

PUBLIC LIABILITY INSURANCE POLICY

WHEREAS the Insured carrying on the Business described in the Schedule and no other for the purposes of this Indemnity by a Proposal which shall be the basis of this Contract and is deemed to be incorporated herein has applied to The People's Insurance Company of China (Hong Kong), Ltd.(hereinafter called the "Company") for the Indemnity hereinafter expressed and has paid or agreed to pay the Premium as stated in the Schedule as consideration for such Indemnity.

NOW THIS POLICY WITNESSETH that in consideration of the payment of the premium and subject to the Terms Exceptions Limits and Conditions contained herein or endorsed hereon the Company will indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay as damages in respect of

- (1) Accidental death or bodily injury
- (2) Accidental loss of or damage to any property

happening in connection with the Business and occurring during the Period of Insurance at the places described in the Schedule under Situation of the Risk

AND

In respect of a claim against the Insured to which the indemnity in this Policy applies the Company will indemnify the Insured in respect of

- (1) All costs and expenses of litigation recovered by any claimant against the Insured
- (2) All costs and expenses of litigation reasonably incurred with the written consent of the Company

PROVIDED THAT the liability of the Company under this Policy for all sums payable to any claimant or any number of claimants in respect of or arising out of any one occurrence or in respect of or arising out of all occurrences of a series consequent on or attributed to one source or original cause shall not exceed the Limit of Indemnity specified in the Schedule for any one Accident

PROVIDED FURTHER that the due observance and fulfilment of the Terms Conditions and Endorsements of this Policy insofar as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the said Proposal shall be conditions precedent to any liability of the Company to make any payment under this Policy.

IMPORTANT NOTICE:

THIS POLICY IS AN IMPORTANT DOCUMENT. YOU ARE REQUESTED TO EXAMINE IT CAREFULLY, WITH PARTICULAR ATTENTION TO THE DETAILED TERMS, EXCLUSIONS AND CONDITIONS. IF ANYTHING IS UNCLEAR, INCORRECT OR IT IS NOT IN ACCORDANCE WITH YOUR INTENTIONS, PLEASE CONTACT US OR YOUR INSURANCE BROKER/AGENT IMMEDIATELY.

EXCLUSIONS

The Indemnity expressed in this Policy shall not apply to or include:-

- (1) Liability assumed by the Insured by agreement unless and insofar as such liability would have attached to the Insured notwithstanding such agreement or contract.
- (2) Liability in respect of death or bodily injury of any person arising out of and in the course of the employment of such person by the Insured or to any person who is a member of the Insured's family ordinarily residing with the Insured.
- (3) Liability in respect of loss of or damage to property:-
 - (a) (i) Belonging to the Insured
 - (ii) In charge of by or under the control of the Insured but this exception shall not apply to property belonging to any servant of the Insured.
 - (b) Being that part of any property goods land building or structure on which the Insured or any servant or agent of the Insured is or has been working if such damage is caused directly by the process of treatment alteration repair or construction of that part of such property goods land building or structure.
 - (c) Caused by or through or in connection with the bursting of any economiser used in conjunction with a steam boiler or any boiler vessel or other apparatus which is intended to operate under internal pressure due to steam and belonging or in the charge or

under the control of the insured.

