



GENERALI

Assicurazioni Generali S.p.A.

忠 利 保 險 有 限 公 司

SPL/CIM/EN

SHOP PACKAGE

INSURANCE POLICY

商 店 綜 合 保 險 單

Please read this insurance carefully and see that it meets your requirements.

If you find anything missing or have any query, please do not hesitate to contact your insurance adviser or our Company.

The Shop Package Insurance Policy is an insurance contract between Assicurazioni Generali S.p.A. (hereinafter referred to as "the Company") and the Insured named in the Schedule. The contract is evidenced by this document and is hereinafter referred to as the Policy.

- Section 1 - Material Damage is the primary cover of the Policy, coverage under this Section is operative on payment of Premium as stated in the Schedule.
- Section 2 - Business Interruption is provided, together with Section 1, at no extra Premium.
- Section 3 - Money is provided, together with Section 1, at no extra Premium.
- Section 4 - Public Liability is provided, together with Section 1, at no extra Premium.
- Section 5 - Employees' Compensation is an optional cover of the Policy and is operative only if so specified in the Schedule on payment of extra Premium.

The insurance coverage under each Section is stated in the relevant parts of the Policy. In addition to the Exclusions applicable to the individual Section, the coverage of each Section is further subject to the General Definitions, the General Exclusions and the General Conditions.

The Proposal, the Policy, the Schedule and any Endorsement or Memorandum hereon will be considered as one document and any word or expression to which a specific meaning has been attached in any of them will bear such meaning throughout. In the Policy, unless the context otherwise requires, the singular includes the plural and vice versa, and a reference to one gender includes a reference to the other genders.

General Definitions

Certain words in the Policy have special meanings. These words have the same meaning wherever they are used in the Policy, the Schedule or any Endorsement or Memorandum hereon. These are given below or defined in the appropriate Section of the Policy.

Accident, Accidental

means sudden and unforeseen event.

Bodily Injury

means death, injury, illness or disease.

Building

means building at the Premises being built of bricks, stones, concrete or reinforced concrete and roofed with concrete or reinforced concrete, used by the Insured for the purpose of the Business.

Building will include outbuildings, fence, gate, post and wall relating to the Building, radio and television aerial, mast and related fittings fixed to the Building but excluding any part of the Building below the level of under surface of the Building's lowest floor and/or constructed of glass, foundation and drains, landlord's fixtures and fittings, interior decorations and property more specifically insured by any other insurance policy.

Business

means the nature of business (specified in the Schedule) or trade supplied by or on behalf of the Insured.

Contents

means fixtures, fittings, furniture, equipment, utensils in trade or similar property used at the Premises for transacting Business of the Insured including cash register, computer, telephone system, alarm system, safe or strong room, interior decorations, tenant's improvements, landlord's fixtures and fittings, and any property for which the Insured is responsible for but excluding property specified in the Exclusions under Section 1 or the General Exclusions of the Policy, Stock in Trade and property more specifically insured by any other insurance policy.

Employee

means any person in the Insured's immediate service and under a contract of service or apprenticeship with the Insured and in the course of employment by the Insured and has the same meaning as specified in the Employees' Compensation Ordinance of Hong Kong.

Geographical Area

means the Premises specified in the Schedule and anywhere in Hong Kong.

Government

means the government of The Hong Kong Special Administrative Region.

Hong Kong

means The Hong Kong Special Administrative Region.

Insured

means any person, legal organisation or entity (specified in the Schedule) to whom or to which payment will be made if the Company is liable for any claim under the Policy.

Law or Ordinance

means the laws or ordinances of Hong Kong.

Loss or Damage, Lost or Damaged

means physical loss of or physical damage to or physical destruction of property caused by or arising from an Accident which is insured by the Policy.

Money

means cash, bank note, currency note, cheque, postal order, money order, crossed banker's draft, current postage stamp, unexpired units in franking machine and credit card sales voucher.

Period of Insurance

means the duration (specified in the Schedule) for which the Policy is to operate and in force.

Premises

means the location (specified in the Schedule) occupied by the Insured, at which the Business of the Insured is transacted.

Proposal

means signed proposal form, any declaration and information supplied by or on behalf of the Insured in addition thereto or in substitution therefor.

Schedule

means the typed sheet, which sets out the details of this insurance, attaching to and forming part of the Policy.
The Schedule should be read in conjunction with the Policy.

Stock in Trade

means goods or merchandise belonging to or in the care, custody or control of the Insured at the Premises and in connection with the Insured's Business.

Stock in Trade will include goods held in trust or on commission.

Section 1 - Material Damage

COVER

In the event of Accidental physical Loss of or Damage to the insured Items:

- Item 1 - Contents or
- Item 2 - Stock in Trade or
- Item 3 - Building

specified in the Schedule, or any part thereof at the Premises during the Period of Insurance, the Company will, subject to the terms, the exclusions and the conditions, pay the Insured for such Loss or Damage up to the Limit of Indemnity hereunder, or at the Company's option reinstate, replace, repair or rebuild such Items or any part thereof.

Basis of Payment

The basis of payment in the event of Loss of or Damage to Item 1 - Contents or Item 3 - Building will be the cost of replacement, repair or rebuilding without adjustment for depreciation, wear and tear to a condition equal to but not better or not more extensive than the condition when new subject to Average (as stated herein).

Item 2 - Stock in Trade is subject to indemnity cover only, being the cost of replacement or repair after deduction for depreciation, wear and tear, and in this case the replacement value of the Stock in Trade for the purpose of Average will be suitably calculated.

Reinstatement should be carried out without delay in the most economical manner and no settlement will be made until such costs have actually incurred. If the Lost or Damaged Item insured is not replaced, repaired or rebuilt, settlement will be made on an indemnity basis after deduction for depreciation, wear and tear.

Average

If the replacement value of the insured Item under this Section will at the time of Loss or Damage be collectively greater than the Sum Insured of such Item, the Insured will be considered as being his/her own insurer for the difference and will bear a rateable proportion of the Loss or Damage accordingly. Every Item specified in the Schedule under this Section will be separately subject to this condition.

Pair or Set

If the insured Item consists of articles in a pair or set, the Company will not 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 value of the Item relative to the value of such pair or set.

Limit of Indemnity

The maximum amount payable by the Company in respect of each Item insured by this Section and all its Extensions will not exceed the respective Sum Insured of each Item specified in the Schedule.

Provided that the Limit of Indemnity of Item 2 - Stock in Trade will be increased by 20% in the event of the Extension - "Seasonal Variation" (as stated herein) being applicable.

Legal Requirements Warranty

Warranted that the Insured will duly comply with and observe all provisions, requirements and regulations of

- a) Fire Services Department and/or
- b) Labour Department and/or
- c) Dangerous Goods Ordinance and/or
- d) Factories and Industrial Undertakings Ordinance and/or
- e) any other Statutory Obligation

including any notice given and requirement made pursuant to same the breach and disregard of which may affect or increase the risk hereby insured.

EXTENSIONS (under Section 1)

Alteration or Repair

Cover under this Section will not be prejudiced by any alteration, repair, renovation, decoration or maintenance works performed at the Premises provided that the total contract value of all contract works will not exceed HK\$250,000.

Automatic Reinstatement of Sum Insured

In the event of Loss or Damage recoverable under this Section, the Sum Insured will in the absence of written notice by the Company or the Insured to the contrary be immediately reinstated. In consideration of which, the Insured undertakes to pay the appropriate additional Premium.

Document in Transit (applicable to Item 1 only)

The Company will, subject to the terms, the exclusions and the conditions, pay for the reinstatement or replacement costs, but not the intrinsic value, of any document Lost or Damaged in transit by the Insured or any director, partner or Employee of the Insured until delivered to the consignee's address within Hong Kong up to a limit of HK\$10,000 for any one Period of Insurance.

Fire Extinguishing Expenses

The Company will, subject to the terms, the exclusions and the conditions, pay for the cost of extinguishing a fire at the Premises necessarily and reasonably incurred subject to a limit of HK\$10,000 for any one Period of Insurance.

Fixed Glass (applicable to Item 1 only)

The Company will, subject to the terms, the exclusions and the conditions, pay for the reinstatement or replacement costs of any fixed glass in window, door, showcase, counter and shelf at the Premises including the reasonable and necessary expenses of temporary boarding up as a result of Accidental breakage but not for lettering or decoration of the fixed glass or pane. Provided that the maximum amount payable by the Company will not exceed HK\$10,000 for any one Period of Insurance.

