

INTERNATIONAL FREIGHT MOVEMENT OPERATORS INSURANCE POLICY

WHEREAS the individual, firm or corporation whilst part in any of the Insured Activities(hereinafter called the Assured") named in the Schedule has made to the Company a written proposal or declaration bearing the date specified in the Schedule, which is hereby agreed to be the basis of this contract and to be considered as incorporated herein.

THE SUBCRIBING Company agrees, subject to the terms, conditions, limitations and exceptions contained herein or endorsed or otherwise expressed hereon, to indemnify the Assured in respect of :

INSURED ACTIVITIES

Freight Forwarders, Aircraft and/or Ship Brokers, Bailees, Carriers, Clearance Agents, NVOC's, Container Operators, Customs Brokers, Packers, Shippers, Stevedores, Terminal Operators, Trailer Operators, Transport Consultants, Transport Contractors, Warehouse Keepers, Wharfingers, Removers, Cold Store Operators or any similar operators subject to the definitions in the general conditions.

TRADING CONDITIONS

- a) It is hereby understood and agreed that the Assured will not waive or amend the Trading Conditions declared without the agreement of the Company, and
- b) that the Assured shall take all reasonable steps to ensure that the said conditions are incorporated into contracts entered into by the Assured in the course of the Assured's business.

SECTION I - GOODS - LEGAL LIABILITY

A. The liability of the Assured, as previously defined for or arising out of loss or destruction of, or damage to goods, or delay in delivery, howsoever caused during the period of insurance stated in the Schedule, under Common Law, Contract, National or International Convention, or by Statute.

B. All any every additional cost and/or expense necessarily and reasonably incurred by the Assured in consequence of or in order to prevent or minimize a loss or losses, which would be recoverable hereunder including legal costs incurred in the defense or settlement of claims against the Assured.

C. Their legal liability for Cargo's proportion of General Average and/or Savage :

- i) arising solely from the breach by the Assured of their contract of carriage with the customer, or
- ii) where the Assured is obliged, by agreement with the customer or otherwise to pay such proportion in respect of cargo.

The Company hereon shall at the request of the Assured sign and issue General Average Guarantees or Salvage Bonds for all groupage cargo shipped by the Assured and the Assured shall, as soon as possible thereafter, use their best endeavors to secure Guarantees or Bonds from each individual customer or their respective Marine Insurers.

Should the Assured or the Company fail to secure Guarantees or Bonds or the payment of any subsequent Contribution or Adjustments from individual customers or their respective Marine Insurers, the company shall pay such sums accordingly.

EXCLUSIONS - APPLICABLE TO SECTION I ONLY

In addition to the General Exclusions contained herein, the Company shall not be liable for :

1. claims by third parties except for claims arising from loss, damage, or delay to goods which are in the care, custody or control of the Assured or are the responsibility of the Assured under a contract for carriage or forwarding or storage.
2. claims resulting from currency fluctuations.

SECTION II - PROFESSIONAL INDEMNITY

A. ERRORS AND OMISSIONS

Their liability in respect of any claim first made during the Period of Insurance by reason of any negligent act, error or omission in the performance of the Assured's contractual obligations including but not limited to misdirection of goods, failure to insure or failure to comply with specific instructions, faulty arrangements or clerical errors committed or alleged to have been committed by the Assured or any employee of the Assured, or their predecessors in the conduct of any business conducted by or on behalf of the Assured or their predecessors in business, in their professional capacity as defined in Insured Activities.

For the purpose of this Insurance, the expression "the Assured" shall include any partner thereof, if the Assured is a firm; and any executive officer or director thereof if the Assured is a corporation. It is noted and agreed that the indemnity provided herein shall not be restricted by the financial limits of liability incorporated into the Assured's trading conditions.

B. DISHONESTY OF EMPLOYEES

Their liability in respect of any claim for breach of duty first be made against them during the Period of Insurance by reason of any or any alleged dishonest, fraudulent, criminal or malicious act or omission of any person (other than any partner or owner director) at any time employed by the Assured or their predecessors in business and notwithstanding anything to the contrary contained in this Certificate, the Company shall be free to exercise the Assured's rights of recovery against the Assured's employees in relation to any such claim.

