

BUSINESS INTERRUPTION FOLLOWING PROPERTY ALL RISKS INSURANCE POLICY

(BAOMINH – BUSINESS INTERRUPTION FOLLOWING PROPERTY ALL RISKS - 2020)

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

By Chief Executive Officer of Bao Minh Insurance Corporation)

This policy should be read carefully and its terms noted

BaoMinh Insurance Corporation agrees – hereafter called “BaoMinh” - (subject to the terms, conditions and exclusions contained herein or endorsed or otherwise expressed hereon which shall so far as the nature of them respectively will permit be deemed to be conditions precedent to the right of the Insured to recover hereunder) that if after payment of the first premium any building or other property or any part thereof used by the Insured at the premises for the purpose of the business be accidentally lost destroyed or damaged (such accidental loss destruction or damage being hereinafter termed Damage) other than by an excluded cause at any time of the period of insurance or of any subsequent period in respect of which the Insured shall have paid and BaoMinh shall have accepted the premium required for the renewal of this policy and the business carried on by the Insured at the premises be in consequence thereof interrupted or interfered with. Then BaoMinh will pay to the Insured in respect of each item in the schedule hereto the amount of loss resulting from such interruption or interference in accordance with the provisions therein contained.

Provided that

1. at the time of the happening of the Damage there shall be in force an insurance covering the interest of the Insured in the property at the premises against such Damage and that
 - (i) payment shall have been made or liability admitted therefor
or
 - (ii) payment would have been made or liability would have been admitted therefor but for the operation of a proviso in such insurance excluding liability for losses below a specified amount
2. the liability of BaoMinh in any one period of insurance shall in no case exceed-

- (i) in respect of each item the sum expressed in the schedule to be insured thereon or in the whole the total sum insured hereby
- (ii) any limit of liability shown in the schedule

or such other sum or sums as may be substituted therefor by memorandum hereon or attached hereto signed by or on behalf of BaoMinh.

EXCLUDED CAUSES

This policy does not cover loss resulting from

1. Damage caused by:

- (a) (i) faulty or defective design materials or workmanship inherent vice latent defect gradual deterioration deformation or distortion or wear and tear.
- (ii) interruption of the water supply gas electricity or fuel systems or failure of the effluent disposal systems to or from the Premises

unless Damage by a cause not excluded in the policy ensues and then BaoMinh shall be liable only for such ensuing Damage

- (b) (i) corrosion rust extremes or changes in temperature dampness dryness wet or dry rot fungus shrinkage evaporation loss of weight pollution contamination change of colour flavour texture or finish action of light vermin insects marring or scratching

unless such Damage is caused directly by Damage to the property insured or to premises containing such property by a cause not excluded in the policy

- (c) (i) theft except from a building and then only if there is violent or forcible entry to or exit from such building
- (ii) acts of fraud or dishonesty
- (iii) disappearance unexplained or inventory shortage misfiling or misplacing of information shortages in supply or delivery of materials or shortage due to clerical or accounting error
- (iv) cracking fracturing collapse or overheating of boilers economisers vessels tubes or pipes nipple leakage or the failure of welds of boilers
- (v) mechanical or electrical breakdown or derangement of machinery or equipment
- (vi) bursting overflowing discharging or leaking of water tanks apparatus or pipes when the premises are empty or disused

unless

- (i) Damage by a cause not excluded in the policy ensues and then BaoMinh shall be liable only for such ensuing Damage
- (ii) such Damage is caused directly by Damage to the property insured or to premises containing such property by a cause not excluded in the policy

- (d)
 - (i) coastal or river erosion
 - (ii) subsidence ground heave or landslip
 - (iii) normal settlement or bedding down of new structures
 - (iv) wind rain hail frost snow flood sand or dust to movable property in the open or in open sided buildings or to fences and gates
 - (v) the freezing solidification or inadvertent escape of molten material.