Other Contents or Personal Effects (applicable to Item 1 only)

In the event of an Accident following Loss or Damage insured by this Section causes any Loss of or Damage to

- 1) document, manuscript, plan, drawing, design, pattern, model, mould, business book or computer system record;
- 2) personal effects (excluding Money, credit card, spectacles and any property specified in the Exclusions of this Section) of the Insured, any director, partner or Employee of the Insured

at the Premises, the Company will, subject to the terms, the exclusions and the conditions, pay for the reinstatement or replacement costs, but not the intrinsic value, of such Loss or Damage, provided that the maximum amount payable by the Company will not exceed HK\$10,000 for any one Period of Insurance.

Refrigerated Stock (applicable to Item 2 only)

The Company will, subject to the terms, the exclusions and the conditions, pay for the Loss of or Damage to Stock in Trade in any refrigerator or freezer at the Premises caused by a change in temperature resulting from mechanical or electrical breakdown of the refrigerator or freezer, provided that the maximum amount payable by the Company will not exceed HK\$10,000 for any one Period of Insurance.

Removal of Debris

The Company will, subject to the terms, the exclusions and the conditions, pay for the cost of removing debris necessarily and reasonably incurred by the Insured following Loss or Damage insured by this Section, provided that the maximum amount payable by the Company will not exceed 10% of the Total Sum Insured under this Section or HK\$100,000 whichever is the less for any one Period of Insurance.

Seasonal Variation (applicable to Item 2 only)

The Sum Insured in respect of Item 2 - Stock in Trade will be increased by 20% during the period from 1st November to 1st March in each Period of Insurance.

Stock in Transit (applicable to Item 2 only)

The Company will, subject to the terms, the exclusions and the conditions, pay for the Loss of or Damage to Stock in Trade during land transit within the territory of Hong Kong, provided that the maximum amount payable by the Company will not exceed 10% of the Sum Insured on Item 2 - Stock in Trade or HK\$100,000 whichever is the less for any one Period of Insurance.

This Extension does not cover any Loss or Damage sustained whilst the Stock in Trade is carried by or kept in any unattended vehicle.

For the purpose of this extension, overnight storage during the course of transit is deemed to be excluded.

Temporary Removal (applicable to Item 1 only)

The Company will, subject to the terms, the exclusions and the conditions, pay for the Loss of or Damage to the Contents whilst temporarily removed from the Premises but still within any building (being built of bricks, stones, concrete or reinforced concrete and roofed with concrete or reinforced concrete) in Hong Kong for cleaning, renovation, alteration, repair or other similar purposes, provided that the maximum amount payable by the Company will not exceed 10% of the Sum Insured on Item 1 - Contents or HK\$100,000 whichever is the less for any one Period of Insurance.

EXCLUSIONS (applicable to Section 1)

This Section does not cover

- 1) a) the first HK\$1,000 of each and every claim other than Loss or Damage due to fire, lightning or explosion, or other than (1) (b) below.
b) the first HK\$1,000 or 10% of each and every Loss or Damage whichever is the greater for Loss or Damage arising from water.
- 2) any shortage arising from error or omission, or revealed only at the time of stocktaking or making of an inventory, and not identifiable with a specific occurrence insured by this Section.
- 3) any Loss of or Damage to
 - a) document, manuscript, plan, drawing, design, pattern, model or mould, business book or computer system record (other than Loss or Damage insured by the Extensions - "Document in Transit" or "Other Contents or Personal Effects").
 - b) Money, banker's draft, stamp, units in franking machine, promissory note, bill of exchange, travel ticket, security or other negotiable documents.
 - c) jewelry, watch, fur, bullion, precious metal, precious stone or article composed of any of them.
 - d) curiosity, works of art, china, porcelain.
 - e) glass (other than Loss or Damage insured by the Extension - "Fixed Glass") or other brittle articles.
 - f) vehicle licensed for road use including accessories thereon.
- 4) any Loss of or Damage to property in transit including storage during transit or whilst at other premises (other than Loss or Damage insured by the Extensions - "Document in Transit" or "Stock in Transit").
- 5) any Loss or Damage caused by or arising from
 - a) theft or attempted theft not accompanied by forcible and violent entry to or exit from the Premises.
 - b) theft by any person legally at the Premises unless following proven assault, violence or threat of assault or violence to the Insured, any director, partner or Employee of the Insured.
- 6) any Loss or Damage caused by or arising from fraud, dishonesty or infidelity of any director, partner or Employee of the Insured.
- 7) any Loss or Damage caused by or arising from
 - a) wear, tear, depreciation, rust, corrosion, erosion, gradual deterioration or slowly developing deformation or distortion, scratching, marring, denting or chipping.
 - b) mildew, mould, fungus, wet rot, dry rot, insect, larva, moth, vermin or animal.
 - c) property's own fermentation, natural heating, spontaneous combustion or its undergoing the process of heating or drying.
 - d) shrinkage, evaporation, loss of weight, action of light, exposure to weather conditions, change in flavor, colour, texture, finish or appearance.
 - e) change in temperature or humidity, failure or inadequate operation or variation in temperature of air-conditioning, cooling or heating system (other than Loss or Damage insured by the Extension - "Refrigerated Stock").
- 8) any Loss or Damage caused by or arising from
 - a) inherent vice or defect, defective materials or workmanship.
 - b) failure of design, fault or omission in design, plan or specification.
 - c) false programming, punching, labelling or inserting, inadvertent cancelling of information or discarding of data, loss of information or data caused by electric or magnetic fields.
- 9) any Loss or Damage caused by or arising from mechanical or electrical breakdown or derangement or overheating unless such Loss or Damage directly caused by fire, lightning or explosion (other than Loss or Damage insured by the Extension - "Refrigerated Stock").

- 10) any Loss or Damage caused by or arising from
 - a) subsidence, heave, landslip.
 - b) settlement or bedding down of structure.
- 11) any cost of normal upkeep, making good or maintenance.
- 12) any Loss or Damage more specifically insured by any other insurance.

Section 2 - Business Interruption

COVER

In the event of the Business of the Insured at the Premises being interrupted or interfered as a result of Loss of or Damage to the insured Items which are indemnifiable under Section 1 of the Policy, the Company will, subject to the terms, the exclusions and the conditions, indemnify the Insured in respect of the Additional Expenditure (as defined herein) caused by the interruption or interference up to the Limit of Indemnity hereunder.

Additional Expenditure

means

- 1) additional costs incurred in obtaining any necessary temporary premises, removal expenses to and from such premises and expenses incidental to the occupation thereof, increase in rent, rate, tax, overtime payment, salary to additional staff and payment for any necessary additional labour;
- 2) legal and other costs and expenses incidental to the reinstatement of deed, document, book (other than printed book), plan, paper and writing of every description including the cost of obtaining evidence of the contents of any essential document which cannot be reinstated.

Provided that

- a) such costs and expenses are necessarily and reasonably incurred by the Insured for the sole purpose of avoiding or diminishing the Reduction in Turnover (the Turnover falls short of the Standard Turnover) which but for such costs and expenses would have taken place during the Indemnity Period in consequence of the Loss or Damage;
- b) such costs and expenses recoverable under this Section will not exceed the amount of Reduction in Turnover as stated in (a) thereby avoided;
- c) if any cost or expense of the Business is reduced during the Indemnity Period, the amount payable will be reduced accordingly;
- d) if goods are sold or services are rendered elsewhere than at the Premises for the benefit of the Business either by the Insured or by others on the Insured's behalf during the Indemnity Period, the Money paid or payable in respect of such sales or services will be brought into account in arriving at the Turnover during the Indemnity Period.

Indemnity Period

means the duration beginning with the occurrence of Loss or Damage and ending not later than the number of months or the period specified in the Schedule thereafter during which the results of the Business will be affected in consequence of the occurrence.

Standard Turnover

means the Turnover during that period in the twelve (12) months immediately before the date of Loss or Damage which corresponds with the indemnity Period to which such adjustments will be made as may be necessary to provide for the trend of the Business and for variations in or special circumstances affecting the Business either before or after the Loss or Damage or which would have affected the Business had the Loss or Damage not occurred, so that the figures thus adjusted will represent as nearly as may be reasonably practicable the results which but for the Loss or Damage would have been obtained during the relative period after the Loss or Damage.

Turnover

means the Money (less discounts allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the Business at the Premises.

Limit of Indemnity

The maximum amount payable by the Company in respect of any one Accident or a number of Accidents arising out of one occurrence insured by this Section and all its Extensions will not exceed the Limit of Indemnity specified in the Schedule.