EXCLUSIONS - APPLICABLE TO SECTION II ONLY

In addition to the General Exclusions contained herein, the Company shall not be liable for any claim which would otherwise be recoverable under Section I (whether or not Section I is operative).

CONDITION - APPLIABLE TO SECTION II ONLY

In addition to the General Conditions contained herein if, during the Period of Insurance, the Assured shall become aware of any circumstance which may subsequently give rise to any claim being made against the Assured, by a reason of any matter in respect of which indemnity is afforded under this Section II, and shall, during the period of insurance, give written notice as soon as possible to the brokers/agents specified pursuant to General Condition 2 hereof of such circumstance, then any such claim which may subsequently be made against the Assured, arising out of that circumstance, shall, for the purpose of this Certificate be deemed to have been made during the period of insurance.

GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS

The Company shall not be liable for

1. Any claim or loss resulting from any inability of the Assured to pay, or pay promptly accounts or collect accounts (other than accounts which they may be required to pay or collect on behalf of their Prindipals).
2. Any claim resulting from the insolvency or financial default of the Assured.
3. Any liability, costs or expenses brought about or contributed to by any dishonest, fraudulent or criminal act or omission of the partners or owner directors of the Assured.
4. Any liability, costs or expenses for which the Assured are entitled to any indemnity, under any other Certificate or Policy of Insurance.
5. Loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.
6.
 - a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
 - b) any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
 - i) ionising radiation or contamination by radioactivity from nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - ii) the radioactive, toxic, explosive or other hazardous properties of an explosive nuclear assembly or nuclear component thereof.
7. Loss, destruction or damage directly occasioned by pressure waves caused by aircraft and other aerial devides travelling at sonic or supersonic speeds.
8. Punitive, exemplary or multiple damages awarded against the Assured or any person or persons for whom the Assured may be held legally responsible.

GENERAL CONDITIONS APPLICABLE TO ALL SECTIONS

1. ADMISSION OF LIABILITY

The Assured shall not admit liability for, or settle any claim or agree the loss or incurred any costs or expenses in connection there with, for which the Assured is seeking indemnity hereunder, without the written consent of the Company, who shall be entitled to take over and conduct in the name of the Assured the defense or settlement of any claim.

Nevertheless, the Assured shall not be required to contest any legal proceedings unless Counsel (to be mutually agreed upon by the Assured and the Company) shall advise that there are reasonable prospects of a successful defense being maintained by the Assured.

2. NOTIFICATION OF CLAIMS

In the event of a happening likely to give rise to a claim under this Insurance the Assured shall, as soon as possible, take all necessary steps to minimize or prevent a loss, give prompt notice to any third party who is responsible for, or may be responsible for the loss, give notice to the Brokers/Agents and/or the Loss adjusters specified in the Schedule hereto, and shall furnish full particulars thereof. Every letter, notice, writ, summons and process relating hereto shall be notified to and forwarded to the Company via the said Brokers/Agents and/or Loss Adjusters immediately upon receipt.

3. LIMITS

The Company's liability shall be limited :

(a) in respect of :

(i) any one loss or claim or

(ii) any number of losses or claims arising out of one accident or event

in the aggregate to the figure stated in the Schedule or elsewhere in the Policy as the Limit of Indemnity.

(b) in respect of losses or claims arising in the year of this policy(whether arising out of one or more accidents or occurrences) to the figure stated in the Schedule as the Limit of Indemnity in the Aggregate.

4. EXCESS COSTS

If the payment in excess of the amount of indemnity available under this Certificate has to be made to dispose of a claim or loss, the Company's liability for the legal costs and expenses incurred with their consent shall be such proportion thereof as the amount of indemnity available under this Certificate bears to the amount paid to dispose of the claim or loss.

5. CANCELLATION

This Insurance may be cancelled at any time by the Company giving thirty days' notice, but seven days in respect of the risks covered under Institute War Clauses including strikes, riots, civil commotion, in writing by pre-paid letter post properly addressed to the last known address of the Assured, the Company giving notice shall receive and retain pro rata or earned premium whichever is the greater.

