

**SCHEDULE OF TERMS, CONDITIONS, RATES AND OTHER ARRANGEMENTS**

Attaching to and forming part of Open Policy No. JFMO488K358-A dated April 1, 2004.

**1. COMMENCEMENT AND TERMINATION OF INSURANCE**

Kind of Cargo	Marine Risks	War and S. R. & C.C. Risks
Cargo covered by House Air Waybill Insurance	Institute Air Cargo Clauses (All Risks) (excluding sending by Post) but deleting Clause No.10 as attached. Including the following Clauses:  Special Risk Attach Clause Termination Transit Clause (Terrorism)	Institute War Clauses (Air Cargo) (excluding sendings by Post) and Institute Air Cargo Clauses (All Risks) (excluding sendings by Post); but deleting Clause No.10 as attached.  Termination Transit Clause (Terrorism)

**2. TERMS AND CONDITIONS**

Kind of Cargo	Marine Risks	War and S. R. & C.C. Risks
Cargo covered by House Air Waybill Insurance	Institute Air Cargo Clauses (All Risks) (excluding sending by Post) but deleting Clause No.10.) , Institute Dangerous Drugs Clause, Institute Extended Radioactive Contamination Exclusion Clause, Institute Chemical, Biological, Bio-Chemical, Electromagnetic Weapons and Attack Exclusion Clause, Electronic Data Recognition Exclusion Clause, Wild Fauna and Flora Clause, Pair & Set Clause, Waiver of Subrogation Clause, Standard Packing Clause, Quarantine Clause, Warranty for Refrigerated Cargo, Warranty for Chilled Cargo, Special Airfreight Cover Clause  Special Clauses as arranged respectively.	Institute War Clauses (Air Cargo) (excluding sendings by Post), Institute Air Cargo Clauses(All Risks)(excluding sendings by Post ) but deleting Clause No. 10, Institute War Cancellation Clause, Strikes Riots and Civil Commotions Cancellation Clause  Special Clauses as arranged respectively.

**3. LIMIT OF LIABILITY**

Kind of cargo	Limit of Amount
Cargo covered by House Air Waybill Insurance	Not exceeding U.S. \$8,000,000 by any one Aircraft and/or connecting conveyance or in any one place at any one time; but not exceeding U.S. \$25,000 any one House Air Waybill.

**4. RATE OF PREMIUM**

Kind of Cargo	Rates of Premium
Cargo covered by House Air Waybill Insurance:	0.20%  Special Rates are available subject to special arrangement from the Insurer.