- (4) Liability in respect of death or bodily injury of any person or loss of or damage to property caused by or in connection with or arising from:-
- (a) The ownership or possession of or use by or on behalf of the Insured of any trailer or mechanically propelled vehicle not specified in the Schedule under the heading of Plant provided that liability in respect of the loading and unloading or collection of goods to or from such trailer or mechanically propelled vehicle (insofar as liability is not covered by any vehicle insurance) is not excluded hereunder.
 - (b) The ownership or possession of or use arising from the ownership or possession of any lift elevator escalator crane power hoisting machine (other than conveyor belt systems) watercraft aircraft or thing made or intended to float on or in or travel on or through water air or space not specified in the Schedule under the heading of Plant.
 - (c) Work which is being undertaken or has been undertaken by the Insured to any watercraft aircraft or thing made or intended to float on or travel through water air or space.
 - (d) (i) property, goods, food or drink or the containers thereof sold supplied or constructed.
(ii) property or goods which have been repaired altered renovated serviced or installed and no longer in the Insured's possession or control.
(iii) poisoning or contamination of any kind.
 - (e) Error or omission in design specification or advice remedial or other treatment given administered or prepared by the Insured or by any person acting on behalf of the Insured.
 - (f) Vibration or the removal or weakening of or interference with the support of land or buildings.
 - (g) (i) Earthquake, flood or fumes
(ii) Defective sanitary installation or poisoning of any kind or foreign or deleterious matter in food or drink.
- (5) Liability in respect of:
- (a) Personal injury or bodily injury or loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination.
 - (b) The cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances.
 - (c) Fines, penalties, punitive or exemplary damages.
- (6) Liability in respect of death, disability, loss, damage, destruction, any legal liabilities, cost or expense including consequential loss of whatsoever nature, directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:
- (a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, strike riot civil commotion, military or usurped power; or
 - (b) any act of terrorism including but not limited to
 - (i) the use or threat of force, violence and/or
 - (ii) harm or damage to life or to property (or the threat of such harm or damage) including, but not limited to, nuclear radiation and/or contamination by chemical and/or biological agents, by any person(s) or group(s) of persons, committed for political, religious, ideological or similar purposes, express or otherwise, and/or to put the public or any section of the public in fear; or
 - (c) any action taken in controlling, preventing, suppressing or in any way relating to (a) or (b) above.
- If the Company alleges that by reason of this exception, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured.
- (7) Liability in respect of death, disability, loss, damage, destruction, any legal liabilities, cost or expense including consequential loss of whatsoever nature, directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:
- (a) biological or chemical contamination
 - (b) Missiles, bombs, grenades, explosives
- due to any act of terrorism
- For the purpose of this exclusion an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological, or ethnic purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear.
- For the purpose of (a) "contamination" means the contamination, poisoning, or prevention and/or limitation of the use of objects due to the effects of chemical and/or biological substances ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- (8) Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:
- ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - (a) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - (b) any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- (9) Loss or damage occasioned directly or indirectly by or through or in consequence of any of the following occurrences namely:
- (a) permanent or temporary dispossession resulting from confiscation nationalisation commandeering or requisition by any lawfully constituted authority
 - (b) permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person provided that the Company is not relieved of any liability to the Insured in respect of physical damage to the Property Insured occurring before dispossession or during temporary dispossession which is otherwise covered by this Policy
 - (c) the destruction of property by order of any public authority
- In any action suit or other proceeding where the Company alleges that by reason of the provisions above any loss destruction or damage is not covered by this insurance the burden of proving that such loss destruction or damage is covered shall be upon the Insured.
- (10) Liability arising directly or indirectly out of, caused by or in connection with the existence, handling, processing, manufacturing, mining, sale, transportation, distribution, storage, use, removal, remediation, treatment, disposal or escape of (1) asbestos or silica dust and (2) asbestos, asbestos products or any product containing asbestos.
- (11) Illness caused through defective sanitary or drainage arrangement.
- (12) Injury or damage resulting from attributable to or caused by :-

- (a) sub-contractors to the Insured or persons in the service of employment of or acting on behalf of such sub-contractors,
 - (b) vibration,
 - (c) the removal or weakening of interference with supports to land buildings or any other property
- (13) Liability directly or indirectly caused by or attributed to or arising from existing or erecting demolishing repairing installing and renovating unauthorized structures and/or unauthorized building works on or within the Insured premises. The meaning of unauthorized structure shall be construed in accordance with the Building Ordinance of the Hong Kong SAR.
- (14) IT Clarification Clause
 Property damage covered under this insurance shall mean physical damage to the substance of property.
 Physical damage to the substance of property shall not include damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure.
 Consequently the following are excluded from this insurance:
- (i) Loss of or damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure, and any business interruption losses resulting from such loss or damage. Notwithstanding this exclusion, loss of or damage to data or software which is the direct consequence of insured physical damage to the substance of property shall be covered.
 - (ii) Loss or damage resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs, and any business interruption losses resulting from such loss or damage.
- (15) Sanction Limitation and Exclusion Clause
 No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America or any other applicable national trade or economic sanctions, laws or regulations.
- (16) Internet Related Liability Exclusion
 Any liabilities incurred from internet related activities.
- (17) Electromagnetic Radiation Exclusion
 Any claim arising out of or in connection with or allegedly due to exposure to or contact with Electromagnetic Radiation. Electromagnetic Radiation shall mean magnetic energy, waves, fields or forces generated, produced, distributed, transmitted or maintained by charges, currents frequencies, energy or forces of electricity.