6. EXCESS

The Excess(es) referred to in the Schedule shall be deducted from any loss or claim or series of losses or claims arising out of one occurrence. The Company shall have no liability for losses or claims below the specified Excess.

7. FALSE OR FRAUDULENT CLAIMS

If the Assured shall make any claim knowing the same to be false or fraudulent, as regards the amount or otherwise, this Insurance shall become void and all claims hereunder shall be forfeited.

8. QUARANTINE AND DISINFECTION COSTS

This policy includes the Assured's liability for quarantine, fumigation or disinfection costs other than arising in the normal course of business.

9. CARRIERS mean carriers by road, rail, parcel or inland waterway.

10. SUBROGATION

The Assured shall, at the request and at the expense of the Company, do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Company for the purposes of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated upon paying any claim arising under this Insurance, whether such acts and things shall be or become necessary or required before or after indemnification of the Assured or such other Claimant by the Company.

11. ADJUSTMENT

The Assured undertakes to furnish to the Company within three months of the expiry of each year of insurance such particulars and information as the Company may require, relating to carriage or other charges or values in respect of such period. The premium for such year shall thereupon be adjusted in the manner agreed between the Company and the Assured and any difference in premium to be met by a further payment to the Company or a refund by the Company as the case may be.

12. CROSS LIABILITY

It is hereby understood and agreed that where more than one party comprises "the Assured", each of the parties shall for the purpose of this Insurance be considered as a separate and distinct unit and the words "the Assured" shall be considered as applying to each party in the same manner as if a separate Insurance had been issued to each of the said parties and the Company hereby agree to waive all rights of subrogation or action which they may have or acquire against any of the afrosaid parties arising out of any event or occurrence in respect of which any claim is made hereunder provided nevertheless that nothing in this clause shall be deemed to increase the limit of the Company's liability as set out herein.

13. JURISDICTION CLAUSE

It is hereby understood and agreed that this Insurance shall be governed by Korean Law, and that the Korean Court alone shall have jurisdiction in any dispute arising hereunder.

Punitive Damages Exclusion Clause

This insurance does not cover any liability for fines, penalties, punitive or exemplary damage.

Millennium Exclusion Clause

It is agreed and understood that otherwise subject to the terms, exclusions, provisions and conditions contained in the policy or endorsed thereon, the following shall apply to this insurance :

1. Insurer(s) will not pay for Damage or Consequential Loss directly or indirectly caused by, consisting of, or arising from, the failure of any computer, data processing equipment or media, microchip, operating systems, microprocessors(computer chip), integrated circuit or similar device, any computer software, or any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed above, whether the property of the insured or not, that results from any actual or alleged failure, malfunction or inadequacy due to inability to correctly recognize, process, distinguish, interpret or accept any date as its true calendar date.

2. It is further understood that we will not pay for the repair or modification of any part of an electronic data processing system or its related equipment, to correct deficiencies or features of logic or operation.

3. It is further understood that we will not pay for Damage or Consequential Loss arising from the failure, inadequacy or malfunction of any advice, consultation, design evaluation, inspection installation, maintenance, repair or supervision provided or done by Insured or for Insured to determine, rectify or test, any potential or actual failure, malfunction or inadequacy described in A. above.

Such damage or Consequential Loss described in A, B, or C above, is excluded regardless of any other cause that contributed concurrently or in any other sequence.

All other terms and conditions remain unchanged.

Premium Installment Clause

1. Notwithstanding that this policy is issued as a contract for a period of twelve months, it is hereby understood and agreed that the premium shall be payable in the following installments:

(1) 2 Installments:

1st Installment due and payable at inception

2nd Installment due and payable on

(2) 4 Installments:

1st Installment due and payable at inception

2nd Installment due and payable on

3rd Installment due and payable on

4th Installment due and payable on

Nevertheless it is further understood and agreed that:-In the event of any installment not being paid until its above due date, the Company shall not be liable for any loss as occurred during the period from such due date to the date when such due installment is paid.

2. In the event of a claim arising hereunder which exceeds the installment premiums paid on this Policy the installments of premium then outstanding shall become due and payable forthwith.