

GENERAL CONDITIONS FOR INSURANCE OF A TRANSPORT COMPANY'S LIABILITY AS CARRIER IN CONNECTION WITH CARRIAGE OF GOODS BY ROAD

These general conditions are approved by the Swedish Insurance Federation and are only intended as guidance. Nothing shall prevent the Insurer and the Assured from agreeing on other conditions. The original Swedish wording, of which this is a translation, shall be decisive in case of dispute.

1. *Extent of cover*

1.1 This insurance covers – unless otherwise agreed – subject to the exclusions contained in clause 3 below, the Assured's liability as carrier in connection with carriage of goods by road: The Swedish Road Transport Act (SFS 1974:610) and the Convention on the Contract for the International Carriage of Goods by Road (CMR) (SFS 1969:12)

Drawn vehicles that are not trailers or off-road trailers according to Section 2 of the Road Traffic Proclamation (SFS 1972:603) shall be regarded as goods under this insurance.

1.2 The insurance only covers liability that results from act or omission during the period the insurance is in force and within the territory agreed by the parties.

1.3 Furthermore, in case of claims for damages that might be covered by this insurance and exceeding the agreed deductible, the Insurer undertakes to

a) reimburse freight, customs and other charges that the Assured may be required to refund according to Article 23, item 4 of CMR or Section 32 of the Swedish Road Transport Act,

b) investigate alleged liability in the event of a claim for damages and, on behalf of the Assured, negotiate with the claimant,

c) represent the Assured in legal proceedings or arbitration proceedings, in accordance with sub-clause 8.6 below, and bear the costs for such proceedings,

d) compensate the Assured for increased and unforeseen costs for measures taken on account of the goods having been erroneously dispatched notwithstanding that no physical damage has occurred. Compensation shall in such cases be subject to limits set in such rules on compensation for delay as govern the contracted means of transport.

2. *Maximum compensation*

For each loss occurrence, the Insurer's liability to pay compensation, including costs for legal proceedings stated in sub-clause 1.3 above, is limited to the amount insured as specified in the insurance contract.

3. *Exclusions*

3.1. The insurance does not cover liability resulting from wilful misconduct or gross negligence by the Assured or by senior officers employed by the Assured within the company or at the site.

'Senior officer' means an authorised signatory, managing director/CEO, site managers or similar employees with management functions. The same applies to other persons who have been delegated corresponding management functions.

- 3.2 The insurance does not cover liability directly or indirectly caused by or attributable to earthquake, volcanic eruption, dam penetration, nuclear reaction, radioactivity, war, invasion, warlike operations (whether there be a declaration of war or not), civil war, terrorism owing to religious or political motives, mutiny, revolution, civil commotions, riots, strikes or lockouts or acts by person or persons having illegally taken power.
- 3.3 The insurance does not cover liability resulting from cases where the agreed time for a time-guaranteed transport with a particular agreed time has been exceeded.
- 3.4 The insurance does not cover liability for costs beyond those referred to in sub-clause 1.3 above in respect of goods received for carriage in accordance with the special provisions in Article 23, item 6 of CMR or corresponding provisions in other applicable convention or statute.
- 3.5 The insurance does not cover liability that has been caused by non-compliance with the regulations contained in Article 7, item 3 of CMR, regarding certain particulars on the consignment note.

The following exemptions, marked with an asterisk, may be insured as additions:

- 3.6* The insurance does not provide – unless otherwise agreed – indemnity regarding
- a) cash, securities and valuables such as bonds, promissory notes or other valuable documents, worked or raw precious metals, precious stones, pearls, jewellery, arts or objects having a collector's value,
 - b) plants and live animals,
 - c) personal effects and furniture removals,
 - d) postal despatches.
- 3.7* The insurance does not provide – unless otherwise agreed – indemnity regarding damage to goods that arose during storage except in the case of temporary storage that was necessary to perform the transport assignment.
- 3.8* The insurance does not provide – unless otherwise agreed – indemnity for payment of specific purchase taxes, or similar charges, on alcohol and tobacco.
- 3.9* The insurance does not cover – unless otherwise agreed – liability that is caused by or related to an inadequacy or irregularity of customs documents or similar documents – regardless of who caused the same – according to the provisions in Article 11, items 2 to 3 of CMR.

4. *Statutory rules and safety regulations*

- 4.1 The Assured is liable to
- comply with rules made by legislation (*laws, regulations promulgated by public authorities and other public or private rules*),

- comply with safety regulations notified in the insurance contract
- in the case of carriage and storage of goods ensure that the goods are protected in a professional manner.
- in the case of transport and storage of goods sensitive to temperature, ensure that the means of transport, cargo container or storage space are properly constructed and equipped for transport, reloading, intermediate or other storage of such goods.