EXTENSIONS (under Section 2)

Denial of Access

The Company will, subject to the terms, the exclusions and the conditions, pay for the Additional Expenditure resulting from interruption of or interference with the Business caused by the hindrance of access to or use of the Premises following Loss of or Damage to nearby property by an Accident insured by Section 1 of the Policy, whether the insured Premises or insured Items under Section 1 be Lost or Damaged or not. Provided that the Company will not be liable for any Additional Expenditure incurred for the purpose of avoiding or diminishing the Reduction in Turnover for the first forty-eight (48) hours of any interruption of or interference with the Business.

Failure of Public Utilities

The Company will, subject to the terms, the exclusions and the conditions, pay for the Additional Expenditure resulting from interruption of or interference with the Business in consequence of Accidental physical damage to

- 1) generating station or sub-station of the public electricity supply undertaking from which the Insured obtains electricity;
- 2) land based premises of the public gas supply undertaking from which the Insured obtains gas;
- 3) water works or pumping station of the public water supply undertaking from which the Insured obtains water.

Provided that the Company will not be liable for any Additional Expenditure incurred for the purpose of avoiding or diminishing the Reduction in Turnover for the first forty-eight (48) hours of any interruption of or interference with the Business.

Professional Accountant's Charges

The Company will, subject to the terms, the exclusions and the conditions, pay for the professional accountant's charges necessarily and reasonably incurred by the Insured for producing and certifying any particulars required by the Company in connection with the investigation and verification of claim. Provided that the maximum amount payable by the Company will not exceed HK\$100,000 for any one Period of Insurance.

EXCLUSIONS (applicable to Item 2)

This Section does not cover any

- 1) interruption or interference whilst the Business is wound up, carried on by a liquidator or receiver, or permanently discontinued at any time after the commencement of the Policy.
- 2) Additional Expenditure or expenses more specifically insured by any other insurance.

Section 3 - Money**COVER**

In the event of Accidental physical Loss of or Damage to Money in Hong Kong during the Period of Insurance, the Company will, subject to the terms, the exclusions and the conditions, pay the Insured for such Loss or Damage up to the Limits of Indemnity hereunder.

Banking Hours

means the usual period during which the licensed banks in Hong Kong transact business and provide full banking services.

Business Hours

means the period during which the Premises is occupied for the Business purpose and during which the Insured or any director, partner or Employee of the Insured normally entrusted with Money is actually at the Premises.

Limits of Indemnity

The maximum amount payable by the Company will not exceed the following amounts for any one Period of Insurance.

A) Crossed cheques and credit card sales vouchers	HK\$500,000
B) Money other than crossed cheques and credit card sales vouchers	
i) in transits during Banking Hours	HK\$50,000
ii) at the Premises during Business Hours	HK\$50,000
iii) at the Premises out of Business Hours	
• in locked safes or locked strong rooms	HK\$50,000
• in locked drawers or locked cash registers	HK\$5,000.

Provided that

- 1) when out of Business Hours, all keys and notes of combination locks, letters and numbers for safes or strong rooms containing Money will be removed from the Premises;
- 2) the Insured will keep a proper written record of all Money and will allow the Company at any reasonable time to inspect such record;
- 3) the Insured will give immediate notice to the police on discovery of any Loss or Damage.

EXTENSIONS (under Section 3)**Double Indemnity Limits**

On Sundays, Public Holidays and the day after such holidays, the Limits of Indemnity for any one Period of Insurance will be increased by 100% as follows:

A) Crossed cheques and credit card sales vouchers	HK\$1,000,000
B) Money other than crossed cheques and credit card sales vouchers	
i) in transits during Banking Hours	HK\$100,000
ii) at the Premises during Business Hours	HK\$100,000
iii) at the Premises out of Business Hours	
• in locked safes or locked strong rooms	HK\$100,000
• in locked drawers or locked cash registers	HK\$10,000

Subject otherwise to the terms, the exclusions and the conditions of the Policy.

Employee's Fidelity Protection

The Company will, subject to the terms, the exclusions and the conditions, pay the Insured for the physical loss of or physical damage to Money up to HK\$10,000 for any one Period of Insurance in connection with the Business arising from an act or a series of acts of fraud or dishonesty committed by the Insured's Employee during the Period of Insurance and discovered

- 1) during the same Period of Insurance or
 - 2) within fourteen (14) days of the expiry of the same Period of Insurance or the termination of the contract of employment
- whichever will first occur. Provided that

- a) if the Insured has knowledge of any material fact bearing on the honesty of any Employee, the Insured will not continue to entrust such Employee with Money or goods;
- b) the Insured will prosecute the Employee and will provide the Company with all information and evidence to the police in respect of any fraud or dishonesty committed by such Employee.

Personal Accident Protection

In the event of the Insured or any director, partner or Employee of the Insured (hereinafter referred to as "the Insured Person") sustaining Bodily Injury by assault causing death or Permanent Total Disablement (as stated herein) directly and solely as a result of theft or attempted theft at the Premises, the Company, will subject to the terms, the exclusions and the conditions, pay the Insured Person (or his/her legal personal representatives) for such Bodily Injury. Provided that the aggregated amount payable by the Company to all Insured Persons (or his/her legal personal representatives) will not exceed HK\$100,000 in respect of any one Accident.

In the event of two or more Insured Persons sustaining death or Permanent Total Disablement by the same Accident, each of the Insured Person will be entitled to an equal share in the above amount only.

Permanent Total Disablement refers to physical loss of eye or limb or such physical injury which prevents the Insured Person from attending any occupation or business of any kind for a period of not less than twelve (12) months and such physical injury expected to continue for the remainder of the Insured Person's life.

Personal Cash Cheque

The Company will, subject to the terms, the exclusions and the conditions, pay for the pecuniary loss arising from the Insured, any director, partner or Employee of the Insured forced by violence or threat of violence to sign any personal cash cheque at the Premises during Business Hours, provided that the maximum amount payable by the Company will not exceed HK\$5,000 for any one Period of Insurance.

EXCLUSIONS (applicable to Section 3)

This Section does not cover

- 1) the first HK\$1,000 of each and every claim (other than claim under the Extension - "Personal Accident Protection").
- 2) any Loss or Damage not notified to the Company within fourteen (14) days of its occurrence
- 3) any Loss or Damage arising from depreciation in value, dishonored cheque, or use of counterfeit Money.
- 4) any Loss or Damage suffered as a result of Business transaction.
- 5) any Loss or Damage arising from unattended vehicle.
- 6) any Loss or Damage during transit outside Hong Kong.
- 7) any Loss or Damage arising from theft not accompanied by forcible and violent entry to or exit from the Premises.
- 8) any Loss or Damage arising from fraud, dishonesty or infidelity of any director, partner or Employee of the Insured (other than physical loss or physical damage insured by the Extension - "Employee's Fidelity Protection").
- 9) any Loss of or Damage to Money entrusted to any person other than the Insured or any director, partner or Employee of the Insured.
- 10) any Loss of or Damage to Money by post.
- 11) any shortage arising from error or omission.
- 12) any Loss or Damage more specifically insured by any other insurance.

Section 4 - Public Liability**COVER**

In the event of

- 1) Accidental Bodily Injury to any person other than the Insured's director, partner or Employee; or
- 2) Accidental Loss of or Damage to property not owned or held in trust by the Insured, any director, partner or Employee of the Insured, or not in the Insured's care, custody or control

occurring during the Period of Insurance and arising out of and in the course of the Business within the Geographical Area, the Company will, subject to the Jurisdiction Clause, the terms, the exclusions and the conditions, indemnify the Insured against all sums which the Insured will become legally liable to pay for, including all costs and expenses incurred with the written consent of the Company, up to the Limit of Indemnity hereunder.

Jurisdiction Clause

The indemnity provided by this Section will not apply in respect of judgements which are not in the first instance delivered by or obtained from a court of competent jurisdiction within Hong Kong nor to orders obtained in the said court for the enforcement of judgements made outside Hong Kong whether by way of reciprocal agreement or otherwise.

Personal Representative Director Partner or Employee

The Company will, subject to the Jurisdiction Clause, the Geographical Area, indemnify any personal representative, director, partner or Employee of the Insured while acting on behalf of and in the course of employment by the Insured in respect of the liability for which the Insured would have been entitled to indemnity under this Section if the claim against any such person had been made against the Insured. Provided that

- 1) there is no other insurance covering the same liability;
- 2) such person will observe, fulfill and be subject to the terms, the exclusions and the conditions of the Policy.

