

## CHINA PACIFIC PROPERTY INSURANCE COMPANY LIMITED

### CUSTOMHOUSE BONDS INSURANCE

#### GENERAL PROVISION

##### Article 1

The insurance contract (hereafter "Contract" ) consists of the Insurance Clauses, Proposal Form, Policy or Certificate, Endorsements (if any). Any agreement related to the Insurance Contract shall be in written form.

##### Article 2

Any and all enterprise legally established within the territory of the People' s Republic of China (exclusive of HKSAR, Macao SAR and Taiwan, the same applies below) and registered in China Customs to be 'General-Credit Enterprise ' or above are deemed to be qualified enough to be the Applicant hereunder.

##### Article 3

China Customs is the Insured under the policy.

#### INSURANCE COVERAGE AND EXCLUSIONS

##### Article 4

The insurer shall indemnify the Insured against the losses during the policy period as a result of the applicant fail to fulfill the customs duty within prescribed deadline during the policy period. The indemnity paid by the insurer includes customs duty and overdue payment of the applicant.

Customs Duty not only limited to Import Duty, Import Value-added Tax, Import Consumption Tax, Anti-dumping Duty, Anti-subsidy Duty, Waste Electric Charges, Delayed Tax Interest.

##### Article 5

According to *Insurance Law of the People's Republic of China, Regulations of the People' s Republic of China on Import and Export Duties, Regulations of the People's Republic of China on Customs Guarante*,the insurer shall not indemnify any claim that is not within the boundary of the above laws and regulations.

#### PERIOD OF INSURANCE

##### Article 6

The period of insurance shall not exceed one year,subject to the inception and expiration date as stipulated in the Policy.

#### AMOUNT OF INSURANCE

##### Article 7

The Sum Insured shall be determined by both the applicant and the insurer according to the estimated Customs Duties should be paid by the applicant.

If the Sum Insured is less than the actual amount of Customs Duties to be paid by the applicant, which is listed in the Payment Bill of the Customs, the Insurer is entitled to charge additional premium.

#### **OBLIGATIONS OF THE INSURER**

##### **Article 8**

The Insurer shall issue the Policy or other certificates in a timely manner after the establishment of an insurance contract.

The Insurer shall arrange its reinsurance placements according to the *Insurance Law of the People's Republic of China*.

##### **Article 9**

If the claim is covered under this Policy, the Insurer shall make the indemnity within five working days after receiving the Claim Application from the Insured, and fulfill the obligation to pay the compensation.

#### **OBLIGATIONS OF THE APPLICANT AND/OR INSURED**

##### **Article 10**

Upon establishment hereof, the Applicant shall be obliged to providing the faithful data when completing the Insurance Application and clarifying such relevant inquiries as raised by the Insurer.

##### **Article 11**

The Applicant shall pay in a lump sum before the contract takes effect , unless as otherwise stipulated by the Insurance Law or set forth herein.

##### **Article 12**

The Insured should Notify the Insurer in no delay if the Applicant deliberately refuses to perform the overdue duty of customs.

#### **Claim Handling**

##### **Article 13**

When making a claim, the Insured shall provide the documents as follows:

- 1) Claim Application ;
- 2) Payment bill of customs duty or any other necessary certificates and documents related with the claim;

##### **Article 14**

The premium shall be calculated as follows:

Premium = Unpaid tax amount of applicant X (1+ Number of days of overdue X 0.05%)

Number of days of overdue refers such period as from the starting date of overdue to the date of indemnification paid by insurer.

#### **Article 15**

The Insurer shall, starting from the date of payment of the insurance money to the Insured, exercise the right of claiming such relevant responsible party on behalf of the Insured and to the extent as limited by the actual amount of indemnity made, in which case the Insured shall furnish the necessary documents to the Insurer together with any other relevant information to its knowledge.

#### **Article 16**

The Insured shall have a 2-year valid litigation term to raise claims to the Insurer for insurance money, which term shall commence as of the date when it has known or should have known of any such insured accident as occurred.

### **MODIFICATION AND TERMINATION OF CONTRACT**

#### **Article 17**

Upon the execution of contract , unless agreed by the insured, neither the applicant nor the insurer shall modify or cancel this contract.

The Applicant may demand this Contract be modified or cancelled, in which case the Insured shall provide the documents as follows: Application form of Modification/ Cancellation 、 Insurance policy、 written documents of uncontested by insured.

The Insurer shall undertake to refund the Unearned premium if the insured agreed the termination of this contract, The Refundable premium shall be calculated as follows:

Unearned premium = (1- number of days of the expired insurance period/number of days of the insurance period) X Premium actual paid

#### **Article 18**

The Insurer shall indemnify the claims that occurs before the contract is terminated.

### **DISPUTE RESOLUTION AND JURISDICTION**

#### **Article 19**

Any dispute arising from the performance of this Contract shall be solved through consultation by the Insured and the Insurer; in case of failure of consultation, both Parties agree to institute an action to the local Courts of the People' s Republic of China of Insured.

#### **Article 20**

The laws of the People' s Republic of China are applicable to any dispute arising from this Contract ( exclusive of the courts in HKSAR, Macao SAR and Taiwan).

**In the event of a discrepancy between the Chinese version and its English translation, the Chinese version shall prevail.**