The Insurer is also, during the term of the insurance, entitled to introduce further safety regulations. Such regulations shall be confirmed by written notice from the Insurer.

4.2 Non-compliance with safety regulations

If the Assured, in the event of a loss occurrence, has neglected to comply with statutory rules or safety regulations, compensation is payable under the insurance only to the extent that it may be deemed that the loss would have occurred or have been of the same scope even if the regulation had been observed. The Assured is equated with another party who was responsible for ensuring compliance with the regulation.

If it may be feared that a particular statutory rule or safety regulation will also be neglected in the future, the Insurer is entitled to give written notice terminating the contract fully or partly with immediate effect.

5. *Deductible*

5.1 With exception of sub-clauses 5.2 and 5.3 below, a regular deductible is applied for each claim. The amount to be agreed between the parties and stated in the insurance contract. Only one deductible is to be applied for all claims due to the same cause and event.

5.2 In the following cases the deductible shall be increased, to an amount agreed by the parties and specified in the insurance policy:

- in the event of a collision of the cargo vertically.
- In case of theft from a vehicle or of a loaded vehicle an increased deductible shall apply. The agreed regular deductible in accordance with sub-clause 5.1 above, shall apply if the Assured can prove that the following requirements have been complied with:
 - that the vehicle has been locked and kept under surveillance by the driver or his substitute when making stops for purposes other than loading and unloading, or
 - that the vehicle was parked in an area with special guarding, or
 - that the vehicle's loading space consists of a locked compartment

and also in addition, considering the circumstances, due diligence has been exercised and

reasonable measures for the prevention of theft of the vehicle and/or cargo have been taken.

- 5.3 The Insurer is also entitled in other cases to introduce an increased deductible at an amount agreed by the parties.

6. *Rescue obligation*

- 6.1 In the event that a loss is incurred or may be feared to be imminent, the Assured shall, to the best of his ability, implement measures to prevent or mitigate the loss.

Reasonable rescue costs or sacrifices will be indemnified under the insurance, subject to the limitations referred to in clause 2.

The Assured shall, as soon as possible, notify the Insurer and is liable to comply with the directions that the Insurer may provide as a result of the loss occurrence.

If the Assured has by wilful misconduct or gross negligence breached his obligations and if this results in loss to the Insurer, compensation may be reduced fully or partly.

7 *Measures to be taken in case of damage*

- 7.1 In the event that a loss is incurred or may be feared to occur, the Assured shall, as soon as possible, although no later than six months after he became aware of his right to claim against the Insurer, give written notice of the loss to the Insurer. If notification is given later, the Insurer is under no obligation to indemnify the loss.

- 7.2 Unless otherwise prescribed by the insurance contract or unless the Insurer otherwise gives notice in conjunction with the notice of the loss occurrence, it is an obligation of the Assured to document the loss with the aim of determining its cause and scope.

- 7.3 If someone who is not a party to the insurance contract has caused the loss occurrence or contributed to its occurrence, the Assured is liable to, in his own name, hold such person liable within such time and in such a way that the right to damages is not lost, and also generally implement such measures as would preserve the Insurer's rights against the party responsible for the loss.

- 7.4 If the Assured does not satisfy his obligations according to sub-clauses 7.2 and 7.3 above and if this results in loss for the Insurer, the Insurer can reduce the insurance indemnity fully or partly.

8 *Losses and loss adjustment*

- 8.1 When the Assured wishes to make a claim for insurance indemnity he shall, without unreasonable delay, give written notice of his claim to the Insurer. In conjunction with this, the Assured shall show that a loss has actually occurred and also prove the amount of the claim.

It is an obligation of the Assured to without charge assist the Insurer with all the necessary documentation, witness details, other evidential material and such information which the Assured is aware of and the Insurer needs for the adjustment of the claim and for subrogation measures.

Burglary, theft and other criminal offence, fire and traffic accident shall furthermore be reported to the police authorities. A copy of this report shall be sent to the Insurer.

If the Assured delays with presenting a claim, such claim may become time-barred and the right to compensation may lapse. See clause 9 below regarding time-bars.

- 8.2 The Insurer shall, upon the receipt of the claims report to be adjusted, implement the measures necessary to enable adjustment of the loss without unreasonable delay.

Insurance indemnity shall be paid out no later than one month after the presentation to the Insurer of such investigation as may be reasonably requested to determine the payment obligation.

- 8.3 The Assured is entitled to interest on the insurance indemnity if it is paid out after the one-month time limit referred to in sub-clause 8.2. Such interest will correspond to the Swedish Central Bank's reference interest applicable from time to time plus two percentage points, and run from and including the end the one-month time limit.

