carried forward in full to a year following the loss year.