**5. MINIMUM PREMIUM**

The minimum premiums shall be charged: Any one House Air Waybill U.S. \$ 8.00

# THE LIST OF SPECIAL CLAUSES APPLYING

## INSTITUTE AIR CARGO CLAUSES (ALL RISKS) (excluding sending by Post)

- 1. TRANSIT CLAUSE** This insurance attaches from time the subject matter insured leaves the warehouse, premises or place of storage at the place named in the policy for the commencement of the transit, continues during the ordinary course of transit and terminates either on delivery
- (a) to the Consignees' or other final warehouse, premises or place of storage at the destination named in the policy
  - (b) to any other warehouse, premises or place of storage, whether prior to or at the destination named in the policy, which the Assured elect to use either
    - (i) for storage other than in the ordinary course of transit
    - or
    - (ii) for allocation or distribution,
    - or
    - (c) on the expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge, whichever shall first occur.
- This insurance shall remain in force (subject to termination as provided for above and to the provision of Clause 2 below) during delay beyond the control of the Assured, and any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to the air carriers under the contract of carriage.
- 2. TERMINATION OF ADVENTURE CLAUSE** If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a place other than the destination named therein or the adventure is otherwise terminated before delivery of the subject-matter insured as provided for in Clause 1 above, then, subject to prompt notice being given to Underwriters and to an additional premium if required, this insurance shall remain in force until either
- (i) the subject-matter is sold and delivered at such place or, unless otherwise specially agreed, until the expiry of 30 days after completion of unloading of the subject-matter hereby insured from the aircraft at such place, whichever shall first occur,
  - or
  - (ii) if the subject-matter is forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named in the policy or to any other destination, until terminated in accordance with the provision of Clause 1 above.
- 3. CHANGE OF TRANSIT CLAUSE** Held covered at a premium to be arranged in case of change of transit or of any omission or error in the description of the subject-matter insured or of the transit.
- 4. ALL RISKS CLAUSE** This insurance is against all risks of loss of or damage to the subject-matter insured but shall in no case be deemed to extend to cover loss damage or expense proximately caused by delay or inherent vice or nature of the subject-matter insured. Claims recoverable hereunder shall be payable irrespective of percentage.
- 5. CONSTRUCTIVE TOTAL LOSS CLAUSE** No claim for Constructive Total Loss shall be recoverable hereunder unless the subject-matter insured is reasonably abandoned either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject-matter to the destination to which it is insured would exceed its value on arrival.
- 6. BAILEE CLAUSE** It is the duty of the Assured and their agents, in all cases, to take such measures as may be reasonable for the purpose of averting or minimizing a loss and to ensure that all right against carriers, bailees or other third parties are properly preserved and exercised.
- 7. NOT TO INURE CLAUSE** This insurance shall not inure to the benefit of the carrier of other bailee.
- 8. F.C. & S. CLAUSE** Warranted free of capture, seizure, arrest, restraint, or detention, and the consequences thereof or of any attempt thereat; also from the consequences of hostilities or warlike operations, whether there be a declaration of war or not, but this warranty shall not exclude collision, contact with any fixed, floating or airborne object (other than a mine, torpedo or other warlike missile), heavy weather or fire unless caused directly (and independently of the nature of the venture or service which the aircraft concerned or, in the case of collision, any other aircraft involved therein, is performing) by a hostile act by or against a belligerent power; and for the purpose of this warranty 'power' includes any authority maintaining naval, military or air forces in association with a power.  
Further warranted free from the consequences of civil war, revolution, rebellion, insurrection or civil strife arising therefrom, or piracy.  
Should Clause No. 8 be deleted, the current Institute War Clauses (Air) (excluding sendings by Post) shall be deemed to form part of this insurance.
- 9. FRUSTRATION & CONFISCATION CLAUSE** This policy is warranted free of any claim based upon loss of, or frustration of, the insured voyage or adventure caused by arrests restraints or detentions of Kings Princes Peoples Usurpers or persons attempting to usurp power, and  
from any claim for loss damage or expense arising from confiscation or nationalisation or requisition.
- 10. F.S.R & C.C. CLAUSE Deleted.**
- 11. S.R. & C.C. CLAUSE** Should Clause No. 10 be deleted, this insurance covers loss of or damaged to the subject-matter insured caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions, but warranted free of loss or damage proximately caused by the absence, shortage or withholding of power, fuel or labour of any description whatsoever during any strike lock-out, labour disturbance, riot or civil commotion, or of any claim for expenses arising from delay.
- 12. REASONABLE DESPATCH CLAUSE** It is a condition of this insurance that the Assured shall act with reasonable despatch in all circumstances within their control.
- NOTE-It is necessary for the Assured when they become aware of an event which is "held covered" under this insurance to give prompt notice to Underwriters and the right to such cover is dependent upon compliance with this obligation.
- In case of insurance on "W.A." conditions the following clause shall be applied in place of clause 4 of the Institute Air Cargo Clauses (All Risks) incorporated herein.
- Warranted free from average under the percentage specified in the policy, unless general, or the vessel or craft be stranded, sunk or burnt, but notwithstanding this warranty the underwriters are to pay the insured value of any package which may be totally lost in loading, transshipment or discharge, also for any loss of or damage to the interest insured which may reasonably be attributed to fire, explosion, collision or contact of the vessel and/or craft and/or conveyance with any external substance (ice included) other than water, or to discharge of cargo at a port of distress. This Clause shall operate during the whole period covered by the policy.
- In case of insurance on "F.P.A" conditions the following clause shall be applied in place of clause 4 of the Institute Air Cargo Clauses (All Risks) incorporated herein.
- Warranted free from Particular Average unless the vessel or craft be stranded, sunk, or burnt but notwithstanding this warranty the Underwriters are to pay the insured value of any package or packages which may be totally lost in loading, transshipment or discharge, also for any loss of or damage to the interest insured which may reasonably be attributed to fire, explosion, collision or contact of the vessel and/or craft and/or conveyance with any external substance (ice included) other than water, or to discharge of cargo at a port of distress, also to pay special charges for loading warehousing and forwarding if incurred at an intermediate port of call or refuge, for which Underwriters would be liable under the standard form of English Marine Policy with the Institute Cargo Clause (W.A.) attached.  
This Clause shall operate during the whole period covered by the policy.

