

**BUSINESS INTERRUPTION
FOLLOWING FIRE AND SPECIAL PERILS
INSURANCE POLICY**

**(BAOMINH – BUSINESS INTERRUPTION FOLLOWING FIRE
AND SPECIAL PERILS – 2020)**

(Issued in accordance with the Decision No./2020 – BM/TSKT dated/.../2020

By Chief Executive Officer of Bao Minh Insurance Corporation)

BaoMinh Insurance Corporation - (hereinafter referred to as BaoMinh) agrees (subject to the terms, definitions, exclusions and conditions of this Policy) that if after payment of the required Premium any building or other property used by the Insured at the Premises for the purpose of the Business be destroyed or damaged by any of THE PERILS specified in the Schedule during the Period of Insurance (or any subsequent period for which BaoMinh accepts the renewal premium) and in consequence the business carried on by the Insured at the Premises be interrupted or interfered with then BaoMinh will pay to the Insured in respect of each item in the Schedule the amount of loss resulting from such interruption or interference in accordance with the provision contained in the Specification and in an other part of the Policy.

PROVIDED THAT

1. at the time of the happening of the loss destruction or damage there shall be in force an insurance covering the interest of the Insured in the property at the Premises against such loss destruction or damage and that
 - (a) payment shall have been made or liability admitted therefor
 - or
 - (b) payment would have been made or liability admitted therefor but for the operation of a provision in such insurance excluding liability for losses below a specified amount
2. the liability of BaoMinh under this Policy shall not exceed
 - (a) in the whole the total sum insured or in respect of any item its sum insured expressed in the said schedule or such other sum or sums as may hereafter be substituted for it by a memorandum signed by or on behalf of BaoMinh
 - (b) the sum insured remaining after payment for any other interruption or interference consequent upon loss destruction or damage occurring during the same period of insurance, unless BaoMinh shall have agreed to reinstate any such sum insured

I. DEFINITION

The word “**DAMAGE**” in capital letters shall mean loss or destruction of or damage to the property used by the Insured at the Premises for the purpose of the Business.

The word “**Fire**” shall mean fire in abnormal conditions that causes loss or damage to insured property and not a friendly fire which can be controlled and confined for domestic purposes or otherwise.

The word "**Terrorism**" means an act, including but not limited to the use of force or violence and/or 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.

II. PERILS

A. FIRE (whether resulting from explosion or otherwise) excluding

- (a) earthquake, volcanic eruption or other convulsion of nature
- (b) DAMAGE occasioned by
 - (i) its own fermentation or natural heating or spontaneous combustion, or
 - (ii) its undergoing any heating or drying process
 - (iii) the burning of property by order of any public authority
 - (iv) subterranean fire
- (c) any DAMAGE occasioned by or through or in consequence of the burning, whether accidental or otherwise, of forest, bush, prairie, pampas or jungle, or the clearing of lands by fire.

LIGHTNING

Only DAMAGE is caused directly by lightning to the property insured (whether deformed or damaged by fire).

EXPLOSION

- (a) of boilers, or
- (b) of gas

used only for domestic purposes in a building in which gas is not generated and which does not form part of any gas works, but excluding DAMAGE caused by earthquake, volcanic eruption or other convulsion of nature.

B. EXPLOSION excluding DAMAGE

- (a) to boilers, economizers, or other vessels, machinery or apparatus in which pressure is used or to their contents resulting from their explosion,

- (b) occasioned by or through or in consequence, directly or indirectly, of acts of terrorism committed by a person or persons acting on behalf of or in connection with any organization.
- (c) by pressure waves caused by aircraft or other aerial devices at sonic or supersonic speeds.

C. AIRCRAFT and other aerial devices and/or articles dropped therefrom, but excluding the DAMAGE by pressure waves caused by aircraft or other aerial devices at sonic or supersonic speeds.

D. RIOT, STRIKE, LOCKED-OUT: DAMAGE directly caused by

- (a) the act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not);
- (b) the action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimizing the consequences of any such disturbance;
- (c) the willful act of any striker or locked-out worker done in furtherance of a strike or in resistance to a lock-out;
- (d) the action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimizing the consequences of any such act.

excluding

1. DAMAGE occasioned by, through or in consequence, directly or indirectly, of
 - (a) acts of terrorism committed by a person or persons acting on behalf of or on connection with any organization;
 - (b) civil commotion assuming the proportions of or amounting to a popular uprising;
 - (c) the malicious act of any person (whether or not such act is committed in the course of disturbance of the public peace) not being the wilful act of any rioter, striker or locked-out worker in furtherance of a riot or strike or in resistance to a lock-out;
 - (d) malicious erasure, loss, distortion or corruption of information on computer systems or other records, programs or software.
2.
 - (a) DAMAGE resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
 - (b) DAMAGE occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;

- (c) DAMAGE occasioned by permanent or temporary dispossession of any building resulting from the unlawful occupation by any person of such building.

