



MARINE
UNDERWRITING
SERVICES

SADVITA IR KO UAB

MUS LOGISTICS PROTECTION

INSURANCE POLICY NO

1711400116



Marine Underwriting Services SIA
Reg. 40103608205
4A Baznīcas Street, Riga LV-1010, Latvia

Phone (371) 67 830 870
Fax (371) 67 830 871
www.underwriting.lv



SADVITA IR KO UAB (COMPANY CODE 300007193)

Silutes pl. 2, 318 room., LT-91111, Klaipėda, Lithuania

Date of Issue: **November 6, 2014**

INSURANCE POLICY

MUS LOGISTICS PROTECTION

REFERENCE NO. 1711400116

1. POLICY FORM

MUS Logistics Protection, version March 1, 2013

2. PERIOD OF INSURANCE

12 months commencing on 00:00 GMT+2 on **November 10, 2014**

3. ASSURED, JOINT ASSUREDS AND CO-ASSUREDS

3.1 ASSURED

SADVITA IR KO UAB
Silutes pl. 2, 318 room
LT-91111, Klaipėda
Lithuania

3.2 JOINT ASSURED

None

3.3 CO-ASSURED

None

4. INSURANCE BROKER

DRAUMASTA UADBB
Žalgirio str. 92
Vilnius, LT-09303
Lietuva



**5. INSURED OPERATIONS AND SERVICES****5.1 MAIN OPERATIONS AND SERVICES**

- | | |
|---|-----|
| <input type="checkbox"/> Road haulage | NO |
| <input checked="" type="checkbox"/> Freight forwarding | YES |
| <input type="checkbox"/> NVOCC | NO |
| <input type="checkbox"/> Rolling stock operator | NO |
| <input type="checkbox"/> Warehousing (as the main contractor) | NO |
| <input type="checkbox"/> Others (full details): | NO |

5.2 ANCILLARY OPERATIONS AND SERVICES

- | | |
|--|----|
| <input type="checkbox"/> Ship agent | NO |
| <input type="checkbox"/> Liner agent | NO |
| <input type="checkbox"/> Others (full details) | NO |

6. APPROVED CONTRACTS

Warranted that the Assured, Joint Assureds and Co-Assureds do business under the following contracts, terms and conditions:

- 1) General Conditions of the Nordic Association of Freight Forwarders (NSAB 2000), as may apply, but warranted this insurance will not respond to any claims referring to §27.C.3. (duty to insure on storage);
- 2) Convention on the Contract for the International Carriage of Goods by Road (CMR);
- 3) Any written contract under which the Assured (etc) does not accept greater liability than in accordance to one of the above mentioned conditions;

By derogation of § 4.1.2 of MUS Logistics Protection general insurance conditions liability under any other terms, contracts or conditions or any wider liability than according to contracts mentioned above is strictly excluded under this contract of insurance, unless such terms, contracts or conditions were seen and approved by Insurers in writing.

7. TRADING LIMITS**7.1 TRANSPORT OPERATIONS**

Zone 5 as per § 3.1 of MUS Logistics Protection general insurance conditions (definitions): Worldwide, but excluding areas listed by Joint War Committee and published at http://www.lmalloyds.com/Web/market_places/marine/IWC/joint_War.aspx

7.2 CARGO HANDLING FACILITY

Not insured

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- 3 -

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8. RISKS INSURED, LIMITS AND DEDUCTIBLES

Cover under this policy only applies to the risks which are specified as "Insured" in the Schedule hereafter.

The numbers mentioned in this Schedule refer to the numbers of the paragraphs of the MUS Logistics Protection general insurance conditions.

RISKS:	INSURED Yes/No	LIMITS	DEDUCTIBLES
GENERAL LIMITS AND DEDUCTIBLES	-	€ 500,000 any one accident or occurrence and € 1,000,000 in all during the policy period	€ 750 any one accident or occurrence
		Special limits:	Special deductibles:
4.1 Liability in respect of customers	YES		
1) Contractual liability for cargo	YES		€ 1,500 in respect of claims related to carriage and/or handling of temperature-controlled cargo, TV sets (including plasma, LCD, LED panels), white or any other consumer electronic goods, tobacco (raw material only), alcoholic beverages not exceeding 18% vol. and project (over-sized and/or heavy weight) cargo as well as in respect of carriage of groupage cargoes partly consisting of goods (up to 30% of the load) listed in paragraph "Excluded Merchandise" (paragraph 9.2) hereunder
2) Professional liability for errors and omissions	YES	Sub-limited to € 50,000 any one accident or occurrence	
3) Consequential financial loss	YES		
4.2 Legal liability in respect of third parties	NO		
1) Liability for damage to property	NO		
2) Liability for bodily injuries	NO		



4.3 Liability for increased contractual obligations	NO		
1) Liability in respect of declared value (ad valorem)	NO		
2) Liability in respect of delay in delivery	NO		
4.4 Liability caused by gross negligence	YES	Sub-limited to € 150,000 any one accident or occurrence and in all for the period of insurance	€ 2,500 any one accident or occurrence
4.5 Liability for containers and trailers	YES		
1) Liability for containers	YES	€ 100,000 any one accident or occurrence	Subject to separate and additional deductible of € 500 any one accident or occurrence
2) Liability for trailers	YES		
4.6 Liabilities for tax and duty	NO		
4.7 Liability for accidental pollution	NO		
4.8 Liability in providing ship's or liner agency services	NO		
4.9 Costs	YES	Included in the limits	Not applicable
4.10 Damage to rolling equipment	NO		

In case if more than one deductible can be applied any one accident or occurrence, it is agreed that only one highest deductible to apply.