**INSTITUTE WAR CLAUSES (AIR CARGO)**  
**(excluding sendings by Post)**

**1. This insurance covers**

- 1.1 the risks excluded from the following clause "Warranted free of capture, seizure, arrest, restraint or detention, and the consequences thereof or of any attempt thereat; also from the consequences of hostilities or warlike operations, whether there be a declaration of war or not; but this warranty shall not exclude collision, contact with any fixed, floating or airborne object (other than a mine, torpedo or other warlike missile), heavy weather or fire unless caused directly (and independently of the nature of the venture or service which the aircraft concerned or, in the case of a collision, any other aircraft involved therein, is performing) by a hostile act by or against a belligerent power and for the purpose of this warranty 'power' includes any authority maintaining naval, military or air forces in association with a power.  
Further warranted free from the consequences of civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or piracy."  
1.2 loss of or damage to the interest insured caused by  
1.2.1 hostilities, warlike operations, civil war, revolution, rebellion, insurrection or civil strife arising therefrom  
1.2.2 mine, torpedoes, bombs or other engines of war  
1.3 general average and salvage charges incurred for the purpose of avoiding, or in connection with the avoidance of, loss by a peril insured against by these clauses. General average and salvage charges payable according to Foreign Statement or to York-Antwerp Rules if in accordance with the contract of affreightment.

**2. This insurance excludes**

- 2.1 any claim based upon loss of, or frustration of, the insured voyage or adventure caused by arrest restraints or detentions of Kings Princes Usurpers or persons at tempting to usurp power  
2.2 loss damage or expense arising from any hostile use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radio-active force or matter  
2.3 loss or damage covered by the Institute Air Cargo Clauses (All Risks) with the Free or Capture etc. Clause (as quoted in 1.1 above) inserted therein  
2.4 loss or damage proximately caused by delay inherent vice or loss of market, or any claim for expenses arising from delay.

**3. Claims recoverable shall be payable irrespective of percentage.**

**4. This insurance**

- 4.1 attaches only as the interest insured and as to any part as that part is loaded on the aircraft for commencement of transit and  
4.2 terminates, subject to 4.5 and 4.6 below, either as the interest and as to any part as that part is discharged from the aircraft at the final place of discharge  
or  
on expiry of 15 days counting from midnight of the day of arrival of the aircraft at the final place of discharge, whichever first occurs;  
nevertheless,  
subject to prompt notice to the Underwriters and the payment of any additional premium, such insurance  
4.3 reattaches when, without having discharged the interest at the final place of discharge, the aircraft departs therefrom, and  
4.4 terminates, subject to 4.5 and 4.6 below, either as the interest and as to any part as that part is thereafter discharged from the aircraft at the final (or substituted) place of discharge,  
or  
on expiry of 15 days counting from midnight of the day of re-arrival of the aircraft at the final place of discharge or arrival of the aircraft at a substituted place of discharge,  
whichever shall first occur.  
4.5 if during the insured voyage the aircraft arrives at an intermediate place to discharge the interest for on-carriage by the same or another aircraft or an oversea vessel, such insurance terminates on expiry of 15 days counting from the midnight of the day of arrival of the aircraft at that place, but reattaches as the interest and as to any part as that part is loaded on the on-carrying oversea vessel. During the period of 15 days such insurance remains in force after discharge only whilst the interest and as to any part as that part is at such intermediate place of discharge. If the insurance reattaches, it thereafter terminates in accordance with 4.2, unless the interest insured is forwarded on an oversea vessel when the relevant current Institute War Clauses shall apply from the reattachment of the insurance.  
4.6 if the air transit in the contract of carriage is terminated at a place other than the destination agreed therein, such place shall be deemed to be the final place of discharge and such insurance terminates in accordance with 4.2. If the interest is subsequently consigned to the original or any other destination, then, provided notice is given to the Underwriters before the commencement of such further transit and subject to the payment of an additional premium, such insurance reattaches  
4.6.1 in the case of interest having been discharged, as the interest and as to any part as that part is loaded on the on-carrying aircraft for the transit;  
4.6.2 in the case of interest not having been discharged, when the aircraft departs from such deemed final places of discharge;  
thereafter such insurance terminates in accordance with 4.4.

(For the purpose of Clause 4

"oversea vessel" shall be deemed to mean a vessel carrying the interest from one port or place to another where such voyage involves a sea passage by that vessel)

**5. Anything contained in this contract which is inconsistent with Clause 2.1, 2.2 or 4 shall, to the extent of such inconsistency, be null and void.**

**6. Subject to prompt notice to the Underwriters and the payment of an additional premium, the interest is held covered within the provisions of these clauses in the case of**

- 6.1. change of or deviation from the voyage  
6.2. variation of the adventure by the reason of the exercise of any liberty granted to the air carrier under the contract of carriage.