CONDITIONS

1. **Interpretation**
 This Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such meaning wherever it may appear.
2. **Observance**
 The due observance and fulfilment of the terms, conditions and endorsements of this Policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the Proposal shall be conditions precedent to any liability of the Company to make any payment under this Policy.
3. **Precautions**
 The Insured shall take all reasonable precautions to prevent accidents and to comply with all statutory obligations and regulations imposed by any authority.
4. **Alterations**
 The Insured shall give immediate written notice to the Company of any alteration which materially affects the risk covered by this Policy failure to do so may void all cover under this Policy.
5. **Claims**
 - (a) The Insured shall give written notice to the Company of any accident or loss or claim or proceedings immediately the same shall have come to the knowledge of the Insured or his/her representative.
 - (b) No admission offer promise payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company which shall be entitled if it so desires to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute in the name of the Insured for its own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the Insured shall give all such information and assistance as the Company may require.
 - (c) The Company may at any time pay to the Insured
 - (i) in connection with any one claim or number of claims against the Insured arising out of any one occurrence or of a number of occurrences arising directly or indirectly from one source or original cause the amount of the Limit of Indemnity (after deduction of any sum or sums already paid as compensation) or any less amount for which such claim or claims can be settled
 - (ii) in connection with all claims against the Insured in respect of which a Period Limit applies arising out of all occurrences happening in any one Period of Insurance the amount of the Period Limit (after deduction of any sum or sums already paid as compensation) or any less amount for which sum claims can be settled
 and upon such payment the Company shall relinquish conduct and control of such claims and be under no further liability under this Policy in connection with such claim or claims except for costs and expenses of litigation recoverable or reasonably incurred in respect of the conduct of such claim or claims prior to the date of such payment.
6. **Premium Adjustment**
 If the premium for this Policy has been calculated on any estimates furnished by the Insured, the Insured shall keep an accurate record containing all particulars relative thereto and shall at all times allow the Company to inspect such record. The Insured shall within one calendar month from the expiry of each Period of Insurance furnish to the Company such particulars and information as the Company may require. The premium for such period shall thereupon be adjusted and the difference paid by or allowed to the Insured as the case may be subject to receipt and retention of any minimum premium applicable.

7. Other Insurance(s)

If at the time of the occurrence of any accident there shall be any other Insurance or Insurances subsisting in respect of the same the Company shall not be liable to pay nor contribute more than a rateable proportion of any sum or sums payable in respect of such accident for compensation litigation expenses or otherwise.

8. Cancellation

The Company may at any time by giving 7 days' notice to the Insured by registered letter at the Insured's address as last known to the Company be at liberty to cancel this Policy provided that the Company shall in that event on demand return to the Insured a proportionate part of the premium corresponding to the unexpired period of insurance. This Policy may be cancelled at any time by the Insured on 7 days' notice to the Company and in such event the Insured shall be entitled to a return premium less premium at the Company's short period rates for the time the Policy has been in force during the current Period of Insurance. Notwithstanding the foregoing when the premium has been calculated upon any estimates furnished by the Insured the premium to be retained by the Company in the event of this Policy being cancelled will be adjusted in accordance with the provisions of Condition 6 of this Policy for the period the Policy has been in force, subject in the event of cancellation by the Insured to the application of the Company's short period rates.

Period had been in force	1 month	2 months 9 months	10 months or over
Premium Refund	90%	80%10%	0%

9. Arbitration

All differences arising out of this Policy shall be referred to the decision of an Arbitrator to be appointed in writing by the parties in difference or if they cannot agree upon a single Arbitrator to the decision of two Arbitrators one to be appointed in writing by each of the parties within one calendar month after having been required in writing so to do by either of the parties, or in case the Arbitrators do not agree, of an Umpire appointed in writing by the Arbitrators before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meetings, and the making of an Award shall be a condition precedent to any right of action against the Company. If the Company shall disclaim liability to the Insured or his personal representatives for any claim hereunder and such claim shall not within 12 calendar months from the date of such disclaimer have been referred to Arbitration under the provisions herein contained then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

10. Jurisdiction

The Company shall not be liable in respect of any judgements that are delivered by or obtained from a court outside Hong Kong Special Administrative Region. Furthermore the indemnity shall not apply to a judgement or order obtained in Hong Kong Special Administrative Region for the enforcement of a judgement obtained elsewhere.

11. Governing Law

This Policy is subject to the exclusive jurisdiction of Hong Kong Special Administrative Region and is to be constructed according to the laws of Hong Kong Special Administrative Region.

12. Contracts (Rights of Third Parties) Ordinance

Any person or entity who is not a party to this Policy shall have no rights under the Contracts (Rights of Third Parties) Ordinance (Cap 623 of the Laws of Hong Kong) to enforce any terms of this Policy.