Limits of Indemnity

The maximum amount payable by the Company in respect of any one Accident or a number of Accidents arising out of one occurrence insured by this Section and all its Extensions will not exceed the Limits of Liability specified in the Schedule.

If the Company is liable to indemnify more than one party, the total amount of indemnity to all such parties will not exceed the same Limits of Liability specified in the Schedule.

EXTENSIONS (under Section 4)**Food or Drink**

The Company will, subject to the terms, the exclusions and the conditions, indemnify the Insured against legal liability for Accidental Bodily Injury to any person arising from food or drink supplied free of charge as a service to any visitor for consumption at the Premises. Provided that the maximum amount payable by the Company will not exceed HK\$2,500,000 for any one Period of Insurance. This Extension will not apply to any claim for injury, fatal or otherwise sustained or contracted by any animal.

Overseas Commercial Visit

The Company will, subject to the Jurisdiction Clause, the terms, the exclusions and the conditions, indemnify the Insured against legal liability arising out of any occasional visit outside Hong Kong by the Insured, any director, partner or Employee of the Insured in connection with the Insured's Business other than manual working assignment. Provided that

- 1) the Company will indemnify the Insured as though such Bodily Injury, Loss or Damage was sustained in Hong Kong;
- 2) such person normally resides in Hong Kong;
- 3) the legal costs and expenses (with the Company's written consent) payable by the Company will not exceed HK \$2,500,000 for any one Period of Insurance.

Tenant

The Company will, subject to the terms, the exclusions and the conditions, indemnify the Insured against legal liability for physical damage to Building rented and occupied by the Insured as a tenant but excluding liability assumed under a tenancy or other agreement which would not have attached in the absence of such agreement.

Neon Sign or Signboard

The Company will, subject to the terms, the exceptions and the conditions of this Policy, cover the Insured's legal liability in respect of Accidental Injury or Accidental Damage arising solely out of the ownership or use of any advertising /neon signs and decorations located on or at the Premises as specified in the Schedule subject to the following additional provisions. This Extension shall not apply to any advertising/neon signs and decorations in the course of erection, maintenance, repair or demolition conducted by or on behalf of the Insured.

Warranted that

- a) the Insured shall comply with all statutory enactment, bylaws and regulations and shall at all times ensure that the advertising/neon signs and decorations are kept in a proper state of repair; and
- b) regular inspection and maintenance of the advertising/neon signs and decorations shall be carried out by duly qualified and authorized contractors or engineers at least once a year, and
- c) if any defect be discovered the Insured shall forthwith cause such defect to be made good and shall in the meantime cause such additional precautions to be taken for the prevention of any accident as the circumstances may require; and
- d) no alteration in the position of the advertising/neon signs and decorations shall be made without the consent of the Company.

So far as is reasonably practicable no alteration or repair shall without the consent of the Company be made to the said advertising/neon signs and decorations after any accident has occurred in connection therewith until the Company shall have had an opportunity of inspecting same.

Provided that the maximum liability of the Company under this Extension shall not exceed HK\$1,000,000 any one accident and in the aggregate during the Period of Insurance that is inclusive of and not in addition to the Limit of Indemnity as specified in the Schedule.

EXCLUSIONS (applicable to Section 4)

This Section does not indemnify the Insured in respect of

- 1) a) the first HK\$1,000 of each and every claim for Loss of or Damage to third party property.
b) the first HK\$1,000 or 10% of each & every claim whichever is the greater for Loss of or Damage arising from water.
- 2) any Bodily Injury to any director, partner or Employee in the service of the Insured or claiming compensation from the Insured under the Employees' Compensation Ordinance or similar Law or Ordinance.
- 3) any Bodily Injury, Loss or Damage caused by or arising from contractor or sub-contractor to the Insured, person engaged in or upon the service of contractor or sub-contractor.
- 4) any Loss of or Damage to property
 - a) belonging to or in the care, custody or control of the Insured, any director, partner or Employee of the Insured (other than legal liability insured by the Extension - "Tenant").
 - b) upon which the Insured, any director, partner or Employee of the Insured has been operating.
- 5) any Bodily Injury, Loss or Damage caused by or arising from possession or use of
 - a) mechanically propelled road vehicle other than the act of loading or unloading of such vehicle, the bringing to or the taking away of a load from such vehicle.
 - b) ship, craft, aircraft, helicopter, railway, rolling stock, lift, crane, escalator, power hoisting machine or other instrument of transportation or conveyance.
- 6) any Bodily Injury, Loss or Damage caused by or arising from
 - a) products or goods (which term will be deemed to include containers) sold or supplied (other than legal liability insured by the Extension - "Food or Drink").
 - b) dispensing of any medicine or drug.
 - c) breach of professional duty, service, advice or treatment.
- 7) any Bodily Injury, Loss or Damage caused by or arising from
 - a) infringement of plan, copyright, patent, trade mark or registered design.
 - b) libel or slander of the Insured, any director, partner or Employee of the Insured.
 - c) punitive or exemplary damages awarded against the Insured, any director, partner or Employee of the Insured.
- 8) any liability which attaches by virtue of any agreement, contract or warranty but which would not have attached in the absence of such agreement, contract or warranty.
- 9) any liability more specifically insured by any other insurance.

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Section 5 - Employees' Compensation

This Section is an optional cover of the Policy. It is operative only if so specified in the Schedule on payment of extra Premium.

COVER

WHEREAS the Insured carrying on the Business by a Proposal and Declaration which shall be the basis of this contract and is deemed to be incorporated herein has applied to the Company for the insurance herein contained and has paid or agreed to pay the Premium specified herein as consideration for such insurance

NOW THIS POLICY WITNESSETH that if any Employee in the Insured's immediate employ shall sustain bodily injury or death by Accident occurring or Disease contracted during the Period of Insurance within the Geographical Area and arising out of and in the course of his employment by the Insured in the Business

THE COMPANY WILL subject to Policy Limit of Indemnity and to the terms exceptions and conditions contained in or endorsed on this Policy (all of which are hereinafter collectively referred to as "the Terms of this Policy") indemnify the Insured against his legal liability in respect of such bodily injury or death under the Ordinance and independently of the Ordinance to pay compensation and damages and claimant's costs and expenses and also indemnify the Insured against costs and expenses incurred by or on behalf of the Insured with the Company's written consent in connection therewith

PROVIDED THAT in the event of any change to the Ordinance during or subsequent to the Period of Insurance altering the legal liability of the Insured under the Ordinance the liability of the Company under this Policy shall be limited to such sums as the Company would have been liable to pay if the Ordinance had remained unaltered

FURTHER PROVIDED THAT:

- (a) the due observance and fulfilment of the Terms of this Policy in so far as they relate to anything to be done or not to be done or to be complied with the Insured; and
- (b) the truth of the statements and answers in the Proposal and Declaration and the Estimated Earnings Declaration and the Actual Earnings Declaration shall be conditions precedent to any liability of the Company to make payment or to provide indemnity under this Policy.

THE COMPANY WILL ALSO in the event of the death of the Insured indemnify the Insured's legal personal representatives in the Terms of this Policy in respect of liability incurred by the Insured provided that such legal personal representatives shall as though they were the Insured observe fulfill and be subject to the Terms of this Policy in as far as they can apply.

DEFINITIONS

For the purposes of this Policy:

- (a) "Accident" means an accident or a series of accidents arising out of one event.
- (b) "The Business" means the usual work and activities carried on by the Insured pertaining to his business as specified in the Schedule and no others.
- (c) "The Company" means Assicurazioni Generali S.p.A.
- (d) "The Company's Indemnity" means indemnity provided under this Policy including costs and expenses incurred by or on behalf of the Insured with the Company's written consent.
- (e) "Disease" means a disease contracted by an Employee of the Insured as a result of his exposure to the nature of his employment with the Insured. Such exposure may extend over a period of time and part of which period may fall outside the Period of Insurance under this Policy.
- (f) "Earnings" means all gross wages salaries remunerations commissions bonuses overtime termination payments allowances and the like directors' fees or other benefits whether at piecework rates or otherwise and whether paid in cash or in kind by the Insured to his Employees.
- (g) "Employee" has the same meaning as assigned to that expression in the Ordinance.
- (h) "The Insured" means only the person or persons specified as such in the Schedule and no others.
- (i) "Noise-Induced Deafness" has the same meaning as assigned to that expression in the Occupational Deafness (Compensation) Ordinance (Chapter 469 of the laws of Hong Kong).
- (j) "The Ordinance" means the Employees' Compensation Ordinance (Chapter 282 of the laws of Hong Kong).
- (k) "Pneumoconiosis" and "Mesothelioma" have the same meaning as assigned to those expressions in the Pneumoconiosis and Mesothelioma (Compensation) Ordinance (Chapter 360 of the laws of Hong Kong).
- (l) "The Policy" means this Employees' Compensation Insurance Policy the Schedule and any memoranda and endorsements contained herein or endorsed hereon which shall be read together as one document and any word or expression to which a specific meaning has been assigned shall bear such meaning throughout.
- (m) "The Proposal and Declaration" means any signed proposal form and declaration and any information supplied by or on behalf of the Insured in addition thereto or in substitution therefor.
- (n) Unless the context otherwise requires, words and expressions importing the masculine gender also include the feminine and neuter genders and words and expressions in the singular include the plural and words and expressions in the plural include the singular.