PROVIDED nevertheless that BaoMinh is not relieved under 2(b) or (c) above of any liability to the Insured in respect of physical damage to the Property Insured occurring before dispossession or during temporary dispossession.

E. MALICIOUS DAMAGE

DAMAGE to the Property Insured directly caused by the malicious act of any person other than the Insured (whether or not such act is committed in the course of a disturbance of the public peace) and other than DAMAGE arising out of theft or any attempt thereat.

The cover provided under this peril is subject to the cover under Peril D being in force and to the application of the exclusions under that Peril other than 1(c).

F. EARTHQUAKE OR VOLCANIC ERUPTION including flood and overflow of the sea occasioned thereby.

G. STORM

excluding DAMAGE

- a) caused by
 - i. the escape of water from the normal confines of any natural or artificial water course or lake, reservoir, canal or dam or any water tank apparatus or pipes
 - ii. inundation from the seawhether resulting from storm, or otherwise
- b) caused by frost, subsidence or landslip
- c) to awnings, blinds, signs or other outdoor fixtures and fittings, gates and fences and moveable property in the open
- d) to Premises in course of construction, alteration or repair except when all outside doors, windows and other openings are complete and protected against storm or tempest
- e) by water or rain other than by water or rain entering the building through openings made in its fabric by the direct force of the storm or tempest

H. TEMPEST, STORM AND FLOOD excluding DAMAGE

- a) caused by frost, subsidence or landslip
- b) to awnings, blinds, signs or other outdoor fixtures and fittings, gates and fences and moveable property in the open
- c) to Premises in course of construction, alteration or repair except when all outside doors, windows and other openings are complete and protected against storm or tempest

- d) by rain except rain entering the building through openings made in its fabric by direct force of the storm or tempest
- e) resulting from the escape of water from any tank apparatus or pipe

I. ESCAPE OF WATER FROM ANY TANK, APPARATUS OR PIPES, excluding

- a) DAMAGE by water discharged or leaking from an installation of automatic sprinklers
- b) DAMAGE in respect of any building which is empty or not in use

J. IMPACT BY ANY ROAD VEHICLE OR ANIMAL NOT BELONGING NOR UNDER THE CONTROL OF THE INSURED

III. GENERAL EXCLUSIONS TO THE PERILS

This Policy does not cover loss resulting from DAMAGE

- (a) occasioned by
 - (i) riot, civil commotion, strikers or locked-out workers unless Peril D is specified in the Schedule and then only to the extent stated;
 - (ii) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war;
 - (iii) mutiny, military or popular uprising, insurrection, rebellion, revolution, military or usurped power, martial law or state of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege.
- (b) to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to or arising from
 - (i) any nuclear weapons material
 - (ii) ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. Solely for the purpose of this exclusion “combustion” shall include any self-sustaining process of nuclear fission.
- (c) caused by pollution or contamination but this shall not exclude loss resulting from DAMAGE to property used by the Insured at the Premises for the purpose of the Business, not otherwise excluded, caused by
 - (i) pollution or contamination at the Premises which itself results from a Peril hereby insured against
 - (ii) any Peril hereby insured against which itself results from pollution or contamination.

IV. GENERAL CONDITIONS

1. Identification

This Policy and the Schedule and Specification (which form an integral part of this Policy) shall be read together as one contract and words and expressions to which specific meanings have been attached in any part of this Policy or of the Schedule or Specification shall bear such specific meanings wherever they may appear.

2. Policy voidable

This Policy shall be voidable by BaoMinh in the event of misrepresentation, misdescription or non-disclosure in any material particular by the Insured.

3. Alteration of Risk

This Policy shall cease if after the commencement of this insurance

- (a) the Business is wound up or carried on by a liquidator or receiver or permanently discontinued or
- (b) the interest of the Insured ceases other than by death or
- (c) any alteration is made either in the Business or in the Premises or property therein whereby the risk of DAMAGE is increased unless admitted by BaoMinh in writing.

4. Cancellation

This insurance may be terminated at any time at the request of the Insured, in which case BaoMinh will retain the customary short period rate for the time the Policy has been in force, it means that Bao Minh will refund 80% of the rateable proportion of the premium for the unexpired term from the date of the cancellation. This insurance may also be terminated at the option of BaoMinh on notice to that effect being given to the Insured, in which case BaoMinh shall be liable to repay on demand a rateable proportion of the premium for the unexpired term from the date of the cancellation.