2. Damage to:

- (a) property as a result of its undergoing any process
- (b) property in transit other than within the premises specified in the Schedule

3. Damage resulting from:

- (a) deliberate erasure loss distortion or corruption of information on computer systems or other records programs or software.
- (b) other erasure loss distortion or corruption of information on computer systems or other records programs or software unless resulting from fire lightning explosion aircraft impact by any road vehicle or animals earthquake hurricane windstorm flood bursting overflowing discharging or leaking of water tanks apparatus or pipes insofar as it is not otherwise excluded.

unless caused by Damage to the machine or apparatus in which the records are mounted.

4. Damage to:

- (a) fixed glass
- (b) glass (other than fixed glass) china earthenware marble or other fragile or brittle objects
- (c) electronic installations computers and data processing equipment.
- (d) vehicles licensed for road use (including accessories thereon) caravans trailers railway locomotives or rolling stock watercraft or aircraft spacecraft or the like
- (e) property or structures in course of demolition construction or erection and materials or supplies in connection therewith
- (f) plant machinery or equipment during installation removal or resiting (including dismantling and re-erection) if directly attributable to such operations
- (g) property undergoing alteration repair testing installation or servicing including materials and supplies therefor if directly attributable to the operations or work being performed thereon

but this shall not exclude Damage (not otherwise excluded) caused by fire lightning explosion aircraft riot strikers locked-out workers persons taking part in labour

disturbances malicious persons impact by any road vehicle or animals earthquake hurricane windstorm flood bursting overflowing discharging or leaking of water tanks apparatus or pipes

5. Damage to:
 - (a) land (including top-soil back-fill drainage or culverts) driveways pavements roads runways railway lines dams reservoirs canals rigs wells pipelines tunnels bridges docks piers jetties excavations wharves mining property underground off-shore property
 - (b) livestock growing crops or trees
6. Damage caused by or arising from
 - (a) any wilful act or wilful negligence on the part of the Insured or any person acting on his behalf
 - (b) cessation of work
7. Damage occasioned directly or indirectly by or through or in consequence of any of the following occurrences namely
 - (a) war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war
 - (b) mutiny civil commotion assuming the proportions or amounting to a popular rising military rising insurrection rebellion revolution military or usurped power
 - (c) acts of terrorism committed by a person or persons acting on behalf of or in connection with any organisation. This Exclusion 7(c) shall not apply to Damage by Fire

For the purpose of Exclusion 7(c) above, “terrorism” means the use of violence for political ends and includes any use of violence for the purpose of putting the public or any section of the public in fear

- (d)
 - (i) permanent or temporary dispossession resulting from confiscation nationalisation commandeering or requisition by any lawfully constituted authority
 - (ii) permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person.

Provided that BaoMinh is not relieved of any liability to the Insured in respect of physical damage to the Property Insured occurring before dispossession or during temporary dispossession which is otherwise insured by this policy

- (e) the destruction of property by order of any public authority

In any action suit or other proceeding where BaoMinh alleges that by reason of the provisions of Exclusions 7(a) (b) and (c) above any accidental loss destruction or damage is not covered by this insurance the burden of proving that such accidental loss destruction or damage is covered shall be upon the Insured

8. Damage directly or indirectly caused by or arising from or in consequence of or contributed to by:-
 - (a) nuclear weapons material
 - (b) ionising 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 8(b) combustion shall include any self-sustaining process of nuclear fission.
9. Damage to boilers economisers turbines or other vessels machinery or apparatus in which pressure is used or their contents resulting from their explosion or rupture.
10. Damage caused by pollution or contamination exclusion

Notwithstanding anything to the contrary contained herein, this Policy does not cover for loss or destruction or damage caused by pollution or contamination except (unless otherwise excluded) destruction of or damage to the property insured caused by a peril insured, but excluding:

- (a) pollution or contamination which itself results from 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, windstorm, flood, bursting overflowing discharging or leaking of water tanks apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal.
- (b) any of the perils listed in (a) above which itself results from pollution or contamination.