POLICY LIMIT OF INDEMNITY

- (a) In respect of any Accident or Disease giving rise to a claim or claims against the Insured for which indemnity is provided under this Policy the Company's Indemnity to the Insured shall in the aggregate be limited to the amount specified in the Schedule as "Policy Limit of Indemnity" irrespective of the number of Employees who may sustain bodily injury or death consequent on or attributable to the same occurrence of Accident or Disease.
- (b) In relation to any liability of the Insured in respect of a Disease contracted by an Employee due to the nature of his employment with the Insured which nature of employment applies during a period that extends over more than one policy period of insurance:
- (i) the aggregate of the Company's Indemnity to the Insured under all insurance policies shall not exceed the limit of indemnity of the insurance policy that was in force at the time the nature of the Employee's employment to which such Disease was due first affected the Employee; and
 - (ii) subject to the limitation of paragraph (b)(i) hereof, the Company's Indemnity to the Insured under this Policy shall be limited to such proportion of the Insured's liability in respect of such Disease as that part of the Employee's period of employment falling within the Period of Insurance of this Policy bears to the total period of his employment to the nature of which such Disease was due.
- (c) If the occurrence of any Accident or Disease results in indemnity hereunder to more than one Insured, the limitations of the Company's liability specified in paragraphs (a) and (b) hereof shall apply to the aggregate of indemnity to all Insureds.
- (d) At any time after the occurrence of any Accident or Disease giving rise to a claim or claims against the Insured for which indemnity is provided under this Policy the Company may pay to the Insured the full amount of the Company's liability specified in paragraph (a) or (b) hereof (after the deduction of any sums already paid) or any lesser amount for which such claim or claims can be settled and shall relinquish the conduct of any defence settlement or proceedings relating to such claim or claims and shall not thereafter be responsible for any compensation damages or costs in respect thereof or for any costs or expenses whatsoever incurred by the Insured after the Company shall have relinquished such conduct or for any loss damage or expenses caused to the Insured in consequence of any act or omission of the Company in connection therewith or of the Company relinquishing such conduct.
- (e) If there should be any shortfall in the actual Earnings declared in accordance with paragraph (b) of INSURANCE PREMIUM of this Policy from the respective actual Earnings, the extent of the Company's Indemnity shall be reduced proportionately by the extent of under-insurance; and the balance shall be borne by the Insured himself. If no declaration of the actual Earnings by the Insured is received by the Company as prescribed, for the purpose of this clause the Earnings estimated by the Insured as at the commencement of the Period of Insurance shall be used in lieu of the actual Earnings that should have been declared to determine the extent of the under-insurance if any.

JURISDICTION CLAUSE

The Company shall not be liable under this Policy in respect of judgments against the Insured which are not in the first instance delivered by or obtained from a court of competent jurisdiction of Hong Kong

EXCEPTIONS

The Company shall not be liable under this Policy in respect of:

- (a) the Insured's liability to employees of contractors to the Insured;
- (b) any liability of the Insured which attaches by virtue of an agreement but which would not have attached in the absence of such agreement;
- (c) any sum which the Insured would have been entitled to recover from any party but for an agreement between the Insured and such party;
- (d) any liability arising from Pneumoconiosis or Mesothelioma or Noise-Induced Deafness;
- (e) the Insured's liability to any person who is not an employee of the Insured within the meaning of the Ordinance;
- (f) any late payment surcharge fines penalties or punitive aggravated or exemplary damages for which the Insured may become liable under the Ordinance or independently of the Ordinance;
- (g) any injury by Accident or Disease attributable to war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war mutiny rebellion revolution insurrection or military or usurped power;
- (h) any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
 - (i) nuclear weapons material;
 - (ii) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel and for the purposes of this Exception combustion shall include any self-sustaining process of nuclear fission;
- (i) any injury by Accident or Disease where the Company has not been given sufficient notice of the institution of proceedings in a court or tribunal to enable the Company to be added as a party to the proceedings.

AVOIDANCE OF CERTAIN TERMS AND RIGHT OF RECOVERY

If the Company is obliged by the Ordinance to pay an amount for which the Company would not otherwise be liable under this Policy the Insured shall forthwith repay such amount to the Company.

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INSURANCE PREMIUM

- (a) Prior to the commencement of the Period of Insurance, the Insured shall supply the Company with a declaration estimating the Earnings of the Employees employed in the Business during the Period of Insurance (which Declaration is referred to herein as "the Estimated Earning Declaration") on the basis of which a deposit premium becomes payable to the Company.
- (b) The Insured shall within ninety (90) days after the expiry of the Period of Insurance or upon cancellation of the Policy supply the Company with a completed Premium Adjustment and Declaration of Earnings Form stating the actual Earnings of Employees and provide the relevant supporting documents during the Period of Insurance (which declaration is referred to herein as "the Actual Earnings Declaration"). If the actual Earnings shall differ from the estimated Earnings the difference in premium shall be met by a further proportionate adjustment premium to be paid to the Company or by a premium refund to the Insured as the case may be.
- (c) It is hereby declared that the Premium payable by the Insured in consideration of the indemnity provided under this Policy is the sum of the deposit premium and the adjustment premium calculated pursuant to paragraphs (a) and (b) hereof.
- (d) The name Hong Kong Identity Card number class of employment and Earnings of every Employee of the Insured employed in the Business from time to time during the Period of Insurance shall be properly recorded by the Insured and retained in a safe place so that a record exists of all persons who are Employees of the Insured for the purposes of this Policy and the Insured shall at all reasonable times allow the Company to inspect and obtain copies of such records.
- (e) If the Insured fails to cooperate with the Company in submitting the completed Premium Adjustment and Declaration of Earnings Form, without prejudice to any other rights of the Company, the Company shall retain the discretion not to renew this insurance upon expiry of the Policy.

CLAIMS SETTLEMENT CONDITIONS

- (a) **Claims Notification Demands etc.** In the event of any occurrence which may give rise to a claim under this Policy the Insured shall immediately give notice thereof in writing to the Company with full particulars.

The Insured shall also give the Company notice in writing immediately the Insured becomes aware of any intention to prosecute the Insured any impending prosecution inquest or fatal inquiry in connection with any occurrence which may give rise to a claim under this Policy. Every letter claim writ summons and process shall be forwarded to the Company immediately on receipt.
- (b) **Claims Control by the Company.** The Company shall be entitled upon notice to the Insured to take over and conduct in the Insured's name the defence or settlement of any claim demand or proceedings against the Insured. In that event:
 - (i) the Insured shall provide all such information and assistance including the latest earnings of all employees duly certified as being correct by an independent auditor and forward all such documents and other records to the Company for the conduct of such claim demand or proceedings as the Company in its discretion may from time to time require; and
 - (ii) the Insured shall not without the written consent of the Company incur any expenditure in connection with any such claim demand or proceedings or make any payment admission offer or enter into any settlement whatsoever.
- (c) **Claims Payments by the Insured.** Where the Insured pays all or any part of a claim for which he is liable and for which indemnity is provided by this Policy the Insured shall obtain duly witnessed signed receipts for such payments and shall retain in a safe place all such signed receipts and records and documents relating to such payments and the Insured shall at all reasonable times allow the Company to inspect and obtain copies of such records and documents.
- (d) **Other Insurance.** If at the time a claim is made by the Insured under this Policy there is any other insurance covering the same liability the Company shall not be liable to pay or contribute more than its ratable proportion of any such claim and costs and expenses in connection therewith.
- (e) **Waiver of Claims.** The Insured shall not become a party to any agreement the effect of which is that the Insured waives any claim which the Insured would otherwise have against any person in respect of or arising out of any occurrence resulting in liability on the part of the Insured for which indemnity is provided by this Policy or whereby any such claim is limited or qualified in any way.
- (f) **Subrogation.** The company shall be entitled at its sole discretion to prosecute in the name of the Insured any claim for damages costs indemnity contribution or otherwise against any person who may be liable to the Insured in respect of any liability on the part of the Insured for which indemnity is provided by this Policy and shall have full discretion in the conduct of any such proceedings and in the settlement of any such claim. The Insured shall give all such information and assistance as the Company may from time to time require and execute any necessary documents for the purpose of vesting such rights in the Company. Any moneys recovered pursuant to the exercise of such rights shall be applied firstly for the benefit of the Company to the extent of the amount paid by the Company in respect of any claim including any costs and expenses paid or incurred by the Company and costs and expenses incurred in prosecuting such recovery action.