In case there are various claims presented to the Assured, which all are proximately the damaging consequences resulting from the same cause or generating circumstance only one deductible should apply to all claim cumulated together.

9. SPECIAL PROVISIONS

9.1 SURVEY FEES CLAUSE

In the event of the Assured complying with the instructions contained in this policy to call for a survey in respect of loss or damage which may result in a claim hereunder, it is hereby understood and agreed that reasonable expenses incurred and fees charged in respect of this survey and/or testing are for the Insurers account even though a claim may not subsequently result hereunder.

9.2 EXCLUDED MERCHANDISE

It is further agreed and understood that unless otherwise agreed with Insurers in writing and besides to specific cargoes listed in § 5.1.7 of MUS Logistics Protection general insurance conditions this insurance will not respond to any claims when the following cargoes are carried by the Assured:

- Hardware and software
- Chewing gum
- Mobile phones



- Personal effects
- Yachts and pleasure craft
- Motor vehicles
- Alcohol and/or alcoholic beverages of any kind (in excess of 18% vol)
- Tobacco and tobacco based products (except raw material)

9.3 SUBCONTRACTORS CLAUSE

It is a condition precedent of this insurance that the Assured will take all reasonable steps to check that all subcontractors employed by them has valid liability insurance and such insurance is in force during entire period of their employment.

Furthermore it is a duty of the Assured not to release their subcontractors from any liability and to safeguard rights of Insurers to present a proper recovery claims against any performing or contract carrier employed by the Assured.

Failure of the Assured to demonstrate that he acted as required under this clause will release Insurers from any liability under this policy.

9.4 TEMPERATURE-CONTROLLING EQUIPMENT WARRANTY

Warranted carriage of temperature controlled cargoes is performed only using temperature controlling units, which are operational separately from carrying vehicle.

9.5 CONDITIONS OF THEFT CLAUSE

Appendix 1 of MUS logistics protection general conditions of insurance is substituted by the following wording:

This insurance remains in force, if carrying conveyance for over-night stops is parked on dedicated parking area* located near high-ways and/or in cities or towns and/or petrol stations and/or nearby loading/ unloading places, customs terminals, warehouses, cafeteria's or similar eating-places. It is a condition precedent that the truck driver will remain in his truck during the rest hours.

Underwriters agree that there are no special requirements in respect of short-term parking (required for fuelling, meals, customs clearance, etc.).

In case if above-described requirements are not complied with, Appendix 1 becomes effective.

**Dedicated parking area - areas designed for parking of trucks and marked with respective parking sign*

9.6 WRONGFUL DELIVERY OF CARGO CLAUSE

This insurance is extended to indemnify extra costs of the Assured incurred in sending misdirected cargo to the correct destination calculated as follows:

- costs of carriage of cargo from the place at which the Assured originally received it to the place where it was misdirected
- plus
- costs of carriage from the place to which it was misdirected to the correct place
- less
- freight and other charges due to the Assured for the carriage

The carriage from the place to which it was misdirected to the correct place will not be by air.

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- 6 -

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10. PREMIUMS

10.1 PREMIUM AND ADJUSTMENT RATE

This insurance is subject to minimum and deposit premium of € 4,600 payable in four equal installments quarterly and adjustable on expiry at 0.2% of gross freight receipts for the period of this insurance estimated at € 2,900,000, but always subject to Loss Review Clause hereunder.

10.2 LOSS REVIEW CLAUSE

Insurers agree to apply 20% discount in final premium adjustment (always subject to minimum premium as stated herein) subject to:

- a) Policy is renewed with the same Insurers and Insurance brokers for another 12 months (but subject rate increase not exceeding 25%);
- b) Gross loss ratio for the underwriting year is not exceeding 50%.

If Insurers will decide not to renew this policy due to any reason and gross loss ratio for the underwriting year is not exceeding 50% adjustment discount should remain intact.

10.3 GROSS LOSS RATIO DEFINED

For the purpose of Loss Review Clause "Gross loss ratio" should be calculated as *debit** should be divided by *credit*** expressed in percentage where:

** Debit is sum of gross deposit premium and additional premium paid by the Assured;*

*** Credit is sum of gross claims paid and estimated amounts in respect of claims outstanding, less refunds, salvage recoveries and deductibles, plus fees and/or costs paid by Insurers to third parties in connection to claims incurred.*

10.4 GROSS LOSS RATIO DEFINED

Minimum and deposit premium payable in four equal instalments quarterly:

€ 1,150.00	before November 14, 2014
€ 1,150.00	before February 15, 2015
€ 1,150.00	before May 15, 2015
€ 1,150.00	before August 15, 2015

Other premiums due within 30 days of debit note issuance.

11. CLAIMS NOTIFICATION

All claims or circumstance, which may give rise to a claim under this policy, should be immediately notified to:

MARINE UNDERWRITING SERVICES, SIA
Baznīcas 4a, Riga LV 1010, Latvia
Tel: (371) 67-830-870
AOH: (371) 277-14-777
Email: claims@underwriting.lv

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- 7 -

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12. INFORMATION GIVEN TO UNDERWRITING AGENTS

This indication of insurance is based on information provided by the insurance broker by various emails submitted during October and November, 2014

13. LAW AND JURISDICTION

Law: As per § 6.15.1 of MUS Logistics Protection general insurance conditions.
Jurisdiction: Latvia

14. INSURERS

100% INTERNATIONAL INSURANCE COMPANY OF HANNOVER SE
10, Fenchurch Street, London EC3M 3BE, United Kingdom

15. SIGNATURES

MARINE UNDERWRITING SERVICES SIA

ASSURED


Māris Purlaurs
underwriting and claims management agents for
International Insurance Company of Hannover SE.