UNDER INSURANCE

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.

DEDUCTIBLES

This policy does not cover the amounts of the deductibles stated in the schedule in respect of each and every loss as ascertained after the application of all other terms conditions and provisions of this policy.

Warranted that during the currency of the policy the Insured shall not effect insurance in respect of the amounts of the deductibles in the schedule.

CONDITIONS

1. Identification

This Policy, terms and conditions, endorsement and list of insured property (which forms 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 mentioned document attached shall bear such specific meanings wherever they shall appear.

2. Misdescription

If there be any material misdescription of the business or premises to which this insurance refers or any misrepresentation as to any fact material to be known for estimating the risk or any omission to state such fact, BaoMinh shall not be liable under this Policy.

3. 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.

4. Forfeiture

All benefit under this policy shall be forfeited

(a) if any claim made under this Policy be in any respect fraudulent or if any false declaration be made or used in support thereof, or if any fraudulent means or devices are used by the Insured or any one acting on his behalf to obtain any benefit under this Policy

or

(b) if any claim be made and rejected and an action or suit is not commenced within three months after such rejection, or (in case of an arbitration taking place in pursuance of Condition No. 7 of this Policy) within three months after the arbitrator or arbitrators or umpire shall have made their award.

5. Subrogation

Any claimant under this Policy shall, at the expense of BaoMinh do, and concur 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 or damage under this Policy, whether such acts and things shall be or become necessary or required before or after his indemnification by BaoMinh.

6. Contribution

If at the time any claim arises under this Policy there is any other insurance covering the same loss, whether effected by the Insured or by any other person or persons, Bao Minh shall not be liable to pay or contribute more than their rateable proportion of such loss.

7. Dispute Settlement

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

8. Alteration

The Insurance by this Policy shall cease if

- (a) the business be wound up or carried on by a Liquidator or Receiver or permanently discontinued, or
- (b) the Insured's interest cease otherwise than by death, or
- (c) any alteration be made either in the business or in the premises or property therein whereby the risk of Damage is increased

at any time after the commencement of this Insurance, unless its continuance be admitted by memorandum signed by or on behalf of BaoMinh.

9. Property Damage Rate of Premium

Notice shall be given to BaoMinh and if required an additional premium paid if the rate of premium payable in respect of the insurance covering the interest of the Insured in the property at the premises against Damage shall be increased.

10. Claims

On the happening of any damage in consequence of which a claim is or may be under this Policy, the Insured shall forthwith give notice thereof to BaoMinh and shall with due diligence to and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or diminish the loss, and in the event of a claim being made under this Section shall, not later than thirty days after the expiry of the Indemnity Period or within such further time as BaoMinh may in writing allow, at his own expense deliver to BaoMinh in writing a statement setting forth particulars of his claim, together with details of all other insurances (if any) covering the damage or any part of it or consequential loss of any kind resulting therefrom.

The Insured shall at his own expense produce, procure and give 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 or on behalf of BaoMinh for the purpose of investigating or verifying the claim together with a declaration on oath or in other legal form of the truth of the claim and of any matters connected therewith.

No claims under this Policy shall be payable unless the terms of this condition have been complied with and in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to BaoMinh forthwith.

11. Time Limit

In no case whatever shall BaoMinh be liable in respect of any claim under this Policy after the expiration of

- (a) one year from the end of the Indemnity Period
or, if later
- (b) three months from the date on which payment shall have been made or liability admitted by BaoMinh covering the Damage giving rise to the said claim

unless the claim is the subject of pending action or arbitration.

12. Reasonable Precautions

The Insured shall maintain the property in a proper state of repair and take all reasonable precautions to prevent Damage thereto at all the times (even before, during and after the loss or damage) in accordance with the Safety Regulation for Fire and Explosion and all other Regulations issued by Ministry of Police, the manufacturers and all other Authority Departments of Vietnam.

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