GENERAL CONDITIONS

- (a) **Notices.** Every notice or communication to be given or made under this Policy shall be delivered in writing to the Company and in the case of notice or communication to the Insured to his address specified in the Schedule.
- (b) **Precautions.** The Insured shall take all reasonable precautions to prevent Accidents and Diseases and shall comply with all relevant statutory requirements and obligations including but not limited to the provisions of the Factories and Industrial Undertakings Ordinance (Chapter 59 of the laws of Hong Kong) and any Regulations Rules or Notices issued made or promulgated thereunder.
- (c) **Changes in Risks.** The Insured shall immediately notify the Company in writing of any material change in the risk insured hereunder made by the Insured or any other person during the Period of Insurance including but not limited to:
 - (i) any merger with or acquisition of another company or business;
 - (ii) the Insured or any subsidiary or holding company of the Insured being placed in voluntary liquidation receivership or liquidation or entering into a composition with its creditors or being unable to pay its debts from its own resources; or

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(iii) any material change in the nature of the Business or in the number of the Insured's Employees.

- (d) **Right of Inspection.** The Company shall have the right and opportunity at all reasonable times to inspect the works machinery plant and appliances used in the Business.
- (e) **Assignment.** No assignment of interest under this Policy shall bind the Company unless the written consent of the Company is first obtained and endorsed hereon.
- (f) **Governing Law.** This Policy is subject to the exclusive jurisdiction of Hong Kong and is to be construed according to the laws of Hong Kong.

EXTENSION (under Section 5).

Worldwide Cover for Commercial Visit

This Section is, subject to the Terms of this Insurance, extended to apply in respect of any member of the executive, managerial, administrative or sales staff who is normally engaged in the immediate service of the Insured in Hong Kong sustains Bodily Injury arising out of and in the course of such service whilst working overseas or in China. Provided always that

- 1) the cover hereunder will not apply to any manual working assignment abroad;
- 2) in the event of any injury by Accident or disease sustained by any Employee of the Insured in the course of employment whilst working outside Hong Kong, the Company will indemnify the Insured as though such injury by Accident or disease was sustained in Hong Kong;
- 3) if any liability arises within the legal jurisdiction of the United States of America or Canada, the Company's liability to pay for the costs and expenses will in respect of any one Accident or a number of Accidents arising out of one occurrence be limited to HK\$2,500,000.

Important Notice

The Employees' Compensation Ordinance requires an employer to take out an insurance policy cover **ALL** employees engaged in his business with a **Minimum Amount** of insurance coverage. The Insured should ensure that this Policy complies with the Ordinance requirements. A subsequent change in number of employees may result in a higher amount of insurance coverage being required under the Ordinance. In this event, the Insured should consult the Company immediately.

General Exclusions (applicable to all Sections)

The Policy does not cover

- 1) any Accident, Loss or Damage, expense, liability or Bodily Injury directly or indirectly occasioned by or through or caused by or arising from or in consequence of or contributed to by
 - a) war, invasion, act of foreign enemy, hostilities, civil war or war like operations (whether war be declared or not).
 - b) mutiny, riot, civil commotion, assuming the proportions of or amounting to a popular rising military, rising insurrection, rebellion, revolution, military or usurped power, martial law or state of siege or any event or cause which determines the proclamation or maintenance of martial law or state of siege.
 - c) act of terrorism or any person acting on behalf of or in connection with any organisation using violence for political ends including any use of violence for the purpose of putting the public or any section of the public in fear.
 - d) confiscation, commandeering, seizure or requisition or destruction of or damage to the property by order of the Government (de jure or de facto) or any public, municipal or local authority or any process of Law or Ordinance.

In the event of the Company maintaining that any of the above exclusions applies to any claim, the burden of proving such claim is insured by the Policy will be upon the Insured.
- 2) any Accident, Loss or Damage, expense, liability or Bodily Injury directly or indirectly occasioned by or through or caused by or arising from or in consequence of or contributed to by
 - a) nuclear weapon materials.
 - b) ionising, radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from combustion of nuclear fuel or any self-sustaining process or nuclear fission or nuclear fusion.
 - c) any other forms of ionising, radiation or contamination from any nuclear or radioactive materials.
- 3) consequential loss, indirect loss or indirect damage of any kind or description (other than the Additional Expenditure insured by Section 2 - Business Interruption).
- 4) any judgement which is not in the first instance delivered by or obtained from a court of competent jurisdiction within the territory of Hong Kong.
- 5) any Accident, Loss or Damage, expense, liability or Bodily Injury directly or indirectly occasioned by or through or caused by or arising from or in consequence of or contributed to by
 - a) asbestos or the discharge, dispersal, release or escape of smoke, vapor, soot, fume, acids, alkali, toxic chemicals, toxic liquid or toxic gas, waste materials or other irritants, contaminants or pollutants.
 - b) any other forms of pollution or contamination.
- 6) any Accident, Loss or Damage, expense, liability or Bodily Injury directly or indirectly occasioned by or through or caused by or arising from or in consequence of or contributed to by explosive, unauthorised or illegal storage of dangerous goods, dangerous chemicals or dangerous materials which belonging to or in the care, custody or control of the Insured and classified by any authority or the Government as dangerous materials.
- 7) any Accident, Loss or Damage, expense, liability or Bodily Injury directly or indirectly occasioned by or through or caused by or arising from or in consequence of or contributed to by
 - a) existing unauthorised or illegal structure, or unauthorised or illegal building works at the Premises.
 - b) demolishing, installing, erecting, altering, repairing or renovating unauthorised or illegal structure or building works at the Premises.

For the purpose of this exclusion, the meaning of unauthorised or illegal structure or building works will be construed in accordance with the Building Ordinance of the Government.

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8) any Accident, Loss or Damage, expense, liability or Bodily Injury directly or indirectly occasioned by or through or caused by or arising from or in consequence of or contributed to by alteration, repair, renovation, decoration or maintenance works performed at the Premises (other than Loss or Damage insured by the Extension - "Alteration or Repair" under Section 1).

9) any Accident, Loss or Damage, expense, liability or Bodily Injury whilst the Premises being unoccupied for more than thirty (30) consecutive days.

General Exclusions (5) to (9) will not be applicable to Section 5 - Employees' Compensation.

General Conditions (applicable to all Sections)

Identification

The Proposal, the Policy, the Schedule and any Endorsement or Memorandum hereto will be read together and any word or expression to which a specific meaning has been attached in any part of the Proposal, the Policy, the Schedule and any Endorsement or Memorandum hereto will bear such specific meaning wherever it may appear.

Notice or Communication

Every notice or communication to be given or made under the Policy will be delivered in writing to the Company.

Reasonable Precautions by the Insured

The Insured will take all reasonable steps or precautions to prevent Accident, Loss or Damage, Bodily Injury or liability and to comply with all statutory obligations, Laws or Ordinances and any regulation, rule, or notice issued, made or promulgated thereunder.

Alteration or Change in Risks

Cover under the Policy will cease

- a) in the event of any alteration which increases the risk of Accident, Loss or Damage, Bodily Injury or liability; or
 - b) where the Insured's interest ceases (other than by will or operation of Law or Ordinance)
- unless such alteration is agreed in writing by the Company.

Observance and Fulfillment of Terms and Conditions

The due observance and fulfillment of all the terms, Conditions and Endorsements or Memoranda (if any) of the Policy in so far as they relate to anything to be done or not to be done by the Insured and the truth of the statements and answers in the Proposal, earnings or declarations will be conditions precedent to any liability of the Company to make any payment under the Policy.