- 8.4 The Assured may not, without the consent of the Insurer, pay claims or admit liability which may give cause to a claim against the Insurer.

This contract empowers the Insurer to in its own name determine a request for an extension of the time-bar limit.

The Assured shall, if so required by the Insurer, agree to a negotiated settlement with the claimant.

In the event that the Insurer has expressed a willingness to cover the cost of a settlement within insured limits, the Insurer is thereby released from any further commitments owing to the claim.

- 8.5 If the Assured does not satisfy his obligations according to sub-clauses 8.1 and 8.4 and this results in a loss for the Insurer, the right to insurance indemnity will be reduced fully or partly.

- 8.6 If the Assured receives notice of suit or if suit is filed against him, then the Insurer shall be immediately notified thereof. The Insurer shall appoint legal counsel and provide the latter with necessary guidelines and instructions. The Assured shall free of charge assist in the proceedings by providing, personally or through his staff, testimony and expert evidence.

Should the Assured fail to comply with the aforementioned duty, the judgment may not be cited to establish the Insurer's duty of indemnity. In such a case, the Insurer is released from any duty to pay the cost of proceedings.

- 8.7 If the Insurer pays compensation to the Assured, the Policyholder or another third party the Insurer shall assume the Assured's rights against any third party to the extent that it has indemnified the Assured. The Insurer is entitled to receive compensation directly from the party making payment owing to a subrogation claim, regardless of whether the payment is made out to the Policyholder or the Assured.

If the Assured in the case in question has, fully or partly, waived his rights in relation to a third

party by a contract, which can neither be deemed customary nor has been approved in advance by the Insurer, the Insurer is released from liability to a corresponding extent.

9. *Time-bar*

Any party wishing to make a claim for insurance indemnity or premium return, will lose his rights in relation to the Insurer unless he makes a claim against the Insurer through arbitration proceedings according to clause 12 within three years from when he became aware that the claim could be made and, in any event, within ten years from when the claim could at the earliest have been made. However, if he has presented a claim to the Insurer within this period, the time-bar is extended by six months from when the Insurer has declared that it has adopted a final position on the claim. (See also time limits for giving notice according to sub-clause 7.1)

10. *Double insurance*

If the same interest has been insured against the same risk with several insurers, each insurer is liable in relation to the Assured as if that insurer had solely provided insurance. However, the Assured is not entitled to greater compensation from the insurers than an amount that would in aggregate correspond to the loss. If the total compensation exceeds the loss, responsibility is shared between the insurers according to the relationship between the amounts of compensation. If there is a reservation in other insurance according to which the insurance would in the event of double insurance be fully or partly released from liability, the same reservation applies to both insurances.

11. *Alteration of premium and conditions during the term of contract*

The Insurer is entitled during the term of contract on three months' notice to alter the terms of premiums and conditions. If the Assured does not approve of the increase in premium or the change of conditions, he shall communicate this to the Insurer within five working days. The insurance shall in such case terminate three months after the Assured received notice of the change.

If the total amount of paid or estimated compensation for the present contract period is more than twice the highest insurance amount under clause 2, the Insurer is entitled, after observing a period of notice of five working days, to renegotiate existing conditions and premiums.

12. *Procedure in the event of disputes*

Disputes arising regarding the Insurer's liability to pay compensation owing to this contract shall be determined according to Swedish law through arbitration proceedings with the Swedish Average Adjuster as sole arbitrator. The parties are entitled to institute proceedings against the arbitration award in the same manner and within the same period as an average adjustment can be challenged according to law. The Swedish Average Adjuster's costs in the arbitration proceedings shall be compensated by the Insurer unless the Assured's action is obviously unfounded.

Swedish law applies to contracts under these provisions unless otherwise agreed.

13. *General Swedish Marine Insurance Plan*

The insurance is in all other matters subject to provisions as laid down by the General Swedish Marine Insurance Plan of 2006.

14. *Outbreak of war clause*

In the event that a war breaks out, which is likely to affect to a significant extent Swedish trade and industry, Sweden's normal communications with other countries is interrupted, an organisation jointly formed by all of the maritime insurance companies, referred to as the Swedish Transport Insurance Pool, will enter into the operation at a time to be determined by the Swedish Government War Risks Insurance Board.

If this should occur during the term of the contract, the effect of this contract will be temporarily suspended and insurance falling thereunder, which is at risk at the time in question, transferred automatically to the Swedish Transport Insurance Pool.

Insurance, for which the risk starts after the Swedish Transport Insurance Pool has entered into the operation, are to be reported to the pool either directly or through the Insurer. In order for such insurance to be applicable, the report thereof must be made and the premium determined by the pool paid before the commencement of the risk. When, following the cessation of the condition of alert, the Insurer's normal operation may be resumed, this contract will enter into effect once again.