5. Underinsurance

If the items hereby insured shall, at the commencement of any Damage, be collectively of greater value than the sum insured thereon, then the Insured shall be considered as being his own insurer for the difference, and shall bear a rateable proportion of the loss accordingly. Every item, if more than one, of the policy shall be separately subject to this Condition.

V. CLAIMS CONDITIONS

1. Action by the Insured

- (a) In the event of any DAMAGE in consequence of which a claim is or may be made under this Policy the Insured shall

- notify BaoMinh immediately
 - with due diligence carry out and permit to be taken any action which may be reasonably practicable to minimize or check any interruption of or interference with the Business or to avoid or diminish the loss.
- (b) In the event of the claim being made under this Policy the Insured at his own expense shall
- not later than 30 days after the expiry of the Indemnity Period or within such further time as BaoMinh may allow, deliver to BaoMinh in writing particulars of his claim together with details of all other insurances covering the DAMAGE or any part of it or any resulting consequential loss
 - deliver to BaoMinh such books of account and other business books vouchers invoices balance sheets and other documents proofs information explanation and other evidence as may be reasonably required by BaoMinh for the purpose of investigating or verifying the claim together with, if demanded, a statutory declaration of the truth of the claim and of any matters connected with it.

2. Forfeiture

All benefit under the Policy shall be forfeited if any claim made is in any respect fraudulent or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain benefit under this Policy or if any DAMAGE is caused by the wilful act or with the connivance of the Insured.

3. Contribution

If at the time of any DAMAGE resulting in a loss under the Policy there be any other insurance or insurances effected by or on behalf of the Insured covering such loss or part of it, the liability of BaoMinh hereunder shall be limited to its rateable proportion of such DAMAGE.

4. Subrogation

Any claimant under this Policy shall at the request and at the expense of BaoMinh does and concurs in doing and permit to be done all such acts and things as may be necessary or reasonably required by BaoMinh for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which BaoMinh shall be or would become entitled or subrogated upon its paying for or making good any loss under this Policy, whether such acts and things shall be or become necessary or required before or after his indemnification by BaoMinh.

5. Dispute Settlement

Any dispute arising out of or relating to this insurance contract/ insurance policy shall be settled at the Competent Court in Vietnam.

6. Written notice

Every notice and other communication to BaoMinh required by these Conditions must be written or printed.

SPECIFICATION 1: GROSS PROFIT (DIFFERENCE BASIS)

On Gross Profit

The insurance under item No. 1 is limited to loss of Gross Profit due to (a) REDUCTION IN TURNOVER AND (b) INCREASE IN COST OF WORKING and the amount payable as indemnity thereunder shall be:

(a) IN RESPECT OF REDUCTION IN TURNOVER: the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, in consequence of the DAMAGE, fall short of the Standard Turnover.

(b) IN RESPECT OF INCREASE IN COST OF WORKING: the additional expenditure (subject to the provisions of the Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the DAMAGE, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the DAMAGE

provided that if the sum insured by this item be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

DEFINITIONS

Note 1: To the extent that the Insured is accountable to the tax authorities for Value Added Tax, all terms in this Policy shall be exclusive of such tax.

Note 2: For the purpose of these definitions, any adjustment implemented in current cost accounting shall be disregarded.

Indemnity Period: The period beginning with the occurrence of the DAMAGE and ending not later than the Maximum Indemnity Period thereafter during which the results of the business shall be affected in consequence of the DAMAGE.

Maximum Indemnity Period: as stated in the Schedule

Turnover: The money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the Business at the Premises.

Gross Profit: The amount by which

(i) the sum of the amount of the Turnover and the amounts of the closing stock and work in progress shall exceed

(ii) the sum of the amounts of the opening stock and work in progress and the amount of the Uninsured Working Expenses.

Note: The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

Uninsured working expenses:

- ✓ Purchases (less discounts received)
- ✓ Packing and Freight (other than by the Insured's own transport)
- ✓ Discounts allowed

and as stated in the attached list.

Note: The words and expressions used in this definition shall have the meaning usually attached to them in the books and accounts of the Insured

RATE OF GROSS PROFIT - The Rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage

ANNUAL TURNOVER - The Turnover during the twelve months immediately before the date of the Damage

STANDARD TURNOVER: The Turnover during that period in the twelve months immediately before the date of the damage which corresponds with the Indemnity Period

to which such adjustments shall 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 Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

UNINSURED STANDING CHARGES CLAUSE

If any standing charges of the Business be not insured by this Policy then in computing the amount recoverable hereunder as increase in cost of working that proportion only of the additional expenditure shall be brought into account which the sum of the Net Profit and the Insured Standing Charges bears to the sum of the Net Profit and all the standing charges.