Right Against the Company

Unless otherwise expressly stated nothing contained herein will give any right against the Company to any person other than the Insured. Further, the Company will not be bound by any passing of the interest of the Insured otherwise than by death or operation of Law or Ordinance unless and until the Company will by Endorsement or Memorandum declare this insurance to be continued. The extension of the Company's liability in respect of the property of any person other than the Insured will give no right of claim hereunder to such person, the intention being that the Insured will in all cases claim for and on behalf of such person and the receipt of the Insured will in any case absolutely discharge the Company's liability hereunder in respect of such claim.

Claims - Duties of the Insured

In the event of any occurrence which giving rise to or likely to give rise to a claim under the Policy comes to the Insured's knowledge, the Insured or the legal representatives of the Insured will

- 1) take reasonable steps to minimise any Loss or Damage or recover any missing property.
- 2) give notice in writing to the Company as soon as possible.
- 3) give notice to the police as soon as possible if there has been theft or suspected theft.
- 4) endeavor to preserve any Damaged property in connection with any claim.
- 5) not incur any cost or expense in reinstating (replacing, repairing, renovating, altering or making good) any Loss or Damage until the Company has an opportunity of inspection or investigation and gives the written consent to the Insured for such reinstatement.
- 6) not negotiate, pay, settle, admit, offer, promise or repudiate any claim without the written consent of the Company.
- 7) notify or send to the Company immediately on receipt of every letter, claim, writ, summons, impending prosecution inquest or fatal inquiry, or other legal documents in connection with such occurrence, and give all necessary information or assistance to enable the Company to settle or resist any claim or to institute legal proceedings.
- 8) at the Insured's own costs or expenses supply the Company with full particulars of the claim including all other insurance policies (if any) insuring the Accident in writing as soon as possible and in any case not later thirty (30) days after the occurrence of Accident, Bodily Injury, Loss or Damage.
- 9) at the Insured's own costs or expenses give the Company all such records, books of account or documents or such information as the Company may reasonably require for investigating, verifying or handling any claim.

Claims - Rights of the Company

In the event of a claim, the Company will be entitled to

- 1) enter, take or keep possession of the Premises where such Loss or Damage has occurred.
- 2) take possession of or require to be delivered to the Company any property insured and deal with such property for all reasonable purposes and in any reasonable manner, but no property may be abandoned to the Company.
- 3) take over in the name and on behalf of the Insured the absolute conduct, control and settlement of any claim or proceedings instituted by a third party against the Insured or the legal representatives in respect of any liability insured by the Policy and the Insured will give all the information and assistance as the Company may require.
- 4) take proceedings at the Company's own costs or expenses and for the Company's own benefit, but in the name of the Insured, to recover compensation or secure indemnity from any third party in respect of anything insured by the Policy and the Insured will give all the information and assistance as the Company may require.
- 5) pay at any time the Limit(s) of Indemnity (after the deduction of any sum or sums already paid) or any less amount for which such claim or claims can be settled and will then relinquish the conduct or control of and be under no further liability in respect of such claim or claims except for the costs and expenses recoverable from the Insured or incurred with the written consent of the Company in respect of the conduct of such claim or claims prior to the date of payment.

Other Insurance or Contribution

- 1) The Policy does not cover any Loss or Damage, Additional Expenditure or liability more specifically insured by any other insurance policy.
- 2) If any Loss or Damage, Additional Expenditure or liability being the subject of a claim under the Policy is insured by any other insurance policy except as described in (1) above, the Company will not pay for more than the Company's rateable proportion thereof.

Arbitration

All differences arising out of the Policy will 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 (1) 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 will sit with the arbitrators and preside at their meetings and the making of an award will be a condition precedent to any right of action against the Company. If the Company will disclaim liability to the Insured for any claim hereunder and such claim will not within twelve (12) months from the date of such disclaimer have been referred to arbitration under the provisions herein contained, the claim will for all purposes be deemed to have been abandoned and will not thereafter be recoverable hereunder.

Forfeiture of Benefits

All benefits under the Policy will be forfeited

- 1) if any claim made is in any respect fraudulent.
- 2) if any fraudulent means or device is used by the Insured or any one acting on behalf of the Insured or any other person to obtain benefit under the Policy.
- 3) if any Loss or Damage, Additional Expenditure or liability is caused by the wilful act or with the connivance of the Insured.
- 4) if the Insured or any person acting on behalf of the Insured hinders or obstructs the Company in the exercise of the right of the Company.
- 5) in respect of any claim made and rejected if an action or suit is not commenced within twelve (12) months of such rejection.
- 6) in respect of any claim where arbitration takes place pursuant to the General Condition - "Arbitration" of the Policy and an action or suit is not commenced within twelve (12) months of the making of an arbitration award.
- 7) in respect of any claim after the expiration of twelve (12) months from the occurrence of Accident unless such claim is the subject of pending legal action or arbitration.

Cancellation

The Policy may be cancelled at any time

- 1) by the Insured on seven (7) days advance notice to that effect being given in writing to the Company in which case the Company will retain the customary short period rate for the time the Policy has been in force;
- 2) by the Company on seven (7) days advance notice to that effect being given in writing to the Insured's last known address, in which case the Company will be liable to return a rateable proportion of the Premium for the unexpired term from the date of cancellation.

Provided that

- a) no claim has been made in the then current Period of Insurance; and
- b) the Insured will return the Policy and all related documents to the Company prior to a refund Premium to the Insured.

Minimum Premiums

- 1) Section 1 (Material Damage) will be subject to a minimum Premium of HK\$750.
- 2) Section 5 (Employees' Compensation) will be subject to a minimum Premium of HK\$500 plus Levy.

Additional Clauses**Date Recognition Clause (A) (applicable to Sections 1, 2 and 3)**

The Policy does not cover Loss or Damage or consequential loss directly or indirectly caused by or consisting of or arising from the failure of any computer, data processing equipment or media, microchip, integrated circuit or similar device or any computer software, whether the property of the Insured or not, and whether occurring before, during or after the year 2000

- i) correctly to recognise any date as its true calendar date; or
- ii) to capture, save or retain, and/or correctly to manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date; or
- iii) to capture, save or retain, or correctly to process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save or retain, or correctly to process such data on or after any date;

but this will not exclude subsequent Loss or Damage or consequential loss not otherwise excluded, which itself results from a Defined Peril.

The Defined Perils are :

"Fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons (other than thieves), earthquake, storm, flood, escape of water from any tank apparatus or pipe or impact by any road vehicle or animal."

Date Recognition Clause (B) (applicable to Section 4)

The Policy will not apply to any liability for Loss or Damage or costs of any nature whatsoever directly or indirectly caused by, consisting of, arising from or relating to

- 1) any malfunction, failure, breakdown or any inability to perform in whole or in part of any
 - a) computer software, computer hardware, embedded chips, integrated circuit or similar device in non-computer equipment, or
 - b) system, process, service or product dependent on any of the aforementioned; or
- 2) any preventive or remedial effort or lack thereof to remedy, correct, change, or convert any of (1) [(a) and (b)] above; or
- 3) any advice, service, consultation, design, evaluation or inspection; or
- 4) any duty to disclose and/or failure to disclose the costs, expenses, material facts or financial effects to remedy, correct, change or convert any of (1) [(a) and (b)] above;

as a result of problems related to calendar date-recognition, which for the purposes of this clause will mean any failure to

- i) correctly recognise any date as its true calendar date; or
- ii) capture, save or retain, and/or correctly to manipulate, interpret or process any data or information or command or instruction as a result of any date not being treated as its true calendar date; or

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iii) capture, save or retain, and/or correctly to manipulate, interpret or process any data as a result of the operation of any information or command or instruction which has been programmed into any computer software system or network [as described above under (1)] being information, a command or an instruction which causes the loss of data or the inability to capture, save or retain and/or correctly manipulate, interpret or process such data on or after any calendar date.

War And Terrorism Exclusion Endorsement (applicable to all Sections)

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto it is agreed that this insurance excludes loss, damage, liability, 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:

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.

For the purpose of this Endorsement 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 similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This Endorsement also excludes loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If the Company alleges that by reason of this exclusion, any loss, damage, liability, cost or expense is not covered by this Policy the burden of proving the contrary shall be upon the Insured.

In the event any portion of this Endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

IT Clarification Clause (applicable to Sections 1, 2 and 3)

Property loss or damage covered under this Policy shall mean physical loss of or damage to the substance of property.

Physical loss of or damage to the substance of property shall not include 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.

Consequently the following are excluded from this Policy:

- A) 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 loss of or damage to the substance of property shall be covered.
- B) 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.