**7. It is a condition of this insurance that the Assured shall act with reasonable despatch in all circumstances within their control.**

**INSTITUTE DANGEROUS DRUGS CLAUSE**

It is understood and agreed that no claim under this policy will be paid in respect of drugs to which the various International Conventions relating to Opium and other dangerous drugs apply unless

- (1) the drugs shall be expressly declared as such in the policy and the name of the country from which, and the name of the country to which they are consigned shall be specifically stated in the policy, and  
(2) the proof of loss is accompanied either by a license, certificate or authorization issued by the Government of the country to which the drugs are consigned showing that the importation of the consignment into that country has been approved by that Government, or, alternatively, by a license, certificate or authorization issued by the Government of the country from which the drugs are consigned showing that the export of the consignment to the destination stated has been approved by that Government; and  
(3) the route by which the drugs were conveyed was usual and customary.

**INSTITUTE EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE**

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

- 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel  
1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof  
1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter  
1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

**INSTITUTE CHEMICAL, BIOLOGICAL, BIO-CHEMICAL,  
ELECTROMAGNETIC WEAPONS AND CYBER ATTACK EXCLUSION CLAUSE**

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

1.1 any chemical, biological, bio-chemical or electromagnetic weapon

1.2 the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, computer virus or process or any other electronic system.

**War Cancellation Clause**

The inclusion in this contract of insurance against War Risks (as defined in Clause No.1 of the Institute War Clauses) may be cancelled by either the Underwriters or the Assured giving 7 days notice. Such cancellation shall become effective on the expiry of 7 days from midnight of the day on which notice of the cancellation is issued by or to Underwriters, but shall not apply to:-

(a) any insurance against the said risks which shall have attached in accordance with the conditions of the Institute War Clauses before the cancellation becomes effective.

(b) any declaration of goods for shipment by a named vessel or of specified goods to be shipped by a vessel to be named later accepted by Underwriters before that time at which the cancellation becomes effective, such goods not having been loaded on board the overseas vessel before that time, provided the goods be loaded on board the overseas vessel and the vessel sails within 15 days from midnight of the day on which the cancellation becomes effective, but if the insurance shall have attached and the vessel does not sail within the said 15 days the insurance shall end on the expiry of that period notwithstanding anything to the contrary contained in the provisions of this contract of insurance.

Nothing in this clause shall operate to cause a declaration to attach to this contract if such declaration would be excluded owing to the vessel not having sailed within the period stated in the contract

**Strikes, Riots & Civil Commotions Cancellation Clause**

The inclusion in this contract of cover against S.R.& C.C. Risks (as defined in Clause No.1 of the Institute Strikes Riots and Civil Commotions Clauses) may be cancelled by either the underwriters or the Assured except in respect of any insurances against the said risks which shall have attached in accordance with the cover granted in the Institute Strikes Riots and Civil Commotions Clauses before cancellation becomes effective on the expiration of 7 days (48 hours in respect of S.R.& C.C. Risks for shipments to and from U.S.A.) from midnight of the day on which notice of the cancellation is issued by or to underwriters.

**ELECTRONIC DATA RECOGNITION EXCLUSION CLAUSE**

In no case shall this insurance cover any loss, damage, expense or liability of whatever nature which might otherwise be recoverable under this insurance arising out of or in any way connected with, whether directly or indirectly, the use or operation of any computer, computer system, computer software, program or process or any electronic system where any such loss, damage, expense or liability arises, whether directly or indirectly, as a consequence of (i) the date change to the year 2000 or any other date change, and/or (ii) any change or modification of or to any such computer, computer system, computer software, program or process or any electronic system in relation to any such date change.

This exclusion however, does not apply to claims for loss of or damage to the subject matter insured reasonably attributable to:

(1) fire or explosion

(2) any risks whilst in transit

Subject always to the terms, conditions, limits and exclusions contained elsewhere in this policy.

## **TERMINATION OF TRANSIT CLAUSE (TERRORISM)**

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1 Notwithstanding any provision to the contrary contained in this Policy or the Clauses referred to therein, it is agreed that in so far as this Policy covers loss of or damage to the subject-matter insured caused by any terrorist or any person acting from a political motive, such cover is conditional upon the subject-matter insured being in the ordinary course of transit and, in any event, SHALL

TERMINATE: either

1.1 As per the transit clauses contained within the Policy, or

1.2 on delivery to the Consignee's or other final warehouse or place of storage at the destination named herein, or

1.3 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or

1.4 in respect of marine transits, on the expiry of 60 days after completion of discharge overseas of the goods hereby insured from the overseas vessel at the final port of discharge,

1.5 in respect of air transits, on the expiry of 30 days after unloading the subject matter insured from the aircraft at the final place of discharge,

2 If this Policy or the Clauses referred to therein specifically provide cover for inland or other further transits following on from storage, or termination as provided for above, cover will re-attach, and continues during the ordinary course of that transit terminating again in accordance with clause 1.