ALTERNATIVE TRADING CLAUSE

If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the Premises for the benefit of the Business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

PREMIUM ADJUSTMENT CLAUSE: The Premium paid hereon may be adjusted on receipt by the Company of a declaration of Gross Profit earning during the financial year most nearly concurrent with the period of Insurance, as reported by the Insured's auditors.

If any DAMAGE shall have occurred giving rise to a claim for loss of Gross Profit the above mentioned declaration shall be increased by the Company for the purpose of premium

adjustment by the amount by which the Gross Profit was reduced during the financial year solely in consequence of the DAMAGE.

If the declaration (adjusted as provided for above and proportionately increased where the Maximum Indemnity period exceeds 12 months) is less than the sum insured on Gross Profit for the relative period of insurance the Company will allow a pro-rata return of premium not exceeding 50% of the premium paid.

SPECIFICATION 2 - NET PROFIT & INSURED STANDING CHARGES (ADDITIONAL BASIS)

On Gross Profit

The insurance under this Item is limited to loss of Gross Profit due to (a) REDUCTION IN TURNOVER and (b) INCREASE IN COST OF WORKING and the amount payable as indemnity thereunder shall be:-

- (a) IN RESPECT OF REDUCTION IN TURNOVER: the sum produced by applying the Rate of Gross Profit to the Shortage in Turnover during the Indemnity Period,
- (b) IN RESPECT OF INCREASE IN COST OF WORKING: the additional expenditure (subject to the provisions of the Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided.

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage.

PROVIDED THAT if the Sum insured by this Item be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or to a proportionally increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

DEFINITIONS

Note 1: To the extent that the Insured is accountable to the tax authorities for Value Added Tax, all terms in this Policy shall be exclusive of such tax.

Note 2: For the purpose of these definitions, any adjustment implemented in current cost accounting shall be disregarded.

INDEMNITY PERIOD - The period beginning with the occurrence of the Damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be affected in consequence thereof, provided always that the Company is not liable for the amount of loss arising during the time excess, such time excess to commence as from the beginning of the interruption of or interference with the Business resulting in a claim under this Policy.

MAXIMUM INDEMNITY PERIOD - The period stated in the Schedule.

TURNOVER - The money paid or payable to the insured for goods sold and delivered and for services rendered in course of the Business at the Premises.

GROSS PROFIT - The sum produced by adding to the Net Profit the amount of the Insured Standing Charges, or if there be no Net Profit the amount of the Insured Standing Charges less

such a proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the standing charges of the Business.

NET PROFIT - The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the Business of the Insured at the Premises after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

INSURED STANDING CHARGES - As stated in the Schedule.

TURNOVER - The money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the Business at the Premises.

INDEMNITY PERIOD - The period beginning with the occurrence of the Damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be affected in consequence thereof, provided always that the Company is not liable for the amount of loss arising during the time excess, such time excess to commence as from the beginning of the interruption of or interference with the Business resulting in a claim under this Policy.

MAXIMUM INDEMNITY PERIOD - The period stated in the Schedule.

Note: The words and expressions used in this definition (other than wages) shall have the meaning usually attached to them in the books and accounts of the Insured.

RATE OF GROSS PROFIT - The Rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage

ANNUAL TURNOVER - The Turnover during the twelve months immediately before the date of the Damage

STANDARD TURNOVER - The Turnover during the period corresponding with the Indemnity Period in the twelve months immediately before the date of the Damage

to which such adjustments shall 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 Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

SHORTAGE IN TURNOVER -The amount by which the Turnover during a period shall in consequence of the Damage fall short of the part of the Standard Turnover which relates to that period.

UNINSURED STANDING CHARGES CLAUSE

If any standing charges of the Business be not insured by this Policy then in computing the amount recoverable hereunder as increase in cost of working that proportion only of the

additional expenditure shall be brought into account which the sum of the Net Profit and the Insured Standing Charges bears to the sum of the Net Profit and all the standing charges.

ALTERNATIVE TRADING CLAUSE

If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the Premises for the benefit of the Business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

PREMIUM ADJUSTMENT CLAUSE: The Premium paid hereon may be adjusted on receipt by the Company of a declaration of Gross Profit earning during the financial year most nearly concurrent with the period of Insurance, as reported by the Insured's auditors.

If any DAMAGE shall have occurred giving rise to a claim for loss of Gross Profit the above mentioned declaration shall be increased by the Company for the purpose of premium adjustment by the amount by which the Gross Profit was reduced during the financial year solely in consequence of the DAMAGE.

If the declaration (adjusted as provided for above and proportionately increased where the Maximum Indemnity period exceeds 12 months) is less than the sum insured on Gross Profit for the relative period of insurance the Company will allow a pro-rata return of premium not exceeding 50% of the premium paid.

**BAOMINH INSURANCE CORPORATION
CHIEF EXECUTIVE OFFICER**

VU ANH TUAN