Terrorism Endorsement (applicable to Section 5)

1) Notwithstanding any provision to the contrary in this Policy or any endorsement thereto it is hereby agreed that in respect of any bodily injury or death by accident or disease ("the Loss") directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the Loss:

- a) the Policy Limit of Indemnity shall be such amount which the Company actually receives from the Government of the Hong Kong Special Administrative Region of the People's Republic of China ("the Government") pursuant to an Agreement for Provision of Facility dated 11th January 2002 between the Government and the Company under which the Government agreed to make available to the Company and other direct insurance companies authorized to underwrite employees' compensation insurance business in Hong Kong a facility to enable them to meet claims under employees' compensation insurance policies in respect of death and injury arising out of an event of terrorism ("the Facility Agreement");
- b) the Company will only be required to make payment after it has received from the Government (i) an approval letter confirming that the Company should settle the claim and (ii) payment under the Facility Agreement; and
- c) for the avoidance of doubt, the Company shall have no obligation to make payment if for whatever reason it does not receive payment from the Government under the Facility Agreement, whether or not due to the Government's contention that the Loss does not fall within the scope of the Facility Agreement or the Company's breach of the Facility Agreement.

2) For the purpose of the above an act of terrorism means the use of force or violence or other means or the threat thereof, of any person or persons, whether acting alone or on behalf of or in connection with any organization or government, for political, religious, or ideological purposes with an intention to influence any government and/or to put the public, or any section of the public, in fear.

3) This Policy does not cover any bodily injury, death, disease, loss, damage, cost or expense of whatsoever nature caused by, resulting from or in connection with any act of terrorism (including the action taken to control, suppress or prevent any act of terrorism) which is

- i) beyond the scope and limit of liability provided under the Facility Agreement, or
- ii) of a wider scope of meaning as defined in paragraph 2 above.

4) If the Company alleges that by reason of the above paragraph 3 any loss, damage, cost or expense is not covered under this Policy, the burden of proving the contrary shall be upon the Insured.

5) In the event any part of this Endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

6) Words and phrases in this Endorsement shall have the same meaning as in the Policy.

Self-employed Person or Sole Proprietor Exclusion Endorsement (applicable to Section 5)

The Company shall not be liable in respect of the Insured's liability to self-employed person or sole proprietor under the employ of the Insured or with whom the Insured has a contractual relationship.

For the purpose of this Endorsement such self-employed person or sole proprietor is not deemed to be an employee of the Insured within the meaning of this Policy.

Cyber Risk Exclusion (applicable to Section 4)

This Insurance Policy does not apply to any liability damages or losses arising from or in connection with

- a) the use or misuse of the internet or similar facilities or
- b) loss of service or loss of use of the internet or similar facilities or
- c) e-commerce and related activities and exposures

For the purpose of this Exclusion such damages or losses shall refer but not limited to the following

- 1) transmission of computer virus
- 2) unauthorized access
- 3) unauthorized use
- 4) infringement of data privacy
- 5) infringement of intellectual property rights (including but not limited to trademark copyright or patent)

Asbestos Exclusion (applicable to Section 4)

This Policy does not cover any loss, cost or expense directly or indirectly arising out of, resulting as a consequence of, or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to asbestos or materials or products containing asbestos whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

Asbestos Exclusion Endorsement (applicable to Section 5)

The Company shall not be liable under this Policy in respect of any liability resulting from existence, mining, handling, removal, testing, remediation, disposal, processing, manufacture, sale, distribution, storage or use of asbestos, asbestos products and/or products containing asbestos.

Subject otherwise to the terms, the exclusions and the conditions of the Policy.

Personal Information Collection Statement

- (a) From time to time, it is necessary for you to supply Assicurazioni Generali S.p.A., Hong Kong Branch (the "Company") with data about yourself(ves), policyowner(s), life insured(s), beneficiary(ies), claimant(s), and/or other relevant individuals (the "Personal Data") in connection with the provision of insurance and/or related products and services to you, the processing of claims under insurance policies issued and/or arranged by the Company, and/or the processing of any or all other requests, enquiries and complaints from you.
- (b) Provision of the Personal Data to the Company by you is voluntary. However, failure to supply the Personal Data may result in the Company being unable to provide insurance and/or related products and services to you, process claims under insurance policies issued and/or arranged by the Company, and/or process any or all other requests, enquiries, or complaints from you.
- (c) The purposes for which the Personal Data may be used are as follows:
- (i) processing (including, without limitation, underwriting) and/or approving applications for insurance and/or related products and services, and any addition, alteration, variation, cancellation, renewal and/or reinstatement of such products and services;
 - (ii) administering insurance policies issued and/or arranged by the Company;
 - (iii) processing (including, but not limited to, investigating, analyzing, assessing and adjudicating) and/or settlement of claims under insurance policies issued and/or arranged by the Company;
 - (iv) exercising rights of subrogation, if applicable;
 - (v) collection of amounts outstanding (if any) from customers;
 - (vi) arranging coinsurance and/or reinsurance in respect of the insurance policies issued and/or arranged by the Company;
 - (vii) communicating with customers via telephone, mail, e-mail, facsimile and other communication means;
 - (viii) customer services (including, but not limited to, processing enquiries and complaints), marketing (including, but not limited to, direct marketing), and other related activities;
 - (ix) conducting data matching procedures;
 - (x) designing insurance and/or related products and services for customers' use;
 - (xi) marketing insurance and/or other related products and services of the Company, its affiliated companies (which includes, but are not limited to, its group companies, parent company, trust companies of the Company's parent company (hereinafter such affiliated companies are collectively referred to as the "Affiliated Companies")) and/or third parties selected by the Company;
 - (xii) statistical or actuarial research of the Company, its Affiliated Companies, relevant insurance industry associations or federations, supervisory authority, government department and/or other competent authority;
 - (xiii) complying with the requirements under any laws, rules, regulations, codes, guidelines, court orders, compliance policies and procedures, and any other relevant requirements which the Company and/or its Affiliated Companies are expected to comply with, including, without limitation, making disclosures of the relevant information; and
 - (xiv) any purposes relating thereto.
- (d) The Personal Data held by the Company shall be kept confidential, but the Company may provide the Personal Data to the following parties (whether within or outside the Hong Kong Special Administrative Region) for the purposes set out in paragraph (c) above, without prior notification to you and/or any other relevant individuals to whom the Personal Data is related:
- (i) agents, intermediaries, claims investigation companies, coinsurance companies, reinsurance companies, third party service providers, banks and credit-card companies, health and medical organizations, professional advisers, contractors, business partners, and/or any other relevant parties, as appropriate, who provide administrative, telecommunication, computer, payment, marketing, investigation, advisory and/or other services to the Company in connection with the operation of its business;
 - (ii) relevant insurance industry associations or federations, and/or members of such industry associations or federations;
 - (iii) overseas locations or branches, as appropriate, of the Company, its Affiliated Companies and/or third parties selected by the Company;
 - (iv) persons to whom the Company and/or its Affiliated Companies are under an obligation to make disclosure under the requirements of any laws, rules, regulations, codes, guidelines, court orders, compliance policies and procedures, and any other relevant requirements which the Company and/or its Affiliated Companies are expected to comply with;
 - (v) any court, supervisory authority, government department or other competent authority (including, without limitation, tax authority) under any laws binding on the Company and/or its Affiliated Companies;
 - (vi) lawful successors or assigns of the Company; and
 - (vii) persons who owe a duty of confidentiality to the Company and/or its Affiliated Companies.
- (e) The Company may verify any or all of the Personal Data by using information collected and released or transferred by relevant insurance industry associations or federations, and/or members of such industry associations or federations.
- (f) In accordance with the Personal Data (Privacy) Ordinance:
- (i) any individual has the right to:
 - (A) check whether the Company holds data about him/her and, if so, obtain a copy of such data;
 - (B) require the Company to correct any data relating to him/her that is inaccurate; and
 - (C) ascertain the Company's policies and practices in relation to data and to be informed of the kind of data held by the Company;
 - and
 - (ii) the Company has the right to charge a reasonable fee for the processing of any data access request.
- (g) The person to whom requests for access to data and/or correction of data and/or for information regarding policies and practices and kinds of data held are to be addressed as follows:

Personal Data Protection Officer
Assicurazioni Generali S.p.A., Hong Kong Branch
35/F, Shell Tower, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

Note: In case of discrepancies between the English and Chinese versions of this Personal Information Collection Statement, the English version shall prevail.