3 This clause is subject to English law and practice.

## **Wild Fauna and Flora Clause**

It is understood and agreed that

(1) no claim will be paid unless the trades of the goods covered hereunder are lawful in the light of any rules, regulations and/or laws enforced in compliance with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES, so-called "Washington Convention") in each country of origin, export, re-export or import,

(2) the assured, if required by this Company, shall submit certificates, permits, vouchers and/or other documents showing that the trades are not inconsistent with the above rules, regulations and/or laws, and

(3) this Company shall have the right to investigate facts and legality in respect of the trades in case of claims being presented.

## **PAIR & SET CLAUSE**

Where any insured item consists of articles in a pair or set, this insurance is not to pay more than the value of any particular part or parts which may be lost or damaged, without reference to any special value which such article or articles may have as part of such pair or set; nor more than a proportionate part of the insured value of the pair or set.

## **Waiver of Subrogation Clause**

The Insurer shall waive the right of subrogation in respect of loss of or damage to the goods hereby insured claimable hereon, if any, against NIPPON EXPRESS COMPANY, LIMITED (NITTSU) and all subsidiaries (including overseas subsidiaries) and associated companies and agents of the aforementioned engaged in transportation of personal effects, unless such loss or damage is caused by willful misconduct or gross negligence of above mentioned companies.

## **Standard Packing Clause**

In case of loss of or damage to the goods hereby insured, the Underwriters shall not decline any claim by reason of insufficient packing of the goods, so long as such packing shall be admitted as appropriate for transportation by the Insured and/or all subsidiaries (including overseas subsidiaries) and/or associated companies and/or agents of the aforementioned.

### **Quarantine Clause**

Notwithstanding anything contained in the Institute Cargo Clauses (All Risks) and/or the Institute War Clauses incorporated herein, this policy is warranted free from any claim for either,

- (1) loss, damage or expense due to quarantine or other similar regulations causing or resulting in seizure, arrest, restraint, detention, rejection or destruction, or
- (2) loss, damage or expense caused by the interest being infected with harmful bacteria or other similar microorganisms unless such loss, damage or expense is attributable to contact of the interest with sea water, rain or fresh water, or derangement or breakdown of the refrigerating plant (including refrigerating machinery and insulation) or stoppage of the refrigerating machinery.

### **Warranty for Refrigerated Cargo**

Notwithstanding anything to the contrary contained herein, it is a warranty of this insurance that:-

- (i) The goods are in sound condition and properly prepared, packed and frozen at the time of attachment of the insurance.
- (ii) The period between the first passing of the goods into a Freezing Chamber and shipment on board the overseas vessel shall not exceed 60 days.
- (iii) The Assured shall take all precautions to ensure that the goods are kept in refrigerated or insulated space during the currency of the policy except during actual loading or unloading operations.
- (iv) On discovery by the Assured, his servants or agents of any loss of, deterioration of or damage to any part of the goods immediate notice shall be given to Underwriters. In no case shall any claim be recoverable hereunder where notice is given to Underwriters more than 30 days after the termination of the insurance.
- (v) Claim against the carrier shall be immediately filed in writing, a copy of which must accompany any claim presented under this insurance.

### **Warranty for Chilled Cargo**

Notwithstanding anything to the contrary contained herein, it is a warranty of this insurance that:-

- (i) The goods are in sound condition and properly prepared, packed and chilled at the time of attachment of the insurance.
- (ii) The period between the first passing of the goods into a Chilling Chamber and shipment on board the overseas vessel shall not exceed 60 days.
- (iii) The Assured shall take all precautions to ensure that the goods are kept in chilled or insulated space during the currency of the policy except during actual loading or unloading operations.
- (iv) On discovery by the Assured, his servants or agents of any loss of, deterioration of or damage to any part of the goods immediate notice shall be given to Underwriters. In no case shall any claim be recoverable hereunder where notice is given to Underwriters more than 30 days after the termination of the insurance.
- (v) Claim against the carrier shall be immediately filed in writing, a copy of which must accompany any claim presented under this insurance.

### **Special Airfreight Cover Clause**

Notwithstanding anything contained herein to the contrary, it is hereby understood and agreed that, in the event of loss of or damage to any item(s) or unit(s) of the goods hereby insured caused by a peril covered under this Policy, where the loss or damage consequently brings about total loss of each item or unit, this Company shall be liable to pay the actual charges for forwarding of the replacement materials for such item or unit (including airfreight), as well as any duties or taxes and any other costs relating to the replacement, if reasonably incurred and subject to prior